



DR 6 TAHUN 2014  
DEWAN RAKYAT YANG KETIGA BELAS  
PENGAL KEDUA

LAPORAN  
JAWATANKUASA KIRA-KIRA WANG NEGARA  
PARLIMEN KETIGA BELAS

PROJEK PENINGKATAN LAPANGAN TERBANG  
ANTARABANGSA KOTA KINABALU

- KEMENTERIAN PENGANGKUTAN-



**LAPORAN**  
**JAWATANKUASA KIRA-KIRA WANG NEGARA**  
**PARLIMEN KETIGA BELAS**

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**LAPORAN  
JAWATANKUASA  
KIRA-KIRA  
WANG NEGARA**

**LAPORAN JAWATANKUASA KIRA-KIRA WANG NEGARA  
TERHADAP PROJEK PENINGKATAN LAPANGAN TERBANG  
ANTARABANGSA KOTA KINABALU  
(RABU, 20 NOVEMBER 2013)**

**1. LATAR BELAKANG**

Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu, Sabah merupakan projek peningkatan lapangan terbang sedia ada bagi membolehkan pengendalian penumpang dan operasi pesawat yang lebih baik. Projek ini melibatkan 2 pakej iaitu Pakej 1 (menaiktaraf bangunan Terminal 1 dari aspek peningkatan keluasan lantai; *passenger loading bridge*; *baggage reclaim carousel*; tempat letak kenderaan terbuka dan *aircraft parking bays*) dan Pakej 2 (menaiktaraf Airside, Terminal 2 dan menara kawalan trafik udara serta bangunan pentadbiran Jabatan Penerbangan Awam).

Kontraktor utama bagi Pakej 1 ialah WCT Engineering Berhad (WCT) dan Pakej 2 ialah Global Upline Sdn. Bhd. (GUSB). Kedua-dua kontraktor tersebut dilantik secara rundingan terus dengan konsep pelaksanaan secara reka dan bina.

Kos bagi Pakej 1 adalah bernilai RM720 juta dengan tempoh kontrak selama 36 bulan (21 Mei 2006 hingga 20 Mei 2009). Manakala kos projek Pakej 2 berjumlah RM720 juta dengan tempoh kontrak selama 36 bulan (21 April 2006 hingga 20 April 2009). Pegawai Penguasa (SO) bagi Projek ini ialah Ketua Setiausaha (KSU) Kementerian Pengangkutan dan KLIA Consultancy Services Sdn. Bhd. (KLIACS) dilantik sebagai perunding projek.

## **2. OBJEKTIF PERBINCANGAN OLEH JAWATANKUASA**

Jawatankuasa Kira-kira Wang Negara telah membincangkan isu Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu yang telah dibangkitkan dalam Laporan Ketua Audit Negara Tahun 2012 (Siri 1). Selaras dengan mandat yang diberi di bawah Perkara 77 Peraturan-peraturan Majlis Mesyuarat Dewan Rakyat serta Perkara 304(a) Arahan Perbendaharaan (Pindaan 2008), Jawatankuasa telah membuat pemeriksaan terhadap perkara ini dengan tujuan:

- a. Memastikan projek Kerajaan yang dilaksanakan mencapai objektif yang telah ditetapkan.
- b. Tiada pembaziran dan penyelewengan berlaku dalam pelaksanaan projek Kerajaan.
- c. Memastikan kerja yang dilaksanakan mematuhi undang-undang, peraturan dan syarat yang telah ditetapkan oleh pihak berwajib.
- d. Pelan perancangan yang telah ditetapkan dapat dilaksanakan dengan baik.

## **3. SKOP DAN METODOLOGI**

Perbincangan telah dibuat melalui pendekatan berikut:

- a. Menjemput Timbalan Ketua Audit Negara (Persekutuan) bagi memberi penjelasan awal berhubung isu yang dibangkitkan;
- b. Memanggil pihak-pihak yang terlibat dalam Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu, Sabah iaitu Kementerian Pengangkutan, Jabatan Penerbangan Awam dan KLIA Consultancy Services Sdn. Bhd.; dan
- c. Menjemput wakil dari agensi Kerajaan pusat iaitu Kementerian Kewangan; Jabatan Akauntan Negara; Jabatan Perkhidmatan Awam dan Unit Perancang Ekonomi untuk hadir bersama.

## **4. HASIL PERBINCANGAN**

Sesi perbincangan dimulakan dengan penjelasan awal mengenai isu yang berkenaan oleh Timbalan Ketua Audit Negara (Persekutuan) kepada Jawatankuasa Kira-kira Wang Negara. Selanjutnya, pihak yang terlibat dengan isu yang dibangkitkan iaitu Kementerian Pengangkutan yang diwakili oleh YBhg. Datuk Seri Long See Wool iaitu Ketua Setiausaha Kementerian Pengangkutan, dipanggil untuk memberikan keterangan. Perkara yang dibincangkan pada umumnya diringkaskan seperti berikut:

### **4.1. Penjelasan Awal Oleh Timbalan Ketua Audit Negara (Persekutuan)**

Timbalan Ketua Audit Negara (Persekutuan) memaklumkan bahawa pengauditan yang dijalankan adalah Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu, Sabah yang telah dibentangkan dalam Siri 1, Laporan Ketua Audit Negara Tahun 2012 pada 1 Oktober 2013. Skop pengauditan adalah bagi tempoh tahun 2006 hingga 2012 yang meliputi semakan antaranya melibatkan Kementerian Pengangkutan (Bahagian Pembangunan), Jabatan Penerbangan Awam (Ibu Pejabat, KLIA dan Sabah), Jabatan Perdana Menteri, Perunding Projek (KLIACS), Malaysia Airports Holdings Berhad (MAHB - KLIA dan Sabah), Jabatan Perlindungan Alam Sekitar Negeri Sabah (JPAS), Jabatan Alam Sekitar (JAS) dan Jabatan Tanah Dan Ukur Sabah. Prestasi fizikal keseluruhan projek bagi Pakej 1 adalah mengikut jadual setelah mengambil kira tiga lanjutan masa selama 290 hari. Bagi Pakej 2 pula, prestasi fizikal sebenar setakat 31 Mei 2012 ialah 94.3% berbanding dengan jadual, 94.2%, setelah mengambil kira lima lanjutan masa selama 1,106 hari dan perjanjian tambahan selama lapan bulan. Antara kelemahan yang dibangkitkan adalah seperti berikut:

**a. Ketidakpatuhan Undang-Undang Alam Sekitar;**

Laporan EIA telah disediakan bagi aktiviti penebusgunaan tanah di tepi laut atau di tebing sungai oleh Chemsain Konsultant Sdn. Bhd. (perunding GUSB) dan diluluskan oleh Jabatan Perlindungan Alam Sekitar Sabah (JPAS) pada 13 Februari 2007. Berdasarkan aduan awam dan pemeriksaan ke tapak projek, JPAS seterusnya mengenakan pindaan terhadap syarat tambahan iaitu GUSB perlu menggunakan kaedah pembinaan *Precision Approach Lightings* yang mesra alam tanpa melibatkan sebarang bentuk pengorekan pasir dasar laut atau pasir di kawasan Muara Sg. Petagas. Kaedah yang ditetapkan adalah *temporary steel staging as working platform*. Bagaimanapun, GUSB menggunakan kaedah bargaining.

Selepas penamatan GUSB pada 31 Disember 2012, kontraktor baru yang dilantik akan dipastikan untuk menjalankan kerja mengikut syarat dan peraturan EIA yang berkuat kuasa.

**b. Pemasangan *Instrument Landing System (ILS)***

ILS adalah suatu sistem yang akan memberi panduan kepada juruterbang bagi tujuan pendaratan. Berdasarkan perjanjian tambahan, pemasangan ILS dijadualkan siap pada 31 Ogos 2012. Bagaimanapun, kemajuan kerja pada bulan Jun 2012 hanya 0.08%.

ILS adalah sebuah fasiliti yang meningkatkan kecekapan operasi kapal udara. ILS tidak mempengaruhi tahap keselamatan operasi kapal udara. Masih terdapat beberapa lapangan terbang dan landasan di negara ini yang tidak mempunyai ILS tetapi selamat digunakan untuk pendaratan kapal udara. Pada masa ini,

pendaratan visual approach dan VOR/DME approach digunapakai di LTAB Kota Kinabalu sejak 1 Mei 2012 selaras dengan AIP Supplement 21/2011 bertarikh 3 November 2011.

### **c. Perpindahan Airasia Dari Terminal 2 Ke Terminal 1**

Mesyuarat Majlis Ekonomi (EC) Bil 18/2011 telah memutuskan supaya operasi syarikat penerbangan tambang murah perlu dipindahkan dari Terminal 2 ke Terminal 1. Sungguhpun Terminal 1 telah mula digunakan semenjak bulan Mac 2010, namun AirAsia enggan berpindah dari Terminal 2 ke Terminal 1.

AirAsia pada dasarnya boleh berpindah ke Terminal 1. Bagaimanapun, masih terdapat kerja pembinaan di sebahagian *connecting Taxiway Charlie* dan *Taxiway Mike* yang belum siap. Keadaan ini akan menjejaskan kecekapan operasi serta meningkatkan kos operasi AirAsia jika operasinya dipindahkan ke Terminal 1. Perpindahan operasi AirAsia wajar dilaksanakan apabila kerja berkaitan siap sepenuhnya.

## **4.2. Keterangan Oleh Ketua Setiausaha Kementerian Pengangkutan:**

### **a. Ketidakpatuhan Terhadap Undang-Undang Alam Sekitar, *Environmental Impact Assesment (EIA)***

- i. EIA perlu disediakan kerana pembinaan *Precision Approach Light (PAL)* melibatkan kawasan laut dan menjadi tanggungjawab kontraktor untuk melaksanakan Kajian EIA.
- ii. Projek ini dilaksanakan secara *Design & Build* di mana kontraktor bertanggungjawab dalam mematuhi syarat-syarat EIA.



- iii. Jabatan Perlindungan Alam Sekitar Sabah (JPAS) telah meluluskan kaedah *temporary steel staging* yang lebih mesra alam sekitar dan tidak mengakibatkan impak negatif. Bagaimanapun pihak kontraktor telah menggunakan kaedah berbeza iaitu *barging*. Pihak Perunding telah mengeluarkan NCR kepada Kontraktor kerana tidak melaksanakan kerja mengikut kaedah yang telah diluluskan.

#### **Ulasan Audit:**

**Berdasarkan pematuhan kepada EIA, pihak Kontraktor tidak mematuhi kaedah pembinaan PAL yang diluluskan iaitu pembinaan secara *temporary steel staging*. Permohonan penggunaan Kaedah *barging* tidak dibuat kepada JPAS untuk dilaksanakan.**

#### **b. Pemasangan *Instrument Landing System (ILS)***

- i. ILS merupakan peralatan bantuan pendaratan yang membantu juruterbang membuat pendaratan. Tidak semua lapangan terbang dilengkapi dengan ILS tetapi masih selamat digunakan. Bagi lapangan terbang yang tidak dilengkapi ILS, terdapat prosedur tertentu yang perlu dipatuhi oleh juruterbang.
- ii. Dalam isu KKIA, peralatan ILS perlu ditanggalkan bagi memberi laluan kepada kerja-kerja pemanjangan landasan. ILS yang baru akan dipasang apabila kerja-kerja pemanjangan landasan telah siap sepenuhnya. Oleh itu, terdapat selang masa di mana ILS tidak berfungsi semasa kerja dilaksanakan dan pendaratan masih dapat dilakukan.
- iii. Keperluan lapangan terbang mempunyai ILS adalah untuk membantu meningkatkan kecekapan pendaratan.
- iv. Peralatan ILS masih tidak dipasang kerana kerja-kerja landasan masih tidak siap.

- v. ILS adalah di bawah *Navigation Aids System* (NAVAIDS) dan seperti yang dinyatakan di dalam *Bill of Quantity* (BQ) berjumlah RM22.96 juta tetapi ia termasuk dengan perkara lain.
- vi. Harga bagi peralatan ILS tidak dapat ditentukan kerana harga kontrak adalah bagi peralatan dan sistem bersekali. Antara peralatan lain yang termasuk dalam NAV AIDS adalah VOR/DME (*VHF Omnidirectional Range/Distance Measuring Equipment*). Sehingga kini hanya komponen peralatan ILS masih belum dipasang dan hanya akan dipasang apabila landasan siap.
- vii. Pihak Kementerian memaklumkan, pembayaran bagi peralatan dilakukan apabila peralatan telah dibekalkan. Baki kerja yang tinggal adalah untuk kerja pemasangan dan pengujian sahaja yang masih tidak dilaksanakan.

#### **Ulasan Audit:**

**Pemasangan ILS merupakan salah satu komponen kerja yang dinyatakan di dalam kontrak dan merupakan salah satu skop kerja Kontraktor. Kelewatan dalam kerja-kerja memanjangkan landasan telah menyumbang kepada kelewatan pemasangan ILS yang telah dibeli. Peralatan yang telah dibeli dan tidak dipasang dalam tempoh yang lama juga menjejaskan jaminan kilang terhadap peralatan tersebut.**

### c. Perpindahan AirAsia Dari Terminal 2 Ke Terminal 1

- i. Dalam perancangan awal, industri penerbangan tambang murah bukan satu sektor yang besar dalam industri penerbangan. Walau bagaimanapun, industri penerbangan tambang murah telah berkembang dengan pesat kemudiannya.
- ii. Menaiktaraf memerlukan penutupan sebahagian Terminal 1 dan sebahagian operasi dipindahkan ke terminal sementara (Terminal 2). Selepas penyiapan kerja menaiktaraf, operasi Terminal 2 akan dipindahkan semula ke Terminal 1.
- iii. Selepas penyiapan Terminal 1, kapasiti yang dapat ditampung oleh Terminal 1 adalah 9 juta penumpang setahun.
- iv. Pihak Kementerian dalam beberapa siri mesyuarat yang diadakan telah memutuskan supaya AirAsia berpindah ke Terminal 1 apabila Terminal tersebut telah siap. Bagaimanapun, pihak AirAsia masih belum berpindah sehingga hari ini.
- v. AirAsia telah memberikan 3 alasan untuk tidak berpindah iaitu caj penumpang yang dikenakan di Terminal 2 adalah lebih murah berbanding caj yang dikenakan di Terminal 1; Terminal 1 tidak mengasingkan operasi penerbangan bagi *full service* dan *low cost* dan pampasan perlu dibayar sekiranya berpindah. Perkara ini tidak dipersetujui oleh MAHB.
- vi. MAHB masih mempertimbangkan isu perpindahan kerana lapangan terbang secara keseluruhannya belum siap di mana terdapat *taxiway* yang masih dalam pembinaan. Bagaimanapun, apabila kerja telah siap sepenuhnya, pihak MAHB akan meminta AirAsia untuk berpindah ke Terminal 1.

**Ulasan Audit:**

**Kementerian, DCA dan MAHB hendaklah tegas serta konsisten terhadap perkara ini dan pelan tindakan mengenai pelaksanaan keputusan Mesyuarat *Economic Council* (EC) tersebut hendaklah dipatuhi.**

**d. Pelantikan Kontraktor Baru**

- i. Baki kos kontrak asal yang masih belum dibayar adalah dalam lingkungan RM50 juta.
- ii. Kos Kontrak bagi pelantikan kontraktor penyelamat adalah seperti berikut:
  - a. *Civil And Structure Works*: RM155.5 juta
  - b. *AGL And Fire Protection System*: RM23 juta
  - c. *Navigation Aid System*: RM12.9 juta
  - d. *Communication Aid System – Automated Weather Observing System*: RM3.46 juta
- iii. Antara faktor-faktor yang menyebabkan kos projek meningkat adalah seperti berikut:-
  - a. peningkatan harga barang dan peralatan baru;
  - b. insurans; dan
  - c. kos mobilisasi.

**Ulasan Audit:**

**Kementerian telah ambil langkah positif untuk menyelamatkan projek ini dengan pelantikan kontraktor baru. Bagaimanapun, kontraktor baru hendaklah melaksanakan kerja mengikut spesifikasi dan kualiti yang ditetapkan bagi memastikan keselamatan pengguna lapangan terbang terjamin.**

## **5. RUMUSAN JAWATANKUASA KIRA-KIRA WANG NEGARA (PAC)**

5.1. Perancangan Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu tidak dibuat dengan rapi terutamanya dari segi rekabentuk yang berlandaskan unjuran jumlah penumpang. Ini menyebabkan antara lainnya berlaku ketidakpatuhan kepada syarat EIA.

### **Pandangan PAC Mengenai Isu Tanah**

- a. Oleh sebab projek ini melibatkan pengambilan tanah daripada pelbagai pemilik dan juga permohonan tanah yang baru kepada Kerajaan Negeri, maka Kementerian Pengangkutan sepatutnya meminta pandangan dan nasihat daripada Jabatan Perlindungan Alam Sekitar Negeri Sabah sama ada perlu atau tidak satu laporan EIA disediakan. Tambahan pula, pengambilan tanah juga melibatkan pemindahan setinggan ke suatu tempat yang juga memerlukan tanah.
- b. Adalah juga didapati bahawa Perancangan Pembinaan KKIA ini tidak dibuat dengan tersusun rapi. Akibatnya kepentingan dan kehendak semua "*stakeholder*" tidak diambilkira dalam perancangan projek termasuklah dalam merekabentuk projek.

5.2 Oleh sebab projek ini melibatkan pengambilan tanah daripada pelbagai pemilik dan juga permohonan tanah yang baru kepada Kerajaan Negeri, maka Kementerian Pengangkutan sepatutnya terlebih dahulu meminta pandangan dan nasihat daripada Kerajaan Negeri mengenai keperluan laporan EIA dan juga penempatan semula setinggan.

5.3. ILS yang dibeli dan lewat dipasang boleh mengakibatkan pembaziran dalam perolehan Kerajaan. Kelewatan pemasangan juga boleh menyebabkan tarikh jaminan peralatan luput dan menjejaskan

fungsi peralatan. Peralatan telah dibayar hampir keseluruhan kos walaupun ILS tersebut belum dipasang. Pihak Kementerian tidak mengemukakan perincian kos ILS berkenaan seperti yang dipohon oleh PAC.

5.4. AirAsia tidak berpindah kerana faktor kos *passenger service charge*, tiada pengasingan bagi *full service* dan *low cost service* di Terminal 1 dan meminta pampasan daripada MAHB sekiranya diminta berpindah.

5.5. Kos bagi baki kerja oleh kontraktor penyelamat berjumlah RM194.86 juta adalah besar berbanding baki kerja semasa penamatan kontraktor asal berjumlah RM53.34 juta.

## **6. SYOR JAWATANKUASA KIRA-KIRA WANG NEGARA (PAC)**

Bagi tujuan penambahbaikan akan datang, PAC mencadangkan:

- a. Tindakan tegas dan segera perlu diambil terhadap kontraktor asal kerana ketidakpatuhan terhadap syarat-syarat kontrak. Pada masa kini kontraktor telah mengambil tindakan mahkamah terhadap Kementerian pada 4 Januari 2013. Bagaimanapun, kes masih dalam perbicaraan dan bon pelaksanaan sejumlah RM36 juta telah ditahan sementara menunggu keputusan mahkamah.
- b. Perancangan pembelian peralatan seperti ILS hendaklah dikawal dengan lebih rapi oleh Pegawai Penguasa (SO) bagi mengelakkan peralatan yang telah dibeli tidak dapat dipasang kerana kelewatan kerja yang berhubung kait.
- c. Pembayaran bagi pembelian dan pemasangan peralatan hendaklah diselarikan dengan kemajuan kerja.

- d. Kementerian hendaklah memastikan pelan perpindahan AirAsia ke Terminal 1 akan dilaksanakan selaras dengan keputusan Mesyuarat Majlis Ekonomi.

**Jawatankuasa Kira-kira Wang Negara  
Parlimen Ketiga Belas**

**SYOR  
JAWATANKUASA  
KIRA-KIRA WANG NEGARA**



**RUMUSAN & SYOR**  
**JAWATANKUASA KIRA-KIRA WANG NEGARA**

PARA	RUMUSAN & SYOR
5.1.	Perancangan Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu tidak dibuat dengan rapi terutamanya dari segi rekabentuk yang berlandaskan unjuran jumlah penumpang. Ini menyebabkan antara lainnya berlaku ketidakpatuhan kepada syarat EIA.
	<p><b>Pandangan PAC Mengenai Isu Tanah</b></p> <p>a. Oleh sebab projek ini melibatkan pengambilan tanah daripada pelbagai pemilik dan juga permohonan tanah yang baru kepada Kerajaan Negeri, maka Kementerian Pengangkutan sepatutnya meminta pandangan dan nasihat daripada Jabatan Perlindungan Alam Sekitar Negeri Sabah sama ada perlu atau tidak satu laporan EIA disediakan. Tambahan pula, pengambilan tanah juga melibatkan pemindahan setinggan ke suatu tempat yang juga memerlukan tanah.</p> <p>b. Adalah juga didapati bahawa Perancangan Pembinaan KKIA ini tidak dibuat dengan tersusun rapi. Akibatnya kepentingan dan kehendak semua “<i>stakeholder</i>” tidak diambilkira dalam perancangan projek termasuklah dalam merekabentuk projek.</p>
5.2.	Oleh sebab projek ini melibatkan pengambilan tanah daripada pelbagai pemilik dan juga permohonan tanah yang baru kepada Kerajaan Negeri, maka Kementerian Pengangkutan sepatutnya terlebih dahulu meminta pandangan dan nasihat daripada Kerajaan Negeri mengenai keperluan laporan EIA dan juga penempatan semula setinggan.
5.3.	ILS yang dibeli dan lewat dipasang boleh mengakibatkan pembaziran dalam perolehan Kerajaan. Kelewatan pemasangan

PARA	RUMUSAN & SYOR
	<p>juga boleh menyebabkan tarikh jaminan peralatan luput dan menjejaskan fungsi peralatan. Peralatan telah dibayar hampir keseluruhan kos walaupun ILS tersebut belum dipasang. Pihak Kementerian tidak mengemukakan perincian kos ILS berkenaan seperti yang dipohon oleh PAC.</p>
5.4.	<p>AirAsia tidak berpindah kerana faktor kos <i>passenger service charge</i>, tiada pengasingan bagi <i>full service</i> dan <i>low cost service</i> di Terminal 1 dan meminta pampasan daripada MAHB sekiranya diminta berpindah.</p>
5.5.	<p>Kos bagi baki kerja oleh kontraktor penyelamat berjumlah RM194.86 juta adalah besar berbanding baki kerja semasa penamatan kontraktor asal berjumlah RM53.34 juta.</p>
6.	<p>Bagi tujuan penambahbaikan akan datang, PAC mencadangkan:</p>
a.	<p>Tindakan tegas dan segera perlu diambil terhadap kontraktor asal kerana ketidakpatuhan terhadap syarat-syarat kontrak. Pada masa kini kontraktor telah mengambil tindakan mahkamah terhadap Kementerian pada 4 Januari 2013. Bagaimanapun, kes masih dalam perbicaraan dan bon pelaksanaan sejumlah RM36 juta telah ditahan sementara menunggu keputusan mahkamah.</p>
b.	<p>Perancangan pembelian peralatan seperti ILS hendaklah dikawal dengan lebih rapi oleh Pegawai Penguasa (SO) bagi mengelakkan peralatan yang telah dibeli tidak dapat dipasang kerana kelewatan kerja yang berhubung kait.</p>
c.	<p>Pembayaran bagi pembelian dan pemasangan peralatan hendaklah diselarikan dengan kemajuan kerja.</p>
d.	<p>Kementerian hendaklah memastikan pelan perpindahan AirAsia ke Terminal 1 akan dilaksanakan selaras dengan keputusan Mesyuarat Majlis Ekonomi.</p>

**AGENDA MESYUARAT  
JAWATANKUASA  
KIRA-KIRA WANG NEGARA**

**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
BIL 3/2013 PADA RABU 20 NOVEMBER 2013  
DI BILIK JAWATANKUASA 1, BANGUNAN PARLIMEN**

<b>TARIKH / HARI / MASA</b>	<b>PERKARA</b>	<b>KEMENTERIAN/ JABATAN/ AGENSI TERLIBAT</b>
<p style="text-align: center;"><b>20 Nov 2013 (Rabu)</b></p> <p style="text-align: center;"><b>10.30 pagi</b></p>	<p style="text-align: center;"><b>Projek Pembinaan Kuala Lumpur International Airport 2 (KLIA 2) dan Projek Peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu, Sabah</b></p>	<p style="text-align: center;"><b>Kementerian Pengangkutan</b></p>

**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
BIL 12/2014 PADA ISNIN 28 APRIL 2014  
DI BILIK JAWATANKUASA 1, BANGUNAN PARLIMEN**

<b>TARIKH / HARI / MASA</b>	<b>PERKARA</b>	<b>KEMENTERIAN/ JABATAN/ AGENSI TERLIBAT</b>
<p style="text-align: center;"><b>28 April 2014 (Isnin)</b></p> <p style="text-align: center;"><b>10.30 pagi</b></p>	<p style="text-align: center;"><b>1. KUALA LUMPUR INTERNATIONAL AIRPORT 2</b> - Perancangan dan Pelaksanaan Operasi AirAsia</p> <p style="text-align: center;"><b>2. KOTA KINABALU INTERNATIONAL AIRPORT</b> - Pemindahan Operasi AirAsia dari Terminal 2 ke Terminal 1</p>	<ul style="list-style-type: none"> <li>• AirAsia Berhad</li> <li>• Kementerian Pengangkutan</li> </ul>

# LAPORAN PROSIDING

- Mesyuarat PAC Bil 3/2013 Pada Rabu 20 November 2013
- Mesyuarat PAC Bil 12/2014 Pada Isnin 28 April 2014

**Bil. 3**

**Rabu  
20 November 2013**



**MALAYSIA**

## **LAPORAN PROSIDING**

### **MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA**

**Mengenai:**

**PROJEK PENINGKATAN LAPANGAN TERBANG  
ANTARABANGSA KOTA KINABALU**

➤ **Kementerian Pengangkutan**

**PARLIMEN KETIGA BELAS  
PENGAL PERTAMA**

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**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
BILIK MESYUARAT JAWATANKUASA 1,  
PARLIMEN MALAYSIA  
RABU, 20 NOVEMBER 2013**

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**AHLI-AHLI JAWATANKUASA**

**Hadir**

YB. Datuk Nur Jazlan bin Mohamed	- <i>Pengerusi</i>
YB. Dr. Tan Seng Giaw [Kepong]	- <i>Timbalan Pengerusi</i>
YB. Datuk Seri Reezal Merican [Kepala Batas]	
YB. Dato' Abd. Aziz Sheikh Fadzir [Kulim-Bandar Baharu]	
YB. Tuan Liang Teck Meng [Simpang Renggam]	
YB. Datuk Madius bin Tangau [Tuaran]	
YB. Tuan Haji Hasbi bin Haji Habibollah [Limbang]	
YB. Datuk Wee Jeck Seng [Tanjong Piai]	
YB. Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]	
YB. Dato' Kamarul Baharin bin Abbas [Telok Kemang]	
YB. Tuan William Leong Jee Keen [Selayang]	
YB. Dato' Kamarudin bin Jaffar [Tumpat]	
YBhg. Datuk Roosme binti Hamzah	- <i>Setiausaha</i>

**Tidak Hadir [*Dengan Maaf*]**

YB. Datuk Chua Tee Yong [Labis]
YB. Puan Mas Ermieyati binti Samsudin [Masjid Tanah]

**URUS SETIA**

Encik Che Seman Pa Chik [Setiausaha Bahagian Pengurusan Dewan]
Encik Amisyahrizan bin Amir Khan [Ketua Penolong Setiausaha (Perundangan dan Prosiding)]
Encik Nasrul Izani bin Ramli [Penolong Setiausaha I (Perundangan dan Prosiding)]

**HADIR BERSAMA**

**Jabatan Audit Negara**

YBhg. Datuk Haji Anwari bin Suri [Timbalan Ketua Audit Negara (Persekutuan)]
Puan Saadatull Nafisah binti Bashir Ahmad [Pengarah Audit Persekutuan]
Encik Raja Sunthara Kannan a/l Dato' Raja Gopal [Timbalan Pengarah Audit Persekutuan (Pertanian dan Industri Asas Tani)]
Puan Ruhana binti Mohamad Zam [Juruaudit]
Puan Zanariah Hamid [Penolong Juruaudit Kanan]
Encik Abdul Rahman Abdul Hadi [Penolong Juruaudit]

*samb/-*



**HADIR BERSAMA** *(samb/-)***Kementerian Kewangan**

Puan Eshah binti Meor Suleiman [Setiausaha Bahagian Pelaburan, MKD dan Penswastaan]  
Puan Norazura binti Tadzim [Ketua Penolong Setiausaha Bahagian Pelaburan,  
MKD dan Penswastaan]

**Jabatan Akauntan Negara**

Puan Maslina Kamarudin [Ketua Penolong Pengarah]

**Jabatan Perkhidmatan Awam**

YBhg. Dato' Amir bin Haji Abd. Hamid [Pengarah Bahagian Khidmat Pengurusan]

**Unit Perancang Ekonomi**

Encik Hasan Ismail [Timbalan Ketua Pengarah]

**SAKSI-SAKSI****Kementerian Pengangkutan**

YBhg. Datuk Seri Long See Wool [Ketua Setiausaha]  
YBhg. Dato' Yap Kin Sian [Timbalan Ketua Setiausaha (Operasi)]  
YBhg. Dato' Haji Azharuddin bin Abdul Rahman [Ketua Pengarah Penerbangan Awam]  
Encik Esparan a/l Munusamy [Setiausaha Bahagian (Pembangunan)]  
Encik Chandrasekaran a/l Periappan [Setiausaha Bahagian (Udara)]  
Encik Ruzain Idris [Timbalan Setiausaha Bahagian (Pembangunan)]  
Encik Abd. Halim Abdullah [Timbalan Setiausaha Bahagian (Pentadbiran dan Kewangan)]  
Encik Mas Suffian Abdul Karim [BP, MOT]

**KLIA Consultancy Services Sdn. Bhd.**

Ir. Mohd. Hanaffi Ayob [Naib Presiden]  
Sr. Jamiah Jahis [Wakil]

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**LAPORAN PROSIDING****MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
PARLIMEN KETIGA BELAS, PENGGAL PERTAMA****Bilik Mesyuarat Jawatankuasa 1, Parlimen Malaysia, Kuala Lumpur****Rabu, 20 November 2013****Mesyuarat dimulakan pada pukul 10.39 pagi***[Yang Berhormat Datuk Nur Jazlan bin Mohamed  
mempengerusikan Mesyuarat]*

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**Tuan Pengerusi:** *Bismillahi Rahmani Rahim. Assalamualaikum warahmatullaahi wabarakaatuh.* Walaupun kita punya Jawatankuasa belum lagi penuh datang, tetapi kita sudah cukup kuorum sebab kuorum minimumnya tiga orang sahaja. Jadi saya hendak cadangkan kita teruskanlah dengan mesyuarat ini untuk menjimatkan masa kerana ada dua isu yang telah diketengahkan.

Saya hendak cadangkan agendanya begini. Pertama sekali kita minta Jabatan Audit Negara untuk memberikan penjelasan kepada laporan NFC kita supaya Ahli-ahli yang baru ini maklumlah mengenai syor yang akan dibuat dalam laporan NFC tersebut. Selepas itu kita akan *endorse* laporan NFC ini untuk dibentangkan kepada Dewan dalam masa dua atau tiga hari nanti. Itu pertama.

Kedua, saya rasa kita boleh terus kepada prosiding kita iaitu untuk memanggil Kementerian Pengangkutan untuk mendapatkan penjelasan Projek Peningkatan Lapangan Terbang Kota Kinabalu dan juga Projek Pembinaan KLIA 2. Cuma saya hendak cadangkan kita *go through* KK punya *airport* dahulu kerana itu adalah merupakan penyiasatan Jabatan Audit Negara yang telah dibukukan dalam Laporan Audit Negara Tahun 2012. Selepas itu baru kita pergi kepada soal KLIA 2.

Cuma, saya hendak minta pandangan daripada Jawatankuasa bahawa kedua-dua perkara ini merupakan perkara yang berat yang saya sudah tengok dan saya rasa ini memerlukan masa sampai lima atau enam jam. Saya rasa mungkin kita pun kesuntukan masa. Kalau hendak habis pun mungkin sampai lima atau enam jam, lama masanya. Saya hendak cadangkan kalau boleh kita buat KK dahulu. Selepas itu kalau ada masa lagi, kita terus kepada KLIA 2, tetapi saya hendak cadangkan pukul 1.30 petang kita tangguhkan mesyuarat. Boleh dapat persetujuan daripada Jawatankuasa?

Terima kasih banyak-banyak. Jadi kita *target* 1.30 petang untuk bersurailah. Kalau ada isu yang tertunggak lagi, kita panggil sekali lagilah mereka yang terlibat untuk memberikan penerangan.

Yang Berhormat Timbalan Pengerusi, Ahli Jawatankuasa PAC, Datuk Anwari, Timbalan Ketua Audit Negara bersama dengan pasukannya. Selamat datang ke *hearing* pertama kita bagi PAC Parlimen Ke-13. Saya minta jasa baik Datuk Anwari untuk terus kepada perkara yang saya minta tadi iaitu penerangan mengenai syor dalam laporan NFC kita nanti. Sila.

**Datuk Haji Anwari bin Suri [Timbalan Ketua Audit Negara (Persekutuan)]:** *Bismillahi Rahmani Rahim. Assalamualaikum warahmatullaahi wabarakaatuh.* Selamat pagi dan salam 1Malaysia. Yang Berhormat Datuk Nur Jazlan, Pengerusi PAC, Yang Berhormat Dr. Tan Seng Giaw, Timbalan Pengerusi PAC, Ahli-ahli-ahli Yang Berhormat, Dato' Sri, Datuk-Datuk, Ahli-ahli PAC sekalian, tuan-tuan dan puan-puan, Yang Berbahagia Datuk Setiausaha PAC, dan juga kakitangan Jabatan Audit Negara. Untuk makluman, Yang Berbahagia Tan Sri Ketua Audit Negara tidak dapat hadir pada hari ini kerana beliau ada tugas rasmi di Sabah.

Untuk laporan NFC, sebenarnya laporan ini telah siap disediakan oleh Jawatankuasa PAC yang lama sebelum pilihan raya dahululah. Jadi saya menjemput pegawai saya untuk meneruskan iaitu membaca laporan yang telah siap disediakan. Mungkin ada penambahbaikan selepas ini. Terima kasih.

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal [Timbalan Pengarah Audit Persekutuan (Pertanian dan Industri Asas Tani)]:** Terima kasih Yang Berbahagia Datuk Timbalan Ketua Audit Negara. Saya Raja Sunthara Kannan a/l Dato' Raja Gopal, Timbalan Pengarah Audit Persekutuan Kementerian Pertanian dan Industri Asas Tani yang telah melaksanakan pengauditan berkaitan dengan projek Pusat Fidlot Nasional. Secara *briefnya*, PAC telah pun mengadakan mesyuarat sebanyak 14 kali berkenaan dengan NFC ini di mana tujuh adalah sesi untuk PAC menemu ramah ahli-ahli daripada Kementerian Pertanian dan tujuh lagi adalah perbincangan di antara PAC dengan pihak Jabatan Audit Negara.

Ekoran daripada sesi PAC diadakan ini, terdapat beberapa isu yang telah diketengahkan dan juga telah mendapat persetujuan daripada Ahli-ahli PAC di mana pada akhirnya kita telah pun membuat satu draf laporan supaya pihak PAC dapat mengemukakan laporan ini kepada Parlimen. Izinkan saya untuk memaklumkan isu-isu yang telah dibangkitkan.

Pertamanya, dalam laporan ini kita telah pun menyatakan berkaitan dengan projek Pusat Fidlot Nasional secara keseluruhannya, berkaitan dengan Dasar Jaminan Makanan Negara. Kemudiannya kita telah pun memaklumkan berkaitan dengan perjanjian-perjanjian yang terlibat iaitu lebih kurang tujuh perjanjian yang dibuat bagi projek ini iaitu:

- (i) *loan facility agreement;*
- (ii) *deed of assignment;*
- (iii) *debenture;*
- (iv) *supplemental agreement to the loan facility agreement;*

- (v) *supplemental deed of assignment;*
- (vi) *implementation agreement;* dan
- (vii) *lease agreement.*

Juga, kita telah membentangkan perihal berkenaan dengan pinjaman mudah. Pada asalnya perbincangan PAC adalah lebih berkaitan kepada projek Pusat Fidlot Nasional secara keseluruhan. Akan tetapi dalam perbincangan seterusnya yang keempat, pihak PAC mendapati bahawa PAC perlu menekankan soal RM250 juta sebagai *loan facility* kepada pihak NFCorp. iaitu *integrator* kepada projek PFN. Seterusnya selepas PAC bilangan keempat, kesemua *focus point* adalah kepada RM250 juta ini. So, dari situ kita telah menyediakan laporan ini yang lebih berteraskan kepada RM250 juta.

*To recap* balik berkenaan dengan RM250 juta ini, ini adalah satu pinjaman mudah di mana ia dibuat secara melalui *loan facility agreement* dan pihak NFCorp. telah pun diberi sejumlah RM250 juta oleh Kementerian Kewangan. Terdapat banyak kelemahan yang berlaku dalam proses pinjaman mudah ini diberi kepada pihak NFCorp.

Pertama sekali adalah berkenaan dengan *supplemental agreement* untuk membatalkan ATC dan digantikan dengan ATO, lewat dimeterai selama lapan bulan. Bagi isu ini, pada asalnya dalam *implementation agreement* telah menyatakan bahawa ATC hendaklah memperakukan segala *withdrawal of* pinjaman ini kepada NFCorp. ATC adalah *Authorize Technical Committee*. ATC ini terdiri daripada beberapa pegawai yang terdiri daripada pegawai dari Kementerian Kewangan, Kementerian Pertanian dan Industri Asas Tani, Jabatan Perkhidmatan Veterinar dan juga universiti. Walau bagaimanapun, mereka mendapati agak sukar untuk mereka bertemu untuk setiap *withdrawal*. Dengan itu, pihak kementerian telah mencadangkan supaya ATO dilantik iaitu *Authorize Technical Officer* di mana seorang pegawai boleh meluluskan.

Dengan itu, Kementerian Pertanian dan Industri Asas Tani telah pun mencadangkan Ketua Pengarah Jabatan Perkhidmatan Veterinar iaitu Datuk Dr. Aziz untuk menjadi sebagai ATO. Jadi, lebih mudah untuk mereka memproses *withdrawal amount* ini kepada pihak NFCorp.

**Dato' Abd. Aziz bin Sheikh Fadzir [Kulim Bandar Baharu]:** Tidak ada *limit*kah?

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *No. There are no limits.* Dia adalah dalam RM250 juta sahaja. *That means* apabila NFCorp. memohon untuk mengeluarkan RM250 juta kepada akaun operasi NFCorp., ATO hendaklah memperakui dahulu *that* NFCorp. memerlukan *this amount for the project. Then,* Kementerian Kewangan akan melaksanakan proses untuk mengeluarkan cek *and all this thing.*

*So what happened is that,* dalam perjanjian, ia telah menyebut sebagai ATC. Jadi apabila ada perubahan kepada ATO, dia perlu ada satu perjanjian untuk *to make it legalize that ATO* punya *signature.*

Akan tetapi itu yang kita maklum di sini, dia telah mengambil lapan bulan untuk membuat perjanjian tersebut. *So what happened is that, in between of that eight months*, ada pengeluaran di mana ATO telah menandatangani. *So, legally it is wrong* di mana ATO telah menandatangani untuk mengeluarkan *certain amount of RM113 million, almost RM113 million. So that is the first issue.*

■1050

**Dato' Abd. Aziz Sheikh Fadzir:** *Can I ask?... Whatever amount yang ATO bayar...*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right.*

**Dato' Abd. Aziz Sheikh Fadzir:** *...Setelah ATO memperakukan?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Ya.*

**Dato' Abd. Aziz Sheikh Fadzir:** *...That process happens?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *That process happens.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Cuma the authorize for ATO to make the payment only.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *To make a signatory of memperakui that pengeluaran itu.*

**Dato' Abd. Aziz Sheikh Fadzir:** *All those payment was approved by ATO?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *No, it was not approved actually. The first two payments were not approved by the ATO.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Okay, but I thought you said that apa saja pembayaran, mesti ATO memperakukan dahulu...*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right.*

**Dato' Abd. Aziz Sheikh Fadzir:** *...Jika perlu?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Cuma the proses pembayaran itu sahaja ATO boleh buat, bukan?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right.*

**Dato' Abd. Aziz Sheikh Fadzir:** *So, that never happen?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Which I am coming for the next issue actually. It is okey Yang Berhormat. Mengikut klausa dalam perjanjian, segala pengeluaran, peruntukan amount RM250 juta kepada Akaun Operasi hendaklah diperakui oleh ATC dan kemudiannya ditukar kepada ATO.*

*The next issue is that, terdapat dua payment berjumlah RM8 juta di mana ATO tidak memperakui. Ini kerana mengikut ketetapan Kementerian Kewangan, ia dianggap sebagai satu pendahuluan. In the beginning of the project. So, ketetapan Kementerian Kewangan adalah, jika berlaku pendahuluan, di mana bukan withdrawal maka ia dianggap sebagai- it is the prerogative of the Kementerian Kewangan untuk mengeluarkan.*

*It is because the amount is paid by Kementerian Kewangan. It is not by Kementerian Pertanian dan Industri Asas Tani. So, they felt that- but in our opinion, it is wrong sebab dalam perjanjian telah disebut, segala pengeluaran mestilah mendapat perakuan daripada ATO. So, we stand by the clause in the agreement. Sorry, the ATC, according to the agreementlah. So, that is the first issue about the eight months delayed.*

Kedua ialah yang berkaitan dengan *withdrawal* sejumlah RM8 juta yang dianggap sebagai pendahuluan oleh MOF iaitu Kementerian Kewangan. So, itu adalah anggapan MOF di mana kita tidak setuju dengan anggapan tersebut. Ia mestilah melalui proses seperti yang ditetapkan dalam perjanjian iaitu mesti mendapat perakuan daripada kementerian. *I mean* daripada ATC atau ATO dahulu, *right*. So, that is the second issue di mana berlaku pelanggaran dari segi syarat-syarat.

**Datuk Seri Reezal Merican [Kepala Batas]:** *If I may ask, if I may ask?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Ya.

**Datuk Seri Reezal Merican:** *At time when RM8 million was advancedly paid by MOF with the deemed to be advanced payment, was ATO has been formalised or not?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *No, ATO was not formalised.*

**Datuk Seri Reezal Merican:** *Ya. I am asking, ATO. Did ATC or has ATC recommended about the ATO yet or not?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay, now. Alright.* Perjanjian untuk memeteraikan ATO dibuat pada 15 Disember 2008. Dua pendahuluan bernilai RM8 juta telah dikeluarkan pada 24 Januari 2008 dan 14 April 2008.

**Datuk Seri Reezal Merican:** *Earlier than that?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Ya, no earlier than that. So that means, the ATO dimeterai pada 15 Disember 2008 and pendahuluan adalah sebelum...*

**Datuk Seri Reezal Merican:** *January 2008.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *January 2008.*

**Datuk Seri Reezal Merican:** *In other words, the MOF was not in the know that there will have to be ATO?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *They are in the know because in the agreement...*

**Datuk Seri Reezal Merican:** *There was ATC.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *ATC.*

**Datuk Seri Reezal Merican:** *They only know about ATC, but they do not know about ATO.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *About ATO. Right, right. They did not know. But, if let's say, if they do not know about the ATO, the process of ATC memperakui mesti ada. That means...*

**Datuk Seri Reezal Merican:** *It's ultra vires.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes, correct [Disampuk] Ya, which ATC has never met for any of the pengeluaran actually. Even though ATC ada disebut dalam perjanjian...*

**Datuk Seri Reezal Merican:** *ATC is mentioned as stipulated in the main frame of the loan agreement.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right, right.*

**Datuk Seri Reezal Merican:** *So, in other words, there must be adherence to that.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Correct.*

**Datuk Seri Reezal Merican:** *True, right?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay, next, the third one will be on withdrawal yang keenam dan yang ketujuh berjumlah RM64 juta untuk cadangan pembinaan empat bangunan.*

NFCorp telah pun memohon kepada Kementerian Kewangan untuk memperoleh RM64 juta untuk membina empat buah bangunan di Gemas, Negeri Sembilan, di kawasan Projek Pusat Fidlot Nasional. *We are also talking about that process yang involved dalam pengeluaran pinjaman ini di mana RM64 million was paid to NFCorp based on a letter. There was no any proper kind of- like building plan or design. There was no anything of that. It was just a basic letter that NFCorp hendak bina empat buah bangunan. They are the kandang fidlot, loji pemprosesan daging, palm kernel crushing plant and pembinaan loji biogas.*

*So, with this, MOF has released that RM64 million. Now basically, in government's procedure, mestilah satu kemajuan kerja yang perlu ada untuk pembayaran. So, they supposed to pay partly first and then on stages, they supposed to go on depending on the kemajuan kerja but that was not done when this... [Disampuk] It is MOF. At that time, ATO has been appointed, but they were not involved in that.*

**Datuk Seri Reezal Merican:** *He has not authorize it?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes, he has not authorized that RM64 million.*

**Datuk Seri Reezal Merican:** *And he hasn't got any locus standi?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right. It is because the permohonan to get the RM250 million, NFCorp akan buat terus kepada Kementerian Kewangan. Then, Kementerian Kewangan sepatutnya akan hantar kepada Jabatan Perkhidmatan Veterinar (JPV), Ketua Pengarah iaitu sebagai ATO untuk mendapat perakuan. So, setelah dia mendapat perakuan daripada ATO iaitu Ketua Pengarah JPV, then only the Kementerian Kewangan will process back again to issue the cheque and all these things.*

So, apabila permohonan NFCorp kepada Kementerian Kewangan, *if* Kementerian Kewangan *do it by themselves*, ATO *would not know what is happening*. Unless Kementerian Kewangan hantar kepada ATO, *then only ATO knows that there is a payment going to be done*.

**Dato' Abd. Aziz Sheikh Fadzir:** *Procedure is that NFC will have to write to Kementerian Kewangan.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Kementerian Kewangan will then send it to ATO to...*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *For the perakuan.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Perakuan, baru bayar?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Baru kelulusan akan diberi oleh MOF untuk issue the cheque.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Kalau logiknya, tidakkah patutnya NFC hantar kepada ATO ini...?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right.*

**Dato' Abd. Aziz Sheikh Fadzir:** *...For them to confirm and recommend to Kementerian Kewangan? It is go that way.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okey, Yang Berhormat. Actually, because the pinjaman adalah daripada Kementerian Kewangan, so that is why they go direct to the Kementerian Kewangan. That is the reason they went direct to the Kementerian Kewangan.*

**Dato' Abd. Aziz Sheikh Fadzir:** *That is an area that for future we can look at it for other loans. So that, you know, this kind of mistake will not happen.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Right, but we would prefer that if there is a letter sent to Kementerian Kewangan and s.k. to ATO, that means both of them will know.*

**Datuk Seri Reezal Merican:** *You know why? Because we have two different parties now. We have one pay master, the other one is, the custodian of the project which is Kementerian Pertanian.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Jabatan Perkhidmatan Veterinar.*

**Datuk Seri Reezal Merican:** *So, the one know how and the one who is going to pay. So, if the payment is made without the knowledge of the person who is supposed to know, then of course like what you said, whether in the future, the SOP has got to really clearly stipulate that. So that, the more important is not the pay master alone. The more important is the custodian of the project.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Well, that could be some pro and cons over there or on that process. Because, the pay master is Kementerian Kewangan, they hold the amount. So, when you want that amount, you come to me first, then I will send to ATO.*



*But in this situation, because of this problem, I do understand YB's concerned, that probability there will be two letters to be sent simultaneously to Kementerian Kewangan and s.k or heading to Kementerian Kewangan dan to JPV. So that both of them could work concurrently, both of them can work together.*

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*That means JPV can contact, can see with the Kementerian Kewangan saying that, "Okay, there is the letter. So, I want to..." They know each other. Now, ATO does not know because what ATO mention during the PAC meeting before this is that he did not know about the pendahuluan because it was not sent to him. So, that is the things. Probably your concern will be taken care kalau surat itu dihantar simultaneously kepada kedua-dua pihak iaitu pihak Kementerian Kewangan dan ATO sekali.*

**Tuan Pengerusi:** *I just want to interject pasal tidak hendak masa lama sangat. These are all the details issue, we already gone through in the last PAC pun.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes.*

**Tuan Pengerusi:** *The syor untuk hendak penambahbaikan sudah ada dalam report kita, bukan?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes. Sudah.*

**Tuan Pengerusi:** *Jadi, apa orang kata- I bukan hendak... [Ketawa] Saya bukan hendak menghalang soalan-soalan tetapi...*

**Datuk Seri Reezal Merican:** *Sorry. We are freshie... [Ketawa]*

**Dato' Abd. Aziz Sheikh Fadzir:** *But what I was hoping hari itu as we agreed that today kalau kita awal, we should have got that Executive Summary for us to read. So, at least, what we perakui today, is something that our conscious is clear, I mean we respect the former Members...*

**Tuan Pengerusi:** *Saya sudah sebut dalam Mesyuarat yang lepas... [Disampuk]*

**Seorang Ahli:** *...To be equally equitable.*

**Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]:** *I agree with that.*

**Tuan Pengerusi:** *Saya sebut dalam Mesyuarat yang lepas bahawa kalau laporan ini tidak boleh diedarkan dahulu sebelum- walaupun kepada Jawatankuasa. Saya sudah sebut bahawa laporan ini boleh didapati di Pejabat PAC. Kalau hendak, pergi baca di sana. Saya sudah sebut. Dalam Mesyuarat sebelum ini saya sudah sebut [Ketawa] Saya minta maaf kalau ada *miscommunication* antara Ahli Jawatankuasa mengenai laporan ini tetapi memang laporan ini embargo, tidak boleh diedarkan kepada sesiapa di luar daripada Pejabat PAC pun. Jadi, saya minta maaf. Lain kali, itulah amalan kita yang biasa dalam urusan PAC. Kalau boleh kita cepat sedikit [Ketawa]*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Thank you Tuan Pengerusi. So, can I go to the syor PAC?... Alright, rumusan PAC finally was... [Membaca petikan]*

*"PAC berpendapat bahawa semua perkara yang dibangkitkan dalam laporan ini dan pihak-pihak yang berkenaan mengambil inisiatif tindakan yang serius terhadap kesemua syor PAC serta perkara-perkara yang dikenal pasti sebagai punca kepada masalah yang timbul, khususnya dalam pelaksanaan proses pinjaman mudah."*

Bagi syor ini, walau bagaimanapun Kementerian Kewangan telah mengambil tindakan untuk memperkemas lagi SOP mereka dalam pinjaman mudah *which was not done before the NFC case. Before it is being discussed- the SOP was very loosed and* selepas PAC bincang, *and we inform to the* Kementerian Kewangan, *then* mereka telah pun mengambil tindakan untuk memperkemas.

**Dato' Abd. Aziz Sheikh Fadzir:** *It is possible Mr. Chairman,* kalau kita hendak tahu berapa banyak lagi pinjaman mudah yang masih ada dan berjalan?

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Ya. I think* Kementerian Kewangan *will be able to inform that.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Can we request for that, Sir?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Ya. We have in the report, we have the statistics.*

**Tuan Pengerusi:** Jadi, tolong dapatkan maklumat tersebut dan laporkan kepada Mesyuarat Jawatankuasa akan datang, ya. Terima kasih.

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes, we have that in the report actually. How many...*

**Tuan Pengerusi:** Tidak. *I think you should give in-writing to the Yang Berhormat.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay.*

**Tuan Pengerusi:** *I am just... [Disampuk] You have the figure, then maybe you can photocopy and just maklum to Jawatankuasa.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay. Alright, will do.*

**Tuan Pengerusi:** *Now, I am trying to speed up.* Timbalan Pengerusi pun sudah tunjuk saya jam tadi *[Ketawa]*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay. Sorry* Tuan Pengerusi. Keduanya ialah Polis Diraja Malaysia dan Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) wajar membuat siasatan rapi untuk mengenal pasti pihak yang terlibat dalam penyelenggaraan polisi.

Ini disebabkan ada berlakunya *conflict of interests* bagi pegawai yang telah meluluskan bayaran, adalah juga sebagai seorang Ahli Lembaga Pengarah dalam NFCorp. Beliau juga adalah seorang *signatory*, salah seorang *signatory* dalam cek. *So, the process is based on one person where he decides we did not send to the ATO, he decides that and he is the one... [Disampuk] MOF level. That is where* kita hendak memperkemaskan lagi.

**Dato' Abd. Aziz Sheikh Fadzir:** Polis Diraja Malaysia, kita syorkan buat siasatan tetapi benda ini sudah lama. Tak kan tak buat siasatan lagi..., sebelum ini kes itu?

**Tuan Pengerusi:** Saya pun tidak pasti, saya...

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Yes, PDRM, Jabatan Siasatan Jenayah Komersial (JSJK) telah pun melaksanakan siasatan tetapi *they go more on the project. About the conflict of interests, no! I do not think that they have focus on that.*

**Tuan Pengerusi:** *The syor here is to basically to hold Datuk Manaf, accountable for this kind, bukan? Sudah ada dalam report kita, bukan?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Yes, correct. Betul, betul.

**Tuan Pengerusi:** *Alright. So, we actually named the person to be taken action against.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Yes, correct.

**Tuan Pengerusi:** *So, it is in the Syor.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Correct. True. Then, next is on the withdrawal pinjaman mudah, bukan sahaja tidak dibuat dengan teratur, malahan telah menyebabkan wang pinjaman tidak digunakan sepenuhnya untuk pelaksanaan projek. This is because PAC knows that it is because the project was not done actually. Even though RM64 millions telah pun dikeluarkan and there were no any projects. Physically there was no any projects for the RM64 millions. So, this is where the money which has gone to the account without any perbelanjaan. Jadi, kemungkinan mereka telah menggunakan amaun ini untuk hal-hal lain seperti yang telah dibangkitkan dalam media.*

*Finally, PAC juga membuat rumusan bahawa mengambil pengajaran, lesson learn daripada punca-punca masalah yang telah berlaku sebagai iktibar untuk proses penambahbaikan yang berterusan dan lain-lain sistem pengurusan projek kerajaan yang masih berkuat kuasa serta yang akan dilaksanakan pada masa akan datang. Punca masalah ini juga hendaklah dikaji secara teliti oleh kerajaan bagi memastikan perkara sama tidak berlaku sama ada dalam lain-lain projek atau lain-lain pinjaman kerajaan. PAC mengambil maklum terhadap beberapa penambahbaikan yang telah diambil oleh Kementerian Kewangan seperti yang saya sebutkan tadi daripada beberapa siri Mesyuarat PAC. So, that is all about.*

**Tuan Pengerusi:** *Thank you very much.* So, yang pentingnya daripada segi penambahbaikan, daripada segi prosedur dan dasar kita. Kementerian Kewangan sudah mengambil tindakan tetapi tindakan kepada orang yang membuat kesalahan itu belum dibuat lagi?

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Belum dibuat. Kita menghadapi *limitation*. PAC telah menghadapi *limitation* yang mana pihak PAC *actually* telah memanggil pihak NFCorp tetapi Dato' Seri Dr. Mohamad Salleh tidak hadir dan dia telah menghantar peguamnya. *This is because he did not want any- because he says that it is already in the court for the case, so he does not want to appear in front of the PAC.*

**Dato' Abd. Aziz Sheikh Fadzir:** Tidak bolehkah kita buat *police report* atas kapasiti PAC kepada Datuk Manaf *especially?*... Tidak bolehkah Tuan Pengerusi?

**Tuan Pengerusi:** Oleh sebab itu sekarang ini saya hendak bertanya, apakah tindakan selanjutnya? Baru-baru ini ada penubuhan jawatankuasa di bawah Ketua Audit Negara dengan dihadiri oleh wakil-wakil daripada jabatan lain yang tujuan khasnya untuk hendak... *[Disampuk]* *There are two committees. One is Ketua Audit Negara who is supposed to go through our Laporan Audit Negara and then take action. Then, there is Chief Secretary punya committee. Then, there is Perdana Menteri punya super committee. So, there are... Now, three committees.* Cuma sekarang ini, saya hendak minta Ketua Audit Negara dahulu *to take forward this case*, untuk ambil tindakan dalam jawatankuasa yang dipengerusikan oleh beliau dahulu.

**Datuk Haji Anwari bin Suri:** Tuan Pengerusi, saya akan maklumkan kepada Yang Berbahagia Tan Sri.

**Tuan Pengerusi:** Kalau tidak ada tindakan juga, angkat ke jawatankuasa yang KSN punya. Kalau tidak selepas itu pun, angkat ke jawatankuasa *super committee* yang dipengerusikan oleh Perdana Menteri *[Disampuk]* Syor kita sudah ada, sekarang ini kita angkat kepada pelaksana untuk melaksanakan tindakan.

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**Dato' Abd. Aziz Sheikh Fadzir:** Tuan Pengerusi, saya cuma menekankan kerana ini contoh yang terbaik. Projek yang difikirkan cukup baik untuk negara tetapi tidak dilaksanakan dengan baik, akhirnya projek ini gagal. So, kita takut esok nanti banyak lagi projek yang kita rasa baik untuk negara gagal kerana pelaksanaan.

Kedua, tidak adil kepada Kerajaan BN akhirnya- *the decision maker* ini memikirkan benda baik tetapi *executors failed it- at the end*, kita yang menerima...

**Tuan Pengerusi:** Macam saya katakan tadi, penambahbaikan dari segi prosedur sudah dibuat oleh Kementerian Kewangan.

Kita belum tahu lagi *feedback* lah sama ada berjaya atau tidak berjaya tetapi yang penting sekarang ini kita minta orang yang bertanggungjawab itu diambil tindakan juga tetapi itu kita serahkan kepada- kita pernah buat syor ini bahawa laporan dibuat ke pihak polis, aduan dibuat kepada pihak polis dan kepada pihak SPRM dan sebagainya.

Akan tetapi saya rasa apa yang penting sekali juga ialah di peringkat eksekutif, di peringkat pegawai tadbir kerajaan. Di situlah tindakan yang perlu diambil dan kita akan membuat syor rasmi ini dan selepas itu kita monitorlah sama ada tindakan telah diambil atau tidak. Boleh kita ambil itu sebagai rumusan terakhir sebelum kita meneruskan...

**Dato' Abd. Aziz Sheikh Fadzir:** Satu sahaja lagi, soalan terakhir. Saya cuma nak melahirkan kekecewaan saya kepada Yang Berhormat Rafizi dengan Dato' Seri Shahrizat kerana membuat keputusan untuk buat *out of court settlement*. Ini adalah *public- it cannot be a political hype*.

**Tuan Tony Pua Kiam Wee:** *That is defamation suit lah. I think it is not...*

**Dato' Abd. Aziz Sheikh Fadzir:** *It is not matter the defamation suit...*

**Tuan William Leong Jee Keen [Selayang]:** *I think it is separating because there is personal...*

**Dato' Abd. Aziz Sheikh Fadzir:** *I am just saying this is my opinion. I might be wrong you know...*

**Tuan Pengerusi:** *We can put it on record.* Jadi boleh saya dapat persetujuan daripada Jawatankuasa kita luluskan Laporan NFC ini?... *Finally*, selepas dua tahun, dan kita boleh *endorse* dan bantangkan dalam Dewan dalam masa dua, tiga hari lagi. Boleh ya? Okey, terima kasih banyak-banyak.

**Dato' Kamarudin bin Jaffar [Tumpat]:** ...Di dalam visi kita selepas ini, *make a big story of this* lah supaya kita *done something* lah. Nanti orang kata tidak ada...

**Tuan Tony Pua Kiam Wee:** *Perhaps one request – subsequent lah, not now, is a follow up on the story.* Sebab perkara ini belum berakhir lagi. Kontrak masih tergendala dan *tender* pun, *who supposed to coming and takeover* dah *give up*, dia kata *I won't takeover the debt. The Japanese*, yang sebelum ini dikatakan akan mengambil alih projek, telah kata dia tarik balik, dia tidak hendak buat sebab kena tanggung RM250 juta hutang tersebut.

Juga bahawa kes ini walaupun ada di dalam mahkamah, hanya pengurusinya sahaja yang di *charge* walaupun kesalahan ini kesalahan *entire board of directors*. Yang lain semua tidak di *charge*. Atas perkara lain pun tidak *di charge*. *So, we do a follow up subsequently on the status from the kementerian.*

**Tuan Pengerusi:** Boleh saya setuju?

**Dato' Kamarul Baharin bin Abbas [Telok Kemang]:** Tuan Pengerusi, *I think at this time we should know how much has been recovered from this project.*

**Tuan Tony Pua Kiam Wee:** Jawapan daripada Parlimen, *nothing. I got the answer early this session.*

**Dato' Kamarudin bin Jaffar:** *To make it our point officially, we ask on the recovery* punya aspek.

**Datuk Seri Reezal Merican:** *That's why* Yang Berhormat Kulim tanya tadi yang dah *disbursed, undisbursed and the recovered one.*

**Tuan Pengerusi:** Itu boleh kita mendapatkan maklumat itu dan kita masukkan di dalam minit mesyuarat. Jadi yang tiga perkara tadi Yang Berhormat Petaling Jaya Utara cakap tadi, satu mengenai masa depan projek ini, apa yang berlaku. Selepas itu yang kedua, berapa banyak wang yang telah dikeluarkan itu, dan telah dapat direcover, diselamatkan semula. Selepas itu satu lagi mengenai...

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Tony Pua Kiam Wee:** Lembu sudah tidak adalah.*[Ketawa]*

**Tuan Pengerusi:** Maknanya hendakkan laporan susulan mengenai projek NFC ini juga.

**Tuan Tony Pua Kiam Wee:** Tindakan yang diambil ke atas pihak yang bersalah.

**Datuk Seri Reezal Merican:** Yang Berhormat Petaling Jaya Utara, *you want a conclusiveness.*

**Seorang Ahli:** *Finality*lah.

**Tuan Tony Pua Kiam Wee:** *I don't think you get conclusiveness now* lah. *I think we need to know the follow up action.* Jangan kita buat 'hu ha' semua, selepas 'hu ha' itu, tidak ada lagi. Orang simpan bawah meja sahaja.

**Dato' Abd. Aziz Sheikh Fadzir:** Akan menjadi kes contoh *you know, to detail future problem maybe. Hopefully.*

**Dato' Kamarudin bin Jaffar:** *Legally* Tuan Pengerusi, oleh sebab ini pinjaman, maka *just like a poor graduate with PTPTN, the government should pursue to very end even proceeding to bankruptcy, no passport, cannot go to Qatar with the one, with the Prime Minister and that sort of thing...*

**Tuan Pengerusi:** Itu hal lain, hal lain *[Ketawa]* Akan tetapi *in my understanding, the loan was actually a grant...*

**Seorang Ahli:** *No, soft loan, soft loan.*

**Tuan Pengerusi:** Akan tetapi *it was treated like a grant because there was no record.* Maknanya tidak ada- *company* itu yang jadi *guarantor* untuk *loan* itu, bukan individu. Itu kita kena *clear* kan.

**Tuan Tony Pua Kiam Wee:** Untuk makluman Ahli, dalam kontrak perjanjian pinjaman, *they can forever extend the loan. No penalty interest.*

**Datuk Seri Reezal Merican:** *Repayment period?*

**Tuan Tony Pua Kiam Wee:** Dia ada *repayment period* tetapi kalau sampai boleh *extend* lagi, kalau tidak boleh bayar dengan faedah yang sama tanpa penalti *interest*.

**Datuk Seri Reezal Merican:** *The interest rate?*

**Tuan Tony Pua Kiam Wee:** *Two percent.*

**Datuk Seri Reezal Merican:** *Soft loanlah.*

**Tuan Pengerusi:** Akan tetapi soalnya sama ada kita boleh *recover* duit itu daripada individu yang menjadi *director* syarikat itu, itu tidak *clear*.

**Datuk Seri Reezal Merican:** *Loan facility agreement- because I don't know about that. Maybe Yang Berhormat Petaling Jaya Utara can enlighten me. What was the gestation period?*

**Tuan Tony Pua Kiam Wee:** *Two years grace period. Tidak ada...*

**Datuk Seri Reezal Merican:** *Another words...*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Yang Berhormat, *three years.*

**Tuan Tony Pua Kiam Wee:** *Three years* tanpa faedah.

**Datuk Seri Reezal Merican:** *Another words, there has no any repayment started yet?*

**Tuan Tony Pua Kiam Wee:** *No, repayment has supposed to start in 2011* tetapi sehingga hari ini satu sen pun belum bayar balik.

**Tuan Pengerusi:** Saya hendak *clear*kan saya punya *understanding*. Maknanya liabiliti itu kepada syarikat ya, bukan kepada individu.

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *To the NFCorp.*

**Tuan Tony Pua Kiam Wee:** *Is there personal guarantee?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *No.*

**Tuan Tony Pua Kiam Wee:** *No personal guarantee?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *There is no any personal guarantor.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *20 years.*

**Tuan Tony Pua Kiam Wee:** Dia kena mula bayar 2011 dan kalau dia tidak bayar, *never mind*, sebab dia kena teruskan *interest* yang sama sahaja, *no* penalti.

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** Tuan Pengerusi, *I could just recap about that question* tadi. Setakat ini Kementerian Kewangan mempunyai lebih kurang 1,199 akaun pinjaman yang bernilai RM65.68 bilion.

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** Yang penting sekarang ini, itu pun satu isu yang saya rasa kita terlepas pandang. Maknanya macam mana hendak *recover* balik duit itu. Pasal apa, tanggungjawab itu terletak kepada syarikat, dan bukan kepada individu tersebut. Selagi syarikat tidak bayar, dan itu ditambah lagi ada komplikasi lain bahawa tempoh bayaran balik itu boleh disambung lagi. Jadi mungkin satu lagi syor tambahan yang kita boleh buat- adalah untuk menyarankan kepada Kementerian Kewangan untuk *recall the loan immediately...*

**Datuk Seri Reezal Merican:** *You have any record how many has turn to be like that?*

**Tuan William Leong Jee Keen:** Dan juga maknanya syor untuk mendapat *guarantee* daripada pengarah dari syarikat yang lain ya. *Next time, you must have a personal guarantee. The latest guarantee.*

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *More have Jawatankuasa. They have a bahagian there.*

**Datuk Seri Reezal Merican:** *No, I think the proving authority, the first layer I think Economic Council. Right me if I am wrong. It was not Cabinet right?*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Yes.*

**Datuk Seri Reezal Merican:** *It was not cabinet. It was economic council.*

**Encik Raja Sunthara Kannan a/l Dato' Raja Gopal:** *Okay, that is being decided by the project owner as well as MOF because, dalam kes ini because ia melibatkan ternakan lembu, that is why the grace period is three years because they cannot make- it is an assumption that they cannot make money within the three years period. So after three years period then only they can make money for them to pay. So all those things...*

**Tuan Pengerusi:** Sekarang ini kita minta Kementerian Kewangan untuk buat penambahbaikan dari segi ini. Jadi, okey, boleh kita terima laporan ini?... Baik, terima kasih.

Jadi sekarang ini kita boleh pergi kepada agenda yang sebenarnya pada hari ini iaitu untuk mendengar testimoni daripada pegawai Kementerian Pengangkutan. Pertama sekali, mengenai projek penambahbaikan *Kota Kinabalu International Airport*.

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**Dato' Abd. Aziz Sheikh Fadzir:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** Tidak apalah, ini kira satu mesyuaratlah tetapi nanti kita *clearkan* kita punya agenda dahulu dan hal-hal lain kalau hendak sebut pun.

**Dato' Abd. Aziz Sheikh Fadzir:** *This Silterra di Kulim Hi-Tech. Now the workers are a bit worried, ada ura-ura untuk Khazanah hendak jual syarikat itu. Saya cuma hendak minta permission daripada PAC Members dan Tuan Pengerusi, kebetulan ianya dalam daerah Kulim walaupun ia di bawah Parlimen Padang Serai, untuk saya berjumpa dengan management ini.*



*Just to listen on their views, if I'm allowed to, Silterra- chip wafer.* Saya hendak minta kebenaran, nanti kata saya memandai-memandai pula kan.

**Tuan Pengerusi:** Saya tidak tahu, Jawatankuasa ini setuju? Pasal apa Yang Berhormat Kulim-Bandar Baharu memang bertanggungjawab kepada daerah itu. Jadi, kalau- Silterra pun telah di...

**Dato' Kamaruddin bin Jaffar:** Sebagai *PAC Member*?

**Tuan Pengerusi:** Ya, secara rasmi untuk mewakili kita. Kalau tidak kita kena pergi semua. Itu pun hendak kena atur tarikh lagi. Hendak maklumat pun boleh tapi Yang Berhormat Kulim-Bandar Baharu pergi dulu boleh?

**Datuk Seri Reezal Merican:** Kepala Batas boleh teman, tidak apa [*Ketawa*]

**Tuan Pengerusi:** Pasal dalam *Malaysian Gazzette* dua hari lepas pun sudah ada keluar mengenai laporan ini bahawa Khazanah hendak jual firma ini. Walaupun firma ini berdaya maju. Nanti saya... [*Disampuk*] Dalam *Malaysian Gazzet*. So, sesiapa berminat, laporan ini ada. Jadi, kita wakikan Yang Berhormat Kulim-Bandar Baharu dan juga Yang Berhormat Kepala Batas untuk berjumpa dahulu dengan pengurusan Silterra, mendapatkan maklumat supaya dilaporkan balik kepada Jawatankuasa PAC kita. Pasal ini ada hubungan dengan Khazanah Nasional Berhad. Terima kasih.

Jadi, kita akan buat *briefing* dan dengar testimoni daripada Kementerian Pengangkutan mengenai *KK Airport* dulu. Selepas itu, kalau ada masa kita akan sambung dengan KLIA2. Kalau tidak, kita tangguh KLIA2 itu kepada satu tarikh yang akan datang. Jadi, *target* kita hendak habis dalam pukul 1.30 petang. Sebelum itu, saya rasa elok kalau Timbalan Ketua Audit Negara, Datuk Haji Anwari untuk memberi sedikit *briefing*lah mengenai isu-isu. Terus kepada isu-isulah, Datuk.

**Datuk Haji Anwari bin Suri:** Terima kasih Tuan Pengerusi. Sebagaimana taklimat saya yang terdahululah. Kajian kita ini ikut standard yang telah ditetapkan. *Next slide*.

So, latar belakang projek KKIA terletak di daerah Penampang, Sabah. Merupakan projek peningkatan lapangan terbang. Pegawai Penguasa (SO) bagi projek KKIA ini adalah Ketua Setiausaha Kementerian Pengangkutan. Ini pentinglah. Manakala KLIA Konsultasi Service Sdn. Bhd. (KLIACS) telah dilantik sebagai perunding projek. So, perolehan bagi projek ini untuk kedua-dua pakej adalah secara rundingan terus. Di situ disebut nama-nama syarikat. So, surat setuju terima bagi pakej satu - 21 April 2006, pakej dua - 21 April 2006. Perunding 29,1007. So, konsep reka dan bina. So, nilai kontrak kedua-duanya RM720 juta. Tempoh kontrak sebagaimana disebut di situ, 36 bulan, kedua-duanya.

Objektif auditan sebagaimana disebut, kita terus kepada isulah. So, pengauditan dijalankan antara bulan Jun hingga Ogos 2012 mendapati secara keseluruhan projek peningkatan kurang memuaskan...

**Datuk Madius bin Tangau [Tuaran]:** Boleh saya tanya satu? Skop pengauditan. Kenapa tidak dimasukkan peranan Majlis Daerah dalam pengauditan?

**Datuk Haji Anwari bin Suri:** Majlis Daerah?

**Datuk Madius bin Tangau:** Ya, sebab ia melibatkan *liberal plan*. Kenapa tidak dimasukkan di situ?

**Datuk Haji Anwari bin Suri:** So, kita ada pergi ke pihak berkuasa negerilah. So, kita tidak pergi ke PBT. Dalam skop.

**Datuk Madius bin Tangau:** Sebab saya difahamkan keputusan Majlis Daerah dalam hal-hal berkenaan dengan KKIA juga telah mengubah pelan projek ini *in the big way, substantial way*. Jadi, ia juga telah mengakibatkan kos akhirnya. Contohnya, ia punya pengurusan trafik. Dia punya *flyover*, dua *flyover* itu. *Initially* tidak ada di dalam *plan*. Akan tetapi kerana Majlis Daerah telah meminta, jadi akhirnya diletakkan di situ. Sepatutnya dimasukkan dalam skop pengauditan.

**Datuk Haji Anwari bin Suri:** Kita ada ke Jabatan Tanah dan Ukur Sabah. So, Puan Ruhana ada apa-apa hendak tambah?... Puan Ruhana, sila.

**Tuan Pengerusi:** Begini, begini. Hendak potong cerita ia.

**Puan Ruhana binti Mohamad Zam [Juruaudit Jabatan Audit Negara]:** Okey, Tuan Pengerusi, untuk itu kami pergi ke Jabatan Pengairan Alam Sekitar, Sabah. Kita tidak pergi ke Majlis Daerah seperti Yang Berhormat cakap. Akan tetapi *when we are doing auditing*, kami pergi ke peringkat Alam Sekitar Sabah dan juga Jabatan Tanah Sabah.

**Datuk Madius bin Tangau:** Tuan Pengerusi, saya hendak sebut ini sebab ada dua perkara. Pada ketika itu saya pun di Dewan. Saya telah bertanya satu soalan spesifik kepada Menteri Alam Sekitar Persekutuan, pada ketika itu Dato' Seri Azmi bin Khalid. Saya bertanya dalam soalan saya, adakah EIA untuk projek ini sudah diluluskan? Beliau mengatakan belum lulus. Saya mengatakan kalau belum lulus, kenapa projek sudah mula? Beliau mengatakan ini kerja pihak berkuasa tempatan, dia memberi arahan. Saya masih ingat lagi jawapan beliau. Jadi, saya cakap, apa pula kuasa pihak berkuasa tempatan untuk memberi arahan? Itu satu.

Kedua, saya sendiri telah bertanya kepada Ahli-ahli Majlis Daerah di Penampang. Pada ketika itu ada seorang Ahli Majlis Daerah yang, *he is a Town Planner because he is a Town Planner-he can see the whole picture*. Kalau hendak bina lapangan terbang, nombor satu kita tengok trafik. Trafik kapal terbang, selepas itu trafik kereta. Apabila tengok trafik keretanya, dengan unjuran penumpang dan sebagainya, memang tidak ada dalam pelan.

Akhirnya, Majlis Daerah telah meminta supaya dibina *flyover* itu yang sekarang ini *very ugly structure*. Sebab memang tidak ada dalam pelan pada mulanya. Akhirnya, peruntukan yang RM700 juta lebih itu diambil sedikit dan bina *flyover* ini. Akhirnya, tidak cukup juga. Sepatutnya peranan Majlis Daerah di situ dimasukkan dalam skop pengauditan.

**Tuan Pengerusi:** Saya setuju dengan pandangan Yang Berhormat Tuaran kerana dalam skop audit Jabatan Audit Negara pun memang dalam hal pembinaan dan juga hal pembangunan, PBT memainkan peranan untuk meluluskan apa-apa pelan. Walaupun projek itu adalah projek jabatan Persekutuan tapi persetujuan daripada PBT memang diperlukan sebelum projek boleh berjalan. Jadi, saya rasa satu penambahbaikan juga, *lesson learn*, dalam apa-apa pengauditan oleh Jabatan Audit Negara pada masa akan datang, tengok juga kepada peranan PBT dalam meluluskan pelan pembangunan.

**Dato' Abd. Aziz Sheikh Fadzir:** Pelan sebelum memulakan projek mesti datang daripada PBT.

**Datuk Haji Anwari bin Suri:** So, *next*. Prestasi fizikal keseluruhan projek bagi Pakej 1 adalah mengikut jadual setelah mengambil kira tiga lanjutan masa selama 290 hari. Bagi Pakej 2, prestasi fizikal sebenar setakat 31 Mei 2012 ialah 94.3% berbanding dengan jadual, 94.2%, setelah mengambil kira lima lanjutan masa selama 1,106 hari dan perjanjian tambahan selama lapan bulan. So, antara kelemahan yang diperhatikan adalah seperti berikut:

- (i) ketidakpatuhan undang-undang alam sekitar serta terdapat masalah pengambilan tanah sebelum projek dimulakan, pengambilan tanah persendirian, pengambilan tanah bukan persendirian, EIA tambahan dan kajian hidraulik;
- (ii) kegagalan kontraktor mematuhi syarat tambahan, kesan terhadap kelewatan penyelesaian masalah EIA, isu *inter-phasing* antara kontraktor Pakej 1 dan Pakej 2 dalam menjalankan kerja menaik taraf;

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- (iii) kerja naik taraf yang tidak mengikut *specification* dan tidak berkualiti, pemasangan *Instrument Landing System* (ILS) tidak mengikut jadual, pembaikan *runway* dan *taxiway* tidak mengikut jadual;
- (iv) sebahagian komponen kerja Pakej 2 tidak siap, terbengkalai bilik *substation* selatan, *apron taxiway*, longkang konkrit jenis *U shape*; dan
- (v) sebahagian kemudahan yang siap dibina tidak digunakan, keengganan AirAsia berpindah dari Terminal 2 ke Terminal 1, operasi dan kos penyelenggaraan Terminal 1 dan Terminal 2, penutupan landasan KKIA akibat masalah teknikal pada 25 dan 26 Oktober 2012.

So, itulah isu-isu yang kritikal saya telah saya bentang pada sesi yang lepas.

**Tuan Pengerusi:** Jadi, ada lagi maklumat tambahan yang Ahli Jawatankuasa perlukan daripada Jabatan Audit Negara sebelum kita panggil wakil kementerian, tidak ada? Yang Berhormat Petaling Jaya Utara? *[Disampuk]*

Okey, kalau tidak ada lagi apa-apa maklumat tambahan yang kita perlukan daripada Jabatan Audit Negara, saya rasa kita boleh panggil wakil dari kementerian untuk memberikan keterangan sekarang. Minta panggil ya. Terima kasih.

*[Saksi-saksi dari Kementerian Pengangkutan mengambil tempat di depan Jawatankuasa]*

**Tuan Pengerusi:** Datuk, selamat datang ke Mesyuarat PAC kita ini. Pada hari ini kita hendak mendengar keterangan daripada Datuk serta pegawai-pegawai mengenai isu penambahbaikan *KK Airport* dulu. Kalau kita selesai *KK Airport*, ada masa kita pergi ke KLIA2 pula kerana *KK Airport* ada dalam Laporan Audit Negara pada tahun 2012 yang lepas. Jadi, kita selesaikan perkara itu dulu, selepas itu baru pergi ke KLIA2.

Saya rasa sebelum kita mulakan prosiding ini, saya hendak maklumkan bahawa segala percakapan kita direkod secara verbatim. Kalau tidak hendak apa-apa komen direkodkan, jangan pakai *microphone*. Itu satu.

Kedua, saya hendak bagi amaran bahawa keterangan ini perlu diberikan secara telus dan kalau tidak dijawab, itu akan nanti dianggap sebagai satu keingkaran kepada Jawatankuasa PAC kita. Bukan apa, saya dan Jawatankuasa memandangkan perkara yang kita hendak bincangkan ini merupakan perkara yang berat, yang telah memberikan masalah di kalangan rakyat. Kita hendak jelaskan kepada rakyat bahawa isu ini ada jawapannya dan bukan tidak ada penyelesaiannya.

Jadi, sebelum Datuk mulakan, saya berharap Datuk dapat perkenalkan diri Datuk serta pegawai-pegawai Datuk supaya kita senang dapat berurusan dengan nama. Jadi, saya minta Datuk teruskan. Terima kasih.

**11.38 pg.**

**Datuk Seri Long See Wool [Ketua Setiausaha Kementerian Pengangkutan]:** Terima kasih. Selamat pagi, salam sejahtera dan salam 1Malaysia. Yang Berhormat Datuk Nur Jazlan bin Mohamed, Pengerusi PAC, Yang Berhormat Dr. Tan Seng Giaw, Naib Pengerusi dan semua Ahli-ahli Jawatankuasa Kira-kira Wang Negara yang saya hormati sekalian. Saya sertai sesi pada pagi ini dengan beberapa orang pegawai daripada kementerian dan juga agensi di bawah kementerian.

Kalau saya dibenarkan, saya *would like to introduce the members*. Saya ialah Long See Wool, Ketua Setiausaha dari Kementerian Pengangkutan. Di sebelah kiri saya ialah Dato' Yap Kin Sian, Timbalan Ketua Setiausaha Operasi Kementerian Pengangkutan. Di sebelah kanan saya ialah Dato' Haji Azharuddin bin Abdul Rahman, Ketua Pengarah Jabatan Penerbangan Awam, *which is the regulatory authority for civil aviation*.

Saya juga ada pegawai Encik Esparan iaitu Setiausaha Bahagian *in charge of* pembangunan di Kementerian Pengangkutan. Semua projek-projek pembangunan di bawah kawalan beliau.

Saya juga ada pegawai yang di belakang, tidak nampak iaitu Setiausaha Bahagian Udara *in charge of aviation*, Encik Ruzain *which is the* Timbalan Setiausaha Bahagian Pembangunan. Selain itu ada seorang pegawai daripada DCA, Encik Nazlan merupakan pengurus DCA di Kota Kinabalu. Selain daripada itu, saya ada dua orang wakil daripada juru perunding iaitu KLIACS yang telah pun dilantik oleh kerajaan untuk membantu kerajaan melaksanakan dan memantau projek di Kota Kinabalu. Seorang pegawai di situ, Encik Abd. Halim iaitu pegawai daripada kementerian, dari bahagian kewangan yang juga ada berkaitan dengan pelaksanaan projek ini. Ada seorang lagi juru perunding, Encik Mohd. Hanaffi Ayob, yang merupakan Timbalan Presiden KLIACS dan beliau juga merupakan pengarah projek KKIA yang kita laksanakan.

Saya meminta kebenaran Tuan Pengerusi untuk saya mengutarakan satu dua perkara yang pada pendapat saya dan saya telah pun dinasihati supaya membangkitkan sebelum kita mula sesi ini iaitu pertama- pada masa ini terdapat satu kes di mahkamah iaitu Global Upline, kontraktor yang kita tamatkan perkhidmatannya pada bulan Disember 2012, kes kini sedang berlangsung dan beberapa orang pegawai telah pun *summoned* untuk *appear in the session*.

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Apa yang hendak saya sampaikan adalah bahawa kalau dalam prosiding ini *certain Statement* tertentu dikeluarkan, maka AG pun- *my lawyer advise, it might prejudice the case which is going on now in court. They are suing us basically for wrongful termination and also on one or two other issues that related to the implementation of the airport.*

*Secondly, I think the PAC is fully aware that the audit was done quite sometimes ago* iaitu dari bulan Jun hingga bulan Ogos 2012. Pada masa itu projek dalam keadaan bermasalah kerana *the performance of the contractor at that point in time is very bad that led to the termination towards the end of the year. So, there is time lapse between the Audit were done and the situation today* sebab kami telah pun mengambil pelbagai tindakan dan melantik kontraktor-kontraktor dan konsultan penyelamat. *So the situation on the ground is much better* dan beberapa isu yang diutarakan oleh Jabatan Audit Negara atau Ketua Audit Negara telah kami ambil tindakan dan ada yang telah pun selesai.

Dengan itu, kalau saya dibenarkan, saya telah menyediakan beberapa isu yang masih bermasalah dan kami akan membentangkannya jika dibenarkan untuk tujuan menjawab isu-isu yang dibangkitkan oleh Ketua Audit Negara. Kalau saya dibenarkan. Terima kasih. Boleh saya teruskan ataupun...

**Tuan Pengerusi:** Ya, teruskan. Sebelum Datuk teruskan, Jawatankuasa ada apa-apa soalan awal dulu?... Datuk, teruskan. Datuk, kalau kita *interject in between your testimony, is it okay, or you prefer to finish first?...*

**Datuk Seri Long See Wool:** Ya. *No, no, by all means.*

**Tuan Pengerusi:** *Okay, alright. Thank you.*

**Tuan Tony Pua Kiam Wee:** *Let them finish first then we go one round. Faster in that way, otherwise...*

**Tuan Pengerusi:** *Sorry?*

**Tuan Tony Pua Kiam Wee:** *Rather than interject them in between, let them finish first, then we go one round, everyone tanya soalan. Before this, the interjection is only for clarification of facts on the specific slide rather than asking about causes or reasons and stuff like that. So those we leave for...*

**Datuk Seri Long See Wool:** *If I may Yang Berhormat. The Kota Kinabalu International Airport is one of six international airports that we have in the country. It is the second busiest airport in Malaysia handling over 5.8 million passengers in 2012. In fact, this year itself, in spite of the Lahad Datu incident in Sabah, the airport continue to enjoy very good growth. It is the second busiest and that is also the reason why we went ahead to upgrade this project to the capacity of nine million passengers a year. Pada tahun lalu, about 5.6 million or 5.8 million and this year by in October itself, already exceeded the total volume last year. We expect this year will easily hit six million or 6.2 million or 6.3 million in the next two month.*

*Now, on the slide as you can see di atas itu, bagi projek ini, kita bahagikan projek kepada dua, two separate projects iaitu melibatkan Pakej 1 iaitu skop kerjanya ialah bangunan terminal, untuk mempertingkatkan bukan sahaja terminal yang baru, we also build a new wing to the terminal. Daripada itu, the main component passenger loading bridge kita implement the new baggage handling system, tempat letak kereta dan juga menambahkan bilangan tempat letak pesawat di situ. If you have view the airport, there is different from the past where we build new traffic flow system which is much improve version than what we have in the past.*

*So that particular package was awarded to WCT Engineering Sdn. Bhd. yang melibatkan nilai kontrak sebanyak RM700 juta, dan tarikh permulaan kerja pada bulan Mei 2006 dan tarikh siap kerja adalah pada 4 Mac 2010, of course it has defect liable period of 24 months. For this component, it has been completed...*

**Dato' Seri Reezal Merican:** *I am compels to ask this question, the simple one. I think you can answer quickly. There is conflicting figure here. The one Auditor said that the contract value is RM720 million, yours is RM700 million and for Global Upline, yours is RM773 million while the auditor one said RM720 million.*

**Datuk Haji Anwari bin Suri:** Boleh saya jawab? Saya jawab.

Kos asal RM720 juta, APK RM25.74 juta, EOT RM5.94 juta. So total RM700.20 juta. Kedua, kos asal RM720 juta, APK RM27.7 juta, EOT RM13.84 juta. So ada tambahan RM11.76 juta, total RM773.29 juta. So mengikut kontrak ini memang RM720 juta. Terima kasih.

**Datuk Seri Long See Wool:** *Can I proceeds? So the second package itu melibatkan...*

**Tuan Haji Hasbi bin Haji Habibollah [Limbang]:** *KSU, just before you proceed to the Package 2, Package 1 on the ground, is it where the AirAsia now, is it?*

**Datuk Seri Long See Wool:** *No. The AirAsia is just temporary terminal which was built for the purpose which AirAsia is still operating from there which is the term as Low Cost Carrier Terminal.*

Pakej 2 melibatkan Global Upline dan skop kerjanya *is more on airside*, peningkatan *airside*, pemanjangan landasan yang juga melibatkan pemasangan sistem *airfield lighting* yang baru, sistem *navigation aids* dan sistem ComAids dan peningkatan Terminal 2 yang tadi Yang Berhormat sebutkan tadi, di mana operasi AirAsia berpusat di situ sehingga hari ini, dan juga pembinaan Menara Kawalan Trafik Udara serta bangunan pentadbiran Jabatan Penerbangan Awam. Nilai kontraknya adalah lebih tinggi berbanding dengan Pakej 1 dan tarikh mula kerja adalah sebulan kemudian iaitu pada bulan April 2006 dan tarikh siap kerja berasaskan kepada yang EOT yang semua diberi iaitu pada 31 Disember 2012. Tarikh ini, projek ini masih, *is in the process of implementation by the* kontraktor-kontraktor penyelamat.

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*Next*, ini merupakan gambar bangunan Terminal 1 yang telah pun dibina dan telah pun digunakan sepenuhnya oleh syarikat-syarikat penerbangan kecuali AirAsia. *Next page*, ini juga merupakan *the side views of the terminal building. What you see on the left hand side are the aerobridges, and on the right hand side is on the land side yang mana the access road to the terminal building.*

Kami ingin membentangkan tiga perkara yang merupakan *to us are the main issues on the Auditor's Report*. Satu iaitu ketidakpatuhan undang-undang alam sekitar. Kedua iaitu melibatkan satu *equipment which is what we called a navigation equipment and instrument landing system*. Sama ada sistem ini kalau kita tidak ada, melibatkan isu keselamatan operasi.

Ketiganya ialah perpindahan operasi AirAsia daripada *what we called a temporary terminal to Terminal 1 which has the capacity to handle nine million passengers*.

*If I may*, Ahli-ahli Yang Berhormat, mengenai isu yang pertama iaitu pemantauan kepada undang-undang alam sekitar. *For this project, the Federal Government or the Ministry of Transport, we lantik a consultant to do the overall environment studies which was done, but that is for the entire airport project as such.*

Keduanya ialah *because the airport is next to the coast and because the airport involves-when we extend the runway, it will go into the sea on one side, dan juga melibatkan pemasangan lampu-lampu which will guide the aircraft into the sea towards the other end.*

**Datuk Madius bin Tangau:** *Question.*

**Datuk Seri Long See Wool:** *Sorry.*

**Datuk Madius bin Tangau:** *ini laporan EIA, if the cost of the project is RM720 million, is the cost of the EIA is part of that? Adakah...*

**Datuk Seri Long See Wool:** *It is goes into the entire cost project. Kalau projek kos itu masukkan dalam – kalau kita katakan... I am talking about the first one when we did. When we are talking about contract price, it is not there.*

**Datuk Madius bin Tangau:** *Is not there?*

**Datuk Seri Long See Wool:** *But, I need to explain. But, there are certain components of the EIA relating to the extension of the runway into the sea and also the airfield lighting, that comes under the work scope of the contractor which was already priced into the contract. Akan tetapi yang pertama yang I sebutkan tadi itu, that is done by us, not part and parcel of the contract.*

**Datuk Madius bin Tangau:** *Directly from the Ministry of Transport?*

**Datuk Seri Long See Wool:** *Ya.*

**Datuk Madius bin Tangau:** *Okey.*

**Datuk Seri Long See Wool:** *So, yang ini sebab kerajaan negeri ada enakmennya to protect the environment at the State. So, since the extension is going to the sea, so they require us to do a specific study for which it was the responsibility of contractor to do so for that purpose. It is because the extension into the sea involving the extension of the runway telah mengakibatkan impact on the coastal area. The State government further imposed a condition on the construction method for those lighting into the sea to protect the environment.*

*So, there was this issue of the consultant reluctant to do it, but eventually, a construction method was submitted to environment, their task in Sabah. They approved a particular constructor method iaitu dinamakan bahawa temporary steel staging. That method was deemed to be mesra alam sekitar dan juga tidak akan mengakibatkan impak negatif. Walaupun keputusan itu telah dibuat yang mana kontraktor itu sepatutnya melakukan kerja mengikut method of implementations sepertimana yang telah pun diluluskan, but when they proceeded, they went back to the old method of one thing to do pengorekan and bring in sand and all that.*

*So, because of that, the consultant under us issued a Non-Conformance Report iaitu NCR. So, from that period until the contract was terminated, of course there was very little work that was done by the Global Upline but, for the contractor penyelamat yang kami telah lantik, we will follow the decisions and the rules that are being stipulated by the State punya environmental authority.*



*So, I hope I have explained this particular issue in the context of us not conforming to the rules and the regulations of environment in the State.*

**Datuk Madius bin Tangau:** *Can I asks one question?... What was the specific reason for the contractor to insist having the consultant to dig, mengorek muara sungai itu tadi? Why cannot they build without korek?*

**Datuk Seri Long See Wool:** *There are many methods of implementation. I think what- this is a design and build contract. It was negotiated on a lump sum basis. So, if you are the contractor or if I am the contractor, I would want to choose the method which cost me least. So, dia pilih opsi yang dia buat itu sebab itu merupakan satu mekanisme pelaksanaan yang akan melibatkan perbelanjaan kurang daripada yang tadi punya staging method. Because you need to protect the coast, then you will have to do work which is much more tedious and costs you more money. That is why they were very reluctant to do it the methods which the State stipulated, but the moment the State kata, you kena buat macam ini, dia kena akur lah. Because, we would have deemed that whatever method that is determined should have been priced into the tender price.*

**Datuk Madius bin Tangau:** *They insisted to korek because they wanted the pasir isn't it? Not because they cannot build or construct the pembinaan. They want the pasir to do something else. It is an excuse to get the pasir rather than inability to construct the...*

**Datuk Seri Long See Wool:** *I am sorry, those are details, if I may ask my officer or consultant to answer that part. I...*

**Tuan Pengerusi:** *That is not directly related to the...*

**Datuk Seri Long See Wool:** *This one is also one of the thing they are also asking us to pay RM300,000. Part of the court case. But anyway, I think it is okay for us to answer that*

**Ir. Mohd. Hanaffi Ayob [Naib Presiden KLIA Consultant Services Sdn. Bhd.]:** Penggunaan baj adalah yang paling senang sekali sebab baj senang dibawa. Menggunakan *piling rig*, letak di atas baj, dibawa ke *position* yang dia hendak *pile* dekat ia punya *approach light* itu. Akan tetapi sesetengah tempat itu, kerana tempat terlampau cetek, baj tidak boleh masuk, ia kena buat pengorekan. So, pengorekan ini tidak dibenarkan oleh Jabatan Alam Sekitar Sabah sebab ia mengakibatkan hakisan di bahagian lain iaitu di bahagian *coastal* dan di tempat-tempat yang lain. Sebab itu dia hendakkan *method* yang mesra alam dan kita telah *proposed* kepada kontraktor.

Malah kontraktor telah *proposed* kepada Jabatan Alam Sekitar untuk menggunakan *steel staging platform* atau *temporary platform* untuk diletakkan ia punyai *piling rig*, tolak bawa ke laut, ke tempat yang hendak *pile*. Setelah siap nanti, dia akan buka balik *steel rig* tadi itu dan kawasan pantai tidak akan terjejas. Itu telah diluluskan oleh Jabatan Alam Sekitar tetapi malangnya pihak kontraktor telah memilih semula untuk menggunakan baj.

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Akan tetapi kali ini dia memberi alasan, baj itu tidak perlu dibuat pengorekan sebab dia menggunakan yang tipis sedikit, yang *earlier* itu yang tebal. Macam mana dia dapat cari yang tipis punya dan tidak perlu pada pengorekan tetapi kita kata, “*Yang ini tidak dibenarkan oleh Jabatan Alam Sekitar*” dan kita kata, “*Kalau hendak, kena minta semula permohonan ini kepada Jabatan Alam Sekitar*”. Akan tetapi dia tidak mendapat kelulusan ketika itu. Oleh sebab itu kita keluarkan NCR, satu cara untuk kita katakan kita tidak luluskan cara yang dia buat itu kerana tidak mengikut kehendak Jabatan Alam Sekitar...

**Tuan Pengerusi:** Akan tetapi kontraktor tidak buat apa-apa pengorekanlah di kawasan itu?

**Ir. Mohd. Hanaffi Ayob:** Selepas kita keluarkan NCR itu, dia berhenti kerja.

**Tuan Pengerusi:** Oh! Dia buat juga pengorekan?

**Ir. Mohd. Hanaffi Ayob:** Dia tidak buat.

**Tuan Pengerusi:** Sebelum itu, sebelum keluar arahan itu, mereka buat?

**Ir. Mohd. Hanaffi Ayob:** Dia buat baj sahaja.

**Tuan Pengerusi:** Dia buat baj sahaja.

**Ir. Mohd. Hanaffi Ayob:** Dia buat baj sahaja, yang nipis punya. Tanpa pengorekan.

**Tuan Pengerusi:** Maknanya, pengingkaran undang-undang EIA di Sabah tidak berlakulah?

**Ir. Mohd. Hanaffi Ayob:** Tidak dipatuhi.

**Tuan Pengerusi:** Dia tidak patuhi tetapi dia tidak buat pengorekan dan tidak...

**Ir. Mohd. Hanaffi Ayob:** Tidak buat pengorekan, tiada.

**Tuan Pengerusi:** Maknanya dia tidak ingkar kepada peraturan EIA itulah?

**Ir. Mohd. Hanaffi Ayob:** Tidak ingkar lagi.

**Tuan Pengerusi:** Cuma ada *dispute* di antara tanggungjawab dia dalam kontrak dengan apa yang dia buat secara fizikal. Itu sahaja.

**Tuan Tony Pua Kiam Wee:** Minta penjelasan atas apa yang ditanya oleh Tuan Pengerusi. JPAS mengeluarkan kaedah *temporary steel staging* pada 30 Januari 2011. Akan tetapi NCR dikeluarkan hanya satu setengah tahun kemudian. So, ketidakpatuhan itu selepas NCR kah, selepas kaedah *temporary steel staging* dikeluarkan oleh pihak JPAS?

**Ir. Mohd. Hanaffi Ayob:** Selepas kita dapat kebenaran untuk membuat *piling* menggunakan *temporary steel staging*, pihak kontraktor sepatutnya menggunakan kaedah tersebut tetapi apabila hendak melaksanakan kerja *piling*, dia memilih untuk membuat cara *barging*.

**Tuan Tony Pua Kiam Wee:** So, dia korek juga selepas...

**Ir. Mohd. Hanaffi Ayob:** Dia tidak korek. Dia gunakan *barging*- baj yang nipis tanpa pengorekan. Yang asalnya...

**Datuk Madius bin Tangau:** Selepas itu, boleh lalu pula ya? Dulu tidak boleh lalu.

**Ir. Mohd. Hanaffi Ayob:** Dulu dia hendak yang tebal punya, dia terpaksa gunakan pengorekan.

**Datuk Madius bin Tangau:** Pasal dia hendak pasir.

**Ir. Mohd. Hanaffi Ayob:** Yang itu saya tidak tahulah apa dia punya... Selepas itu, setelah kita dapat kelulusan daripada pihak Jabatan Alam Sekitar untuk menggunakan *steel staging*, dia sepatutnya menggunakan *steel staging*. Akan tetapi dia masih hendak menggunakan *barging* juga dan sebab itu kita keluarkan NCR.

**Datuk Seri Reezal Merican:** *Did he completed the pembinaan?*

**Datuk Seri Long See Wool:** *No.*

**Ir. Mohd. Hanaffi Ayob:** Dia tidak buat lagi. Masa itu dia baru satu, dua *pile* dan kita sudah keluarkan NCR, dia *stop* kerja itu.

**Datuk Seri Reezal Merican:** *After a year?*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Datuk Seri Long See Wool:** *If I may just explains that sequence. I think it is a question of the sequence. When the final method was approved by the authority, he did not settle immediately. He took quite a bit of time. Then, his barge appeared. So, it was quite clear that he did not want to follow. He reverted back into the old method because that could have saved his money but we have to issue the NCR. So, there was this time lapse there but you must recall that his performance was- it took him a long time even start doing any work item which was the issue that we have continuously with this particular...*

**Tuan Pengerusi:** *Datuk, before you proceed dengan apa-apa jawapan pun, in this case, is this EIA punya dispute under the court action?*

**Datuk Seri Long See Wool:** *Ya, what they are...*

**Tuan Pengerusi:** *No, no. What I am saying is ...*

**Datuk Seri Long See Wool:** *It is.*

**Tuan Pengerusi:** *If you are not comfortable with any of the answer that can affect your case in court, you please...*

**Datuk Seri Long See Wool:** *Ya.*

**Tuan Pengerusi:** *If you think...*

**Datuk Seri Long See Wool:** *...But I think so far we are just explaining the facts and see the difficulties on what we have faced.*

**Tuan Pengerusi:** *We understand your difficulty also but please answer- if you feel comfortable, answer as detail as you can as long as it does not jeopardize your case.*

**Datuk Seri Long See Wool:** *Okay, thank you.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Mr. Chairman, saya cuma hendak bertanya, Laporan EIA ini diluluskan pada tahun 2007. EIA second one pun pada tahun 2007. So, dalam kelulusan awal itu, sama ada precision approach like whatever method itu sudah diambil kira ataupun it is a new findings on the 2 August 2010? Ini kerana ia pada tahun 2007 sudah lulus EIA itu which I am sure he would have taken all those methods in that report. Why pula tahun 2010 ini EIA come out with the new syarat ini?*

**Datuk Seri Long See Wool:** *If I may, just answer in general, I think it is the prerogative, the department to impose any new conditions deem fit because the State did it because when we did the land reclamation for the extension of the runway, it did affect the coastal line [Disampuk] So, what they did was because before you go further to do your lighting, using a method which is not an environmental friendly. So, they impose this new condition [Disampuk] Yes.*

**Datuk Madius bin Tangau:** *Jadi sebenarnya, berapa EIA yang dibuat? How many EIA are there? You have the EIA daripada DOE, selepas itu ada EIA lagi satu ini yang diluluskan. Selepas itu daripada...*

**Datuk Seri Long See Wool:** *There are basically two.*

**Datuk Madius bin Tangau:** *Two EIA?*

**Datuk Seri Long See Wool:** *The main one for the entire project as I mention earlier was done by the government, by the ministry. The second one was specifically because of the expansion of the airport into the sea for which there is...*

**Datuk Madius bin Tangau:** *So, you have two EIA yang dihantar ke Jabatan Alam Sekitar Persekutuan. Selepas itu ada lagi EIA yang diminta oleh Jabatan Perlindungan Alam Sekitar Sabah.*

**Datuk Seri Long See Wool:** *The first one was overall which is done earlier as we move into the project because of the ini, we were required to the second one which came later. After the second one was done, it was okay, but when it causes erosion in adverse impact to the coastal line, they impose the additional condition on the method of the construction.*

**Datuk Madius bin Tangau:** *But not DOE report, bukan?*

**Datuk Seri Long See Wool:** *But the whole things is still related to the environment protection.*

**Datuk Madius bin Tangau:** *I know, because there are two different things. Kalau ia daripada Jabatan Perlindungan Alam Sekitar Sabah, dia punya skop lain, bukan?*

**Datuk Seri Long See Wool:** *Ya, the scope is different.*

**Datuk Madius bin Tangau:** *The scope is different. So, I want to know exactly EIA pada peringkat mana?... Jabatan Perlindungan Alam Sekitar negeri peringkat mana, selepas itu EIA daripada Jabatan Alam Sekitar Persekutuan peringkat mana- which part of the project?*

**Datuk Seri Long See Wool:** *The overall environment impact study done by the Federal Government was already clear. Then, we move to the next stage of the construction as such which involved extension into the sea. So that we– the requirement for us to do that particular one which we did. Then, the additional conditions were further imposed to avoid any further adverse impact on the coastal line which was the issue that brought about this barging construction method. This is relating to the last portion of work for which the lighting has to be put beyond the shore line into the sea.*

**Datuk Madius bin Tangau:** *This is just the point of interest. Ini kuasa di antara Jabatan Alam Sekitar Persekutuan (DOE) dengan Jabatan Perlindungan Alam Sekitar negeri. At what point, at which point was the need to go to the State government? Sebab yang ini Persekutuan, kenapa perlu kepada kerajaan negeri?*

**Datuk Seri Long See Wool:** *No, no.*

**Datuk Madius bin Tangau:** *Why cannot it be done by just...*

**Datuk Seri Long See Wool:** *No, no. There are requirement at the State for which we need to confirm on environment. The Federal Government- there have a separation of power on this. I think in this case, the State has the power to impose because it affected the coastal line. Terima kasih. Kalau saya dibenarkan meneruskan isu yang kedua...*

**Dato' Kamarul Baharin bin Abbas:** *Just before that Tuan Pengerusi. Can I continue? [Disampuk] When the JPS issued syarat-syarat yang baru, does it affect the scope of work because, the original terms did not include this extension into the sea that comes later.*

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**Datuk Seri Long See Wool:** *No. The scope of work includes there. The scopes of work include extension into the sea and fix light into the sea which we need it to be a pylon.*

**Dato' Kamarul Baharin bin Abbas:** *But this a...*

**Datuk Seri Long See Wool:** *But how you do it is the issue.*

**Dato' Kamarul Baharin bin Abbas:** *Ya, that part of it, were it never inspected or were it the responsibility of the contractor?*

**Datuk Seri Long See Wool:** *It is a responsibility of contractor based on design and build.*

**Dato' Kamarul Baharin bin Abbas:** *That number one. Number two, kelulusan diberi pada Januari 2011 but the Non-Conformance Report was done, like what you mentioned, one and a half years later. What happen between one and half years for all of you to take...*

**Datuk Seri Long See Wool:** *No. As I explain earlier, he did not submit. Immediately he receives the instruction.*

**Dato' Kamarul Baharin bin Abbas:** *...But why do you take one and half years to terminate them?*

**Datuk Seri Long See Wool:** He...

**Dato' Kamarul Baharin bin Abbas:** *Because it does affect the project. The project was delayed for one and half years simply because of this problem.*

**Datuk Seri Long See Wool:** *Not only these problem, there are many other component- also they are very slow. But you must remember, if you look at the overall project at such, at the point in time when he ran- there were a number of, as you saw as maybe pointed to that by Jabatan Audit Negara, there were very reasons that we gave the extension of time. There were very reasons. But you see the difficulties that we face today at the project and if you go to KLIA, it is the same challenge.*

*When you have a contractor that you lantik, katakanlah dia sudah habiskan 85% or 90% of the work, the remaining work which is only about 10%. The tender was done quiet a few years ago based on design and build. He has already praise it, okay? It reach a point when you have to make a decision sama ada you menamat ataupun you benarkan dia meneruskan kerja, which is a very difficult decision. Kalau you tamat, there are a lot of cost implication so on and so forth. Because, if you lantik new contractor, the price will be today, 2013 price, not 2006 or 2009 price.*

**Dato' Kamarul Baharin bin Abbas:** *That's what I was saying the decision was made one and half years later.*

**Datuk Seri Long See Wool:** Ya.

**Dato' Kamarul Baharin bin Abbas:** *In spite of fact that yourself, kementerian also aware of who are the contractors are- and all that, this problem. And of course one and half years incurs cost. Kalau ikutkan laporan maklum balas ini, only six months later after issued in the NCR, baru ditamatkan. And then the new kontraktor penyelamat dilantik solely for the purpose of complying the JPS punya- State punya kerja itu, kaedah temporary steel staging.*

*So I don't see here that the kontraktor penyelamat ini mengambil alih kesemua projek. According to the report here, dia dilantik untuk dipastikan mematuhi syarat JPS, only for this particular project, only for this particular scope of work?*

**Datuk Seri Long See Wool:** *No, if I may answer. Can I answer? This is one of the components of work which he did not finish.*

**Dato' Kamarul Baharin bin Abbas:** *One of...*

**Datuk Seri Long See Wool:** *...One of the items yang tidak habis. Ada lagi yang dia tidak habis.*

**Dato' Kamarul Baharin bin Abbas:** *Jadi yang lain itu which contractor?*

**Datuk Seri Long See Wool:** *So, we also has appoint...*

**Dato' Kamarul Baharin bin Abbas:** *Is it the same contractor?*

**Datuk Seri Long See Wool:** *Same contractor.*

**Dato' Kamarul Baharin bin Abbas:** *But dia...*

**Dato' Kamarudin bin Jaffar:** *Same contractor penyelamat or different contractor?*

**Dato' Kamarul Baharin bin Abbas:** *Ya, how many contractor penyelamat do you have?*

**Datuk Seri Long See Wool:** *We have- we will come to the end part, we will show you which are the contractor that we lantik. Because, the lighting system is a different specialization for which is the different contractor we have to lantik. For instance, like the airfield ground lighting, the NavAids, those were a specialist item for which you have to go back to those to lantik them to do. The civil works is the civil works. So, this constitutes civil works...*

**Dato' Kamarul Baharin bin Abbas:** *The nominated contractors are not affected by this termination, bukan? Because...*

**Datuk Seri Long See Wool:** *But they are contractor employed by the main contractor. When we terminate the main, the rest will go.*

**Dato' Kamarul Baharin bin Abbas:** *Who appointed the nominated contractor?*

**Datuk Seri Long See Wool:** *No, there is no nominated contractor. Because this design and build, we cannot appoint nominated contractor. Otherwise, we have to hold responsibility kalau ada masalah. Because the design and build- it has to take the design and responsible for the design and the implementation.*

**Tuan Pengerusi:** *Datuk, silly question- this contractor dilantik secara perundingan terus. Adakah dia dilantik berdasarkan kepada pengalaman dia untuk buat airport?*

**Datuk Seri Long See Wool:** *Is just factual. He is not that inexperienced. He has a lot of experience in airport construction. He builds Bintulu Airport, he upgraded Miri Airport, he has experience in Langkawi Airport, he is also a contractor for Kuching International Airport, Labuan Airport as well as this one. So, I must also factually tell you that his performance for Miri, for Bintulu, in fact he finished the job ahead of time.*

**Tuan William Leong Jee Keen:** *I think we sight the track record, was he also financial capabilities and technical capabilities? Was this considered in the time of perundingan terus?*

**Datuk Seri Long See Wool:** *I think at the time of appointment, yes.*

**Datuk Seri Reezal Merican:** *Datuk, about the rescue contractor. I do not know whether you are at the liberties to answer this. When they were appointed, what stage are they doing now? The rescue scope of job that had to continue what the terminated contractor has left.*

**Datuk Seri Long See Wool:** *In general, they had been lantik to finish those work that have not finish.*

**Datuk Seri Reezal Merican:** *And the mode of the appointment, how was it done?*

**Datuk Seri Long See Wool:** *Sorry?*

**Datuk Seri Reezal Merican:** *The mode of the appointment, how was it done? The mode of awarding contract to the rescue contractor.*

**Datuk Seri Long See Wool:** *What we did was, for specialist items for instance, for which you cannot change brand anymore, for instance, the ILS system, the Instrument Landing System, is a system that we purchase from those companies. So, we have no choice but to go back to the specialist. But for civil works, we just haven't evaluation of who can best do the job and this is appointed under this basis. [Disampuk] This one not. It was negotiated.*

**Datuk Seri Reezal Merican:** *So the mode of awarding is basically direct nego.*

**Datuk Seri Long See Wool:** *Ya, basically one of the reason is the time factor. We want to finish of this airport as soon as possible.*

**Dato' Abd. Aziz Sheikh Fadzir:** *My question, kalau original tender kontrak ini 2006 to 2009, so what happen to 2006 to 2009? Is he perform at that time or he is already fumble?*

**Datuk Seri Long See Wool:** *I think in that area for first few years, he was okay. Anything beyond that, I will be going into an area for which maybe prejudicial in making any Statement.*

**Tuan Tony Pua Kiam Wee:** *So we just ask the facts and then we form our opinion. He doesn't have to give...*

**Datuk Seri Long See Wool:** *Ya.*

**Datuk Madius bin Tangau:** *Sikit sahaja lagi. I would like to go back to the EIA again. The kementerian knows very well that the projects will involves the extension of the runway into the sea right from the very beginning, you know. He also knows that the extension of the runway to the sea will affect the muara of Sungai Petagas. He also knows that, right? But, why didn't you appoint the EIA consultant as required by Jabatan Perlindungan Alam Sekitar Negeri Sabah right from the very beginning together with the EIA required by Jabatan Alam Sekitar Persekutuan together? Kenapa pelantikan ini dibuat pada berlainan masa?*

*Kedua, did you consider EIA Report- condition of the EIA report has a very important input to the designing of the whole project. Because, the design of the project should also be part of the mitigation- environmental obligation. Termasuklah metodologi, cara-cara pelaksanaan PAL tadi itu. There would have evaluation accordingly- evaluated by respected EIA. So why didn't you do that right from the very beginning of the projects?*

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**Datuk Seri Long See Wool:** *You must be an engineers, sir. Anyway, if I may just answer in general again. This is design and build contract. In design and build contract, we do not do design. All that we stipulate are what are they deliverable. So, the contractor will have to evaluate the situation at his best and coming to named a price and negotiate with the government. In doing so, he has to take into account a number of factors.*



*Of course, one of which, is the risks that he will have to face, for instance, specifically on this extension into the sea. So, he should have taken that into the account.*

**Datuk Madius bin Tangau:** *Okay, one of the evaluations that you are going to evaluate or to consider, whether to take in this component is to look at the cost. The design of the project would have an implication to the cost. At the other side is, the EIA would have evaluated the issue of traffic. Firstly, the air traffic as is the jalan raya punya trafik. The volume of traffic would affect the design again. We don't need the extra road, we don't need the flyover or something like that. EIA would have done that. Therefore, the cost of doing the EIA at the very beginning, for the consultant, should have been considered that at the very beginning but this one you did the EIA towards the end- in the middle of the project.*

**Tuan Tony Pua Kiam Wee:** *Just additional point. Even if it is a design and build contract, there must be conditions in the agreement that they must be subjected to the EIA regulations, approvals, report and comply to all necessary stuff. I am sure those conditions are in place even for a design and build contract.*

**Datuk Seri Reezal Merican:** *All right, Yang Berhormat Petaling Jaya Utara. In fact, every approval by MOF, if I may, correct me if I am wrong. Any direct nego project, approval by MOF, when they send letter to MOT, one of the line they will say, even design and build that they will have to deal, negotiate to the best price, and then complying with all other conditions. That will always be stipulated because after that, then only you will issue the LA. The earlier surat kelulusan. So, that makes you incumbent about looking into the aspect of what my colleagues from Tuaran and Petaling Jaya Utara has just risen.*

**Datuk Seri Long See Wool:** *Can I answer?... All those rules stipulated by the Treasury were followed. We negotiated the contract, negotiated the price. The needs Statement clearly stipulated what we need to do. At that point in time, we already clearly know that. The runway, if we extend to accommodate, bigger aircraft will have to go into the sea. All those Statement were clearly stipulated. Environment requirements, everybody knows and even in the contract, there are clauses clearly Statement that. Whatever requirements of the Federal Government, of the State government, even PBT's, the contractor will have to follow. There is no exception to that. In this case, it becomes a problem because he doesn't want to follow.*

**Dato' Kamaruddin bin Jaffar:** *Maybe Datuk, if you have that document contract, just read out that passage, so that we are clear.*

**Datuk Seri Long See Wool:** *Yes, we have. Can you read out the clause? Semua kena patuh. Soal dia tidak patuh, tidak timbul.*

**Tuan Pengerusi:** Datuk, dari segi perancangan keseluruhannya yang di- *I assume it has been done by consultants. Was it complete? Did they do are good job? Did they take into account all the factors that could have to contributed to the problems that you have?*

**Datuk Seri Long See Wool:** *No, no. You should not answer, because of course, you will say yes [Ketawa] I think by large and the consultants are also not the consultant inexperience. They were the ones who built KLIA. I would not- I am in designing the KLIA, supervise and completion. But, I would not say that all of us are perfect. I mean, we do have kelemahan and so on by and large, I think all the conditions were stipulated.*

**Tuan Pengerusi:** *Because, my worry is this. Sometimes consultants get complacent. Yes, you have a track record but consultants depend on people- Tan Sri...*

**Datuk Seri Long See Wool:** ...Jamilus.

**Tuan Pengerusi:** *Jamilus was a good consultant 20 years ago. He's team today might not be strong but because of the backing of the name, sometimes you may find a sense of comfort in his name more than the actual backup or the more actual expertise in his firm. I hate making this Statement, but I have to put it on record. So, is that your policy when it comes to appoint the consultants? You look at more at names, or you look at the total background?*

**Datuk Seri Long See Wool:** *No, we look at their performance as well, because of course, a firm maybe very good today, it might not be very good in the next few years. Similarly, contractor pun serupa juga. So, we have to be very vigilant and make sure that whether we should reappoint or whether we should look for new consultant. For which you can see, we appoint different consultants for different jobs based on the best evaluation at that point in time.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Cuma dua. Satu, scope of work of consultant ini is basically to look at the design by the contractor and confirm that it is actually something that follows all the requirements. That's the job, right? Then the second one, I just want to go back to the- tadi Datuk kata between 2006-2008, the contractor were doing alright. Berapa percentage of work has been completed within that time, before its get onto trouble?*

**Datuk Seri Long See Wool:** ...*Since this is very specific, can you give the year?*

**Datuk Madius bin Tangau:** *Meanwhile, can I ask? The contractor, when they start doing the work without the EIA approval, so, did the Ministry kena compound by the Department of Environment?... How much is the compound imposed on you?*

**Datuk Seri Long See Wool:** *Do we have a compound?.. No.*

**Datuk Madius bin Tangau:** *No compoundkah?... Did they impose compound on you..., from Jabatan Alam Sekitar Sabah kah, daripada jabatan...*

**Datuk Seri Long See Wool:** *Tidak ada.*

**Datuk Madius bin Tangau:** *There was none?... No compound for starting a project without approved EIA?*

**Datuk Seri Long See Wool:** *It's not starting a project. This is in particular light which we need to build it on pylon, that part.*

**Datuk Madius bin Tangau:** *I know, but as I said, I asked the Minister at that time, I was in House and I ask the Minister of Alam Sekitar at that time, kerja-kerja sudah mula, because it was a big havoc. Remember, there was a relocation of people? Squatters in Sri Tanjung, land near the runway, relocated to Penampang. The people oppose to things like that. So, I made a question in the House of Parliament, I said, do you have approved EIA to start this project and his answer was none.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Kalau tengok approval itu pun Datuk...*

**Datuk Seri Long See Wool:** *I wouldn't wants to comment on your discussion with the Minister.*

**Datuk Madius bin Tangau:** *But, what I'm saying is, my question is, was they kena compound for starting the project without EIA.*

**Datuk Seri Long See Wool:** *So, the answer is no.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Okey, tapi macam mana consultant boleh advice to proceeds with the work without the EIA approval?... Because EIA approval is only sometime in 2007. You signed the contract in early 2006 or 2005, 2006. So, how can consultant and who give you the kebenaran untuk memulakan kerja? I am sure PBT have to give you permulaan kerja. How much have you paid between the times of this started work until the EIA approval?*

**Datuk Seri Long See Wool:** *Are you talking about why were we allowed to start the whole project?*

**Datuk Madius bin Tangau:** *Started work without an approved EIA.*

**Datuk Seri Long See Wool:** *We have, as I mention earlier, the overall project EIA was done, it was approved.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Approved ini 2007. Award contract ini 2006. So, kita hendak tahu bila start kerja and how come consultant allow you to start work, allow the contractor to start work without the EIA approval?*

**Datuk Seri Reezal Merican:** *Would you agree that there was a job that has started prior of obtaining EIA approval?*

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**Dato' Abd. Aziz Sheikh Fadzir:** *Kita hendak tahu siapa bagi kebenaran memulakan kerja itu.*

**Tuan Pengerusi:** *I think I better re-phrase... Is there controlling officer in this project? Is it you or is it the KSU of the kementerian?*

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *I am sure you were not there in the kementerian as KSU when this project started.*

**Datuk Seri Long See Wool:** *I was there in the kementerian but I was not the KSU.*

**Tuan Pengerusi:** *You was not the KSU, so you are not the controlling officer [Disampuk] I think that is the question that we are looking at. So, did the KSU at that time give a go ahead based on the consultant advice without the EIA Report?*

**Dato' Abd. Aziz Sheikh Fadzir:** *The role of the consultant here is very basic. They do not even design anything. You know, they get paid RM29 million, that is a lot of money for them not to design anything. They only basically look at the design done by the contractor. For RM29 million and they verify it and suppose to recommend you that this is a good contract or a good design. Akan tetapi basic dia itu, how can anyone approve projek bermula bila EIA tidak diluluskan? Adakah PBT yang saya percaya dalam semua projek adalah badan yang sepatutnya mengeluarkan kelulusan untuk memulakan kerja, keluarkan kelulusan untuk memulakan kerja itu?*

**Datuk Seri Long See Wool:** *I will have to checks that. I am afraid that I am...*

**Ir. Mohd. Hanaffi Ayob:** *I just want to clarify on this issue. At the early stage- I just check on against the record, I was not really involved but I check against the record. According to the prescribe activity for an airport which require EIA, they require a runway of a land of 2.5 kilometres which require an EIA study to be done. I think this is a misunderstanding at the early stage whereby for this airport, the runway to be done is only 800 meters, the extended portion, the new runway. The old portion is only the upgrading of the existing runway to make it stronger, in that sense. It is only a refurbishment but the new runway is only 800 meters. So, at the early stage, there is a misunderstanding whereby whether they really require an EIA study or not. But after certain clarification with the DOE of the Federal Government, they require the State did that study. That is why the study was invoke at later stage but yet, they completed the study and submitted for the approval.*

*On the second stage, whereby the Jabatan Alam Sekitar Sabah, they are more concern on the method of construction whereby the choice of method of construction is on the contractors. It is very clearly Stated under clause 26 of COC of our contract, whereby whatever method that the contractor choose, it must not detriment to the regime of the sea. So, when they do the reclamation of the extended runway, they have many choices. They can use earth from the hill or they can use sand from the sea. So, when do the extraction of sand from the sea, they have to get the EIA approval. Thank you.*

**Dato' Abd. Aziz Sheikh Fadzir:** *You kata EIA tidak perlu untuk projek ini, is that what you are saying?*

**Datuk Seri Long See Wool:** *Ya, I think that clarified. Now I recall. You see, they are – this is not building a new airport. We are merely enlarging the airport and the component which was critical to this was the extension of the runway and it was quite clear that any runway that is below a certain land, we do not have to get special EIA Report, but later on as he described, we will have to verify later. There were misunderstanding and eventually what we had to do, we did it but the project already started.*

**Tuan Pengerusi:** *Well, the origin of the misunderstanding must come from your side or the consultant side. So, can you clarify on that part because you are not the expert? So, I presume that the consultant should have advice you on the matter. The reason why I am saying this is because I go back to my original Statement where I said, are you picking consultant based on their previous name and track record or looking at their capability?.. [Disampuk] Ya, branding. You choosing the consultant based on branding or you choosing them based on competency? In this case, if they advice your kementerian, advice the previous KSU wrongly, it obviously cause us financial damage because the contractor did not comply and there is a real loss of public fund here. So, can you clarify this, whether it was actually also mistake or error by the consultant that led to the misunderstanding in your ministry and also with the DOE?*

**Datuk Seri Long See Wool:** *If I may, for me to answer the question. If I may, correct me if I am wrong. What you are asking is that the appointment was not properly evaluated?... No?*

**Tuan Pengerusi:** *All I am saying is we are trying to pin-point– you said there was misunderstanding, this misunderstanding led to losses. We are trying to pin-point, who is at fault? Is it your ministry officials or is it– or did you act on consultant advice, consultant did not give you a full picture? That is my question.*

**Datuk Seri Long See Wool:** *I think we...*

**Tuan Pengerusi:** *I am not questioning the selection of the consultant, you know. I just make a comment saying that...*

**Datuk Seri Long See Wool:** *I think we...*

**Tuan Pengerusi:** *...Did you appoint on brand name or did you appoint on competency? That's all. That is a general comment. It is not– but we are trying to pin-point here, did somebody make mistake that led to financial losses?*

**Datuk Seri Long See Wool:** *I think we act on advice. Whether it led to financial losses or not, then it is the question of where do we attribute the mistake, is the issue.*

**Tuan William Leong Jee Keen:** *We knows you act on advice but whose advice?*

**Tuan Haji Hasbi bin Haji Habibollah:** *Before that KSU, I would like to ask here. Maybe your team can help you also. The consultant is paid by the contractor or separate payment by the government, the consultant?*

**Datuk Seri Long See Wool:** *We pay the consultant.*

**Tuan Haji Hasbi bin Haji Habibollah:** *It is not by the...*

**Datuk Seri Long See Wool:** *No. Of course he has his consultant because he needs to design. He has his own consultant.*

**Tuan Liang Teck Meng [Simpang Renggam]:** *So, can I add a bit further to what has been raised by the Chairman? Because you were made known that you did not require the report, the EIA requirement, so you started the work at the initial stage. There must be some approval during that time, who gives that instruction to start the work. Then, later on you found out, "Hey, beyond this length actually we need..." [Gangguan sistem pembesar suara].*

*To you that, "Hey, now you need this requirement". So, we need that chronology. Then, we know whose responsibility for all the root cause. Thank you very much.*

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**Dato' Abd. Aziz bin Sheikh Fadzir:** *Sedikit lagi Datuk Seri. Not only EIA approval which I have doubts about the Statement tadi, but tanah juga belum selesai lagi. Pengambilan tanah persendirian kalau mengikut laporan daripada Audit ini, diwartakan hanya pada 6 November 2008. Baru diwartakan ini. Pengambilannya I think some time in 2009. So you got a land matters not resolve. I have doubt about the EIA Report and I am still waiting for the answer, bila PBT beri kebenaran untuk keluar ini? So there are many thing yang kita tidak ikut betul-betul, macam memberi gambaran, we are really rushed for the work ini. Itu saya lihat kalau Datuk boleh memikirkan balikkah. Terima kasih.*

**Datuk Madius bin Tangau:** *Hendak tambah sedikit Tuan Pengerusi, ya*

**Datuk Seri Long See Wool:** *The part when it come to the land. Can I to answer on the land issue today?... About the land now?... Now on land, we applied in 2003, today is 2013. You have talking about 11 years. If I were to put it in other way, if I were waiting for all this approval, KK would be KK of 10 years ago.*

**Datuk Madius bin Tangau:** *That is why the project...*

**Datuk Seri Long See Wool:** *But the State is not saying that they are not giving us the land.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *Akan tetapi tidak warta itu.*

**Datuk Seri Long See Wool:** *Is the process they take which– you know, land is State matter.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *Datuk, the process of land is bila ia diwartakan. Kalau belum diwartakan, itu tanah hak individu. Datuk hendak tanam pokok pun tidak boleh because that belongs to him. So, it is start with warta. Once you warta, baru pengambilan would start. It is the little I understand about the land law. So kalau tidak wartakan lagi.*

Kedua Datuk, *I think the Statement tadi itu, I know you are bit frustrated with the system that we have which always hinder our development. Akan tetapi we cannot practice that kalau kita hendak tunggu semua kelulusan untuk kita start, Datuk. That is not a good Statement. Not good practice for us.*

**Datuk Madius bin Tangau:** *Because knowing that you are dealing with land matters, land acquisition and all this, therefore, the EIA daripada Jabatan Perlindungan Alam Sekitar Negeri Sabah should have been posted from the very beginning. Ini pun an afterthought. Hanya kerana dia hendak memohon ambil pasir, dia memohon untuk buat EIA. But since this project involves land acquisition, pengambilan-pengambilan tanah dan sebagainya, relocation of squatters and things like that, you should have imposed on the project proponent a requirement to do EIA right from beginning, but you did not do that. It is only an afterthought just because project proponent hendak ambil pasir, dia buatlah EIA daripada Jabatan Perlindungan Alam Sekitar Negeri Sabah. You did not have the idea, did not put in dari segi syarat-syarat that EIA Report will have an input into the design of whole project. Therefore, the EIA must have been done right from the beginning. What you did di sana just an afterthought.*

**Tuan Tony Pua Kiam Wee:** *Saya hendak sambut apa yang disebut oleh Yang Berhormat Tuaran tadi. Quoting from the contract, in a very brief grant I have- just now you are saying you try to refer to the contract. Having a look at the contract here, di sini tidak ada specific requirement for the project to carry out an EIA. I cannot find it. Tidak ada. Kalau ada, tunjukkan.*

*The only things is the clause 26 yang ada di mana pihak kontraktor perlu mematuhi semua undang-undang dan juga peraturan yang diperlukan daripada pihak Persekutuan ataupun pihak negeri, mana-mana undang-undang dan segala kos perlu ditanggung oleh pihak kontraktor. So it is sort of- neatly cover under that cash out clause, the blanket clause, but it is not specific that you require an EIA. So in the normal reading of the contract in my view, tidak ada EIA diperlukan. Based on the contract. If I am the contractor, I baca begini pun macam tidak ada. Not entirely on default lah. I think that cash out clause, EIA if you want to do tambak, I think it is quite obvious you need EIA.*

*But there is one other clause under 32 di mana environmental management plan perlu disediakan. So there is environmental management plan perlu disediakan oleh pihak kontraktor dan diberikan kepada pihak kerajaan dalam jangka masa 28 hari. So the question is whether environmental management plan telah pun disediakan dan diluluskan oleh pihak kerajaan on this environmental management plan? So, when they submit and when was it approved, whether by MOT or any other government department in this contract? So I think that will be useful for us to know.*

**Datuk Seri Long See Wool:** *As I mentioned, maybe just reiterate the thing raised up, because there is this clause 34.3 under compliances to law requires upon the contractor.*

*If I may read, "The contractor should comply with all applicable law and with all directions, orders, requirements and instructions given to the contractor by any authority competent to do so under any applicable law."*

**Tuan Tony Pua Kiam Wee:** *Which is, which agreement is that?*

**Datuk Seri Long See Wool:** *It is the contract.*

**Tuan Tony Pua Kiam Wee:** *24, different thing- 24 is...*

**Datuk Seri Long See Wool:** *Sorry. We blur. It is 84.3.*

**Tuan Haji Hasbi bin Haji Habibollah:** *In the same time KSU – before that Yang Berhormat PJU. Just hendak tahu, all these kalau baca kontrak, kalau baca klausa tadi, so all those EIA consultant, siapa yang engage, government or contractor?*

**Datuk Seri Long See Wool:** *That is why I wanted to clarify. That is the confusing part, you see. On the Federal side, the requirement was confirmed by us. We did it. But when we came to the actual yang Yang Berhormat kata tadi, matter of the construction, all that and all that those things, we detail out into the contract which is the contractor would have to get the approval. Seperti tadi itu when you want– the issue with the State was when you build this thing into the sea, they require you to stipulate a method that do not adversely affect the environment. That is why it came on the issue of methods Statement, the issue how do you implement, kena patuh kepada all the mitigating measures that they outline for you which is done by the State. So, when they imposed that and I go back to the clause that if this is the decision of the State as an authority, maka dengan itu dia kena patuh. Itu sahaja. So dia tidak boleh mengatakan bahawa tidak hendak patuh. Dia boleh cakap, "Oh, saya punya harga dahulu tidak ambil kira method ini, method itu." But that was the risk he took. That was the price I pay because we design and build as you know, there is this risk elements for which we pay.*

**Tuan Tony Pua Kiam Wee:** *I think we all agree on that. Even though it is cash out clause... [Disampuk] It is cash out clause. That means he has to comply with the clause where he has to agree to all legal, undang-undang peraturan semua, dia kena akurlah. The most specific question is when did they submit the plan to the local EIA and when did they submit, per the agreement, environmental management plan to the MOT? Was that approved by MOT or any other bodies? Because, it is supposed to be approve by the government.*

**Dato' Seri Reezal Merican:** *I need to- maybe I can help Datuk...*

**Tuan Haji Hasbi bin Haji Habibollah:** *In addition to that, did he engage EIA punya consultant to prepare the plan and everything for him to submit...*

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**Tuan Tony Pua Kiam Wee:** *Akan tetapi dia tidak perlu.*



**Tuan Haji Hasbi bin Haji Habibollah:** *That is why we want to know. Takkan dia buat sendiri-sendiri sahaja? Mesti ada profesional...*

**Datuk Seri Long See Wool:** *Dia employ. He has employed his own environmental consultant, which he did so.*

**Sr. Jamiah Jahis [Wakil KLIA Consultant Services Sdn. Bhd.]:** *Yang Berhormat, saya rasa saya perlu clearkan perkara ini. Tadi ada dua environment punya ini. Satu daripada Jabatan Alam Sekitar, Federal, which pihak kementerian telah dilaksanakan dan jurutera tadi sudah beri explanation, ada confusion at the early stage but later it was actually done.*

*The secondly is actually* perkara yang perlu dipatuhi oleh kontraktor kerana kehendak Jabatan Perlindungan Negeri. *That is based on methods of construction. So, perkara ini masa negotiation telah dibincangkan. Harga yang kontraktor maksudkan itu sebenarnya sudah masuk harga untuk dia mematuhi mana-mana kehendak jabatan ataupun statutory body. Termasuklah Jabatan Perlindungan Negeri. Di sini memang ada surat daripada kontraktor. Kalau kita tengok dalam volume 1, dekat dalam surat-menyurat, dekat bahagian belakang, kontraktor sudah tetapkan dan confess that dia punya harga contract telah termasuk beberapa perkara dan tidak termasuk beberapa perkara. So, pada saya, isu EIA punya kos memang tidak ada isu, because it is already billed in into contract price which is RM720 million...*

**Tuan Tony Pua Kiam Wee:** *So, that one we accept. We accept that the contractor bear the EIA cost.*

**Sr. Jamiah Jahis:** *Yes,*

**Tuan Tony Pua Kiam Wee:** *...And whatever other studies that is required to comply with the law.*

**Sr. Jamiah Jahis:** *Yes, correct.*

**Tuan Tony Pua Kiam Wee:** *So, the question now is, when did they submit their methods for approval by the State, by the contractor? Number two, did they submit the environmental management plan to the government?*

**Sr. Jamiah Jahis:** *On the approval to the State, dia akan hantar bila dia hendak melaksanakan kerja and that method supaya tidak bercanggah ataupun mematuhi. So, that the reports- I think the engineers will have it, but definitely we have that reports. I don't have it now.*

**Datuk Seri Reezal Merican:** *Yang Berhormat Petaling Jaya Utara, I think I can enlighten, I can help Datuk Seri Long ya. The only problem here is that because this project is done by design and build- when it design and build, there are three components over here. One is the project owner or project's custodian or whatever you called it or the client of ministry, which is MOT. The other one is contractor. The third one is regulatory body that regulates many other things, requirements that required in order for this construction to take place.*

*Look here- under normal conventional contract, everything will be done by the client of ministry, right? But in this case, when it is design and build, obtaining the approval of EIA is incumbent upon the contractor, right? But the question- the compliance of the contractor, obtaining it, must be monitored or must be approved by whom?... Failing which, whose fault is that?*

**Datuk Seri Long See Wool:** *I think here is quiet clear. Khasnya berkaitan ini adalah tanggungjawab kontraktor untuk mendapatkan kelulusan. We are not saying that we are just sitting back, we do not do anything. We also talk to the State, because it is affecting the progress of the work but the decision is absolutely at the discretions of the State.*

*Mengenai method- oleh kerana erosion will take place, so the State decided this is the method. So, when they decided that is the method, as far we are concerned, that is the method. Akan tetapi semasa dia hendak buat itu, dia tahu tetapi dia hantar baj pula. So, they are not conforming to it. So, that is why we signed out that you are not conforming to the requirements of the State. Whether the State is- I mean, it is the authority. So, that constitute one of the major area which we ran into a conflict. I mean, as much as we like to avoid it, but he went head on this particular issue.*

**Tuan Tony Pua Kiam Wee:** *My specific question is, did they submit environmental management plan to the government?*

**Datuk Seri Long See Wool:** *That one I will have to checks the details of the submission.*

**Datuk Seri Reezal Merican:** *That is something very paramount I think Yang Berhormat Petaling Jaya Utara...*

**Datuk Seri Long See Wool:** *Yes, we recognize that.*

**Tuan Tony Pua Kiam Wee:** *Just a little bit to add on the State requirements. I agree with Datuk's explanation, that they must comply with the State requirement but they did not comply. The State requirements came out in January 2011, so saya hendak tanya, sama ada sebelum State requirements dikeluarkan, mereka sudah mula kerja dengan menggunakan baj?*

**Datuk Seri Long See Wool:** *Correct me if I am wrong. I do not think they started work.*

**Tuan Tony Pua Kiam Wee:** *Tadi dia kata, baj yang tebal, baj yang nipis so... [Ketawa]*

**Ir. Mohd. Hanaffi Ayob:** *The earlier proposal from the contractor is to use the tiga barges, where they have to do the draining.*

**Tuan Tony Pua Kiam Wee:** *So, you have the proposal...*

**Datuk Seri Long See Wool:** *Tidak, tidak. Soalan dia, did they start the work...?*

**Ir. Mohd. Hanaffi Ayob:** *Okay, they haven't done.*

**Datuk Seri Long See Wool:** *Itu sahaja.*

**Tuan Tony Pua Kiam Wee:** *Could the erosion was taking place, but the works haven't started?*

**Ir. Mohd. Hanaffi Ayob:** *Not yet.*

**Tuan Tony Pua Kiam Wee:** *How come the erosion was taking place? They said, work haven't started yet, tetapi erosion was taking place. So, have they started...?*

**Datuk Seri Long See Wool:** *Okay. That is why I did not want to go beyond a certain– I have my constrain. We have a certain boundary. The erosion, if I may say, has already taken place. Yes. I would not want to– this specific case. We have a project, which I think the Auditor also brought out. Of course, he didn't come to PAC. I hope he does not come.*

**Beberapa Ahli:** *[Ketawa]*

**Datuk Seri Long See Wool:** *Anyway, we have a situation– sorry. I mean, you see the kind of difficulty we have in dealing with even authorities of State. We have a double track project. People are blaming us for causing flood, okay?... Now, what happened is that, in a particular town, flood sudah ada. So, when we built our station and our track, we built drains that are bigger than what was necessary. But, that does not solve the problem. Because, if we don't do upstream and when our water go out, you don't do downstream, the flood will be there. But, there are PBT trying to load it on us, asking us to do atas, bawah, luar daripada boundary kami. Ada berlaku. So, I am just giving an example. Kadang-kadang orang kata, 'tumpang semangkuk' tetapi macam mana?*

**Tuan Pengerusi:** *Datuk, we are sympathetic to your issues. We are. Do not worry about that. It is just that when you explain it like this, at least you give us a better understanding and it is for records. Thank you very much.*

**Tuan Tony Pua Kiam Wee:** *But, going back to the soil erosion...*

**Datuk Seri Long See Wool:** *I didn't want to cross the boundary, but since you are asking. Ini memang sudah berlaku. Kerajaan tidak buat apa-apa. So, bila datangnya kami, ini buat.*

**Tuan Tony Pua Kiam Wee:** *You are saying that the soil erosion was taking place, but not due to the KKIA project?... Is that what you are saying?*

**Datuk Seri Long See Wool:** *I think that is a general statement.*

**Datuk Seri Reezal Merican:** *You are entitled to the opinion. Okay.*

**Datuk Seri Long See Wool:** *But, if you will go to the State, they will tell you otherwise.*

**Beberapa Ahli:** *[Ketawa]*

**Datuk Seri Reezal Merican:** *Datuk KSU, I am compel to ask this question which was asked by my fellow colleague before. After you have sent this NCR, you called it, to Global Upline Sdn. Bhd. and there is one of us just now asked about the appointment of Global Upline. Whether it was backed up by– I mean, because of the experience of building of the earlier airports. You were mentioning about Kuching and Bintulu, right? The appointment of contractor for this project was done by a direct negotiation and of course, it was done by Ministry of Finance.*

*But in doing so, normally they will also send to the client's Ministry to give comment over this project and also over the proposed company that going to undertake to do this direct nego project.*

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*My question is, the earlier project that the Global Upline has built before like Kuching, Bintulu dan lain-lain, adakah pembinaan-pembinaan lapangan terbang tersebut berlaku dalam keadaan yang memuaskan hati kementerian, yang boleh dianggap sebagai salah satu testimonial untuk mereka juga diberi kontrak untuk mengadakan ataupun membuat projek peningkatan Lapangan Terbang Antarabangsa Kota Kinabalu Sabah ini? I don't know whether it is not prejudicial enough for you to answer.*

**Datuk Seri Long See Wool:** *I can answers in general. I think the important thing is to know the sequence, okay. The sequence is, Langkawi Airport where they built the breakwater was their first project, relating to airport. The second came Bintulu and subsequently Miri. Factually, they have done all these three well and finish on time, but I am also not saying that in between during the implementation tidak ada masalah. Masalah memang ada...*

**Datuk Seri Reezal Merican:** *Finishing on time...*

**Dato' Abd. Aziz Sheikh Fadzir:** *Quality wise ya...*

**Datuk Seri Long See Wool:** *Sorry?... They finished on time.*

**Datuk Seri Reezal Merican:** *Finishing on time does not mean that the qualitatively it was done...*

**Datuk Seri Long See Wool:** *No, the quality, I must say that..*

**Dato' Abd. Aziz Sheikh Fadzir:** *I was told that Kuching for example, bocor, in fact...*

**Datuk Seri Long See Wool:** *That is why I didn't want to- Kuching, it was subsequent, okay. Now, I talked about this three. If you want to based it on this three, the reason to reappoint them are not wrong, I must say. Subsequently, they got Kuching, Labuan and KK. Now, this three, Kuching, Labuan and KK might has start on the different time but they did run concurrently, okay? So, when you run concurrently, when you run construction in KK, actually we ran into problem in Kuching as well as in Labuan, but the problem there were not as, I would say, enormous as this.*

**Tuan Pengerusi:** *So, you are saying that you actually awarded too many contracts in one contractor at the same time? [Ketawa]*

**Tuan Tony Pua Kiam Wee:** *I think that is a risk management...*

**Datuk Seri Reezal Merican:** *Ya, there is a risk management...*

**Tuan Pengerusi:** *Datuk, it goes back to what I said just now from the start. Did you appoint based on brand or is it based on competency and capability?*

**Datuk Seri Long See Wool:** *...Actually it is a combination of factors.*

**Tuan Pengerusi:** *You have just said that you awarded too many contracts on one company and then you ran into trouble because you awarded too many contract to one company at the same time [Ketawa]*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *Anyway, I think we should move on because it already 1 o'clock. Is there any other question?... I think we have established certain thing here that quite interesting.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Saya cuma hendak minta tadi, yang dari tahun 2006 hingga 2008 itu, lebih kurang berapa dia punya percentage of progress before you- because that is very important, because I see the action ini cuma bermula pada tahun 2011 dan 2012. So, by the time year 2006 ke 2012 ini, sudah enam tahun. What happen in that six years? Pertinent question, saya hendak minta...*

**Datuk Seri Long See Wool:** *If we can give you the answer now, otherwise is there a way by which we can submit to you?*

**Tuan Tony Pua Kiam Wee:** *Yes.*

**Dato' Abd. Aziz Sheikh Fadzir:** *It does not have to be now. I mean, if you do not have it now, I can have it later...*

**Datuk Seri Long See Wool:** *Alright, we will submit. Is there a timeline when we must submit, Tuan Pengerusi?*

**Tuan Pengerusi:** *Is it okay in a week?*

**Datuk Seri Long See Wool:** *Yes, we will do that.*

**Tuan Pengerusi:** *I think because of the time constrain, we are going to call you back anyway for KLIA2.*

**Datuk Seri Long See Wool:** *Alright, we will submit to you.*

**Tuan Pengerusi:** *But before that, if you can, in a weeks time give us the information.*

**Datuk Seri Long See Wool:** *Yes, we will do that.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *No, there is still two other issue that...*

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *Okay, start from Yang Berhormat Tanjong Piai, Yang Berhormat Limbang, Yang Berhormat Tuaran. Anything else?... You yang bawa isu EIA ini [Ketawa]*

**Datuk Seri Reezal Merican:** *The EIA man...*

**Datuk Madius bin Tangau:** *Okay, the environmental management plan, that part we agreed that we will have to come back and have a look on that- just the statement, "Operasi pendaratan tanpa instrument landing system (ILS) tidak membahayakan keselamatan kapal udara".*

**Tuan Tony Pua Kiam Wee:** *That one coming later I think...*

**Datuk Madius bin Tangau:** *We have not covers that?*

**Tuan Tony Pua Kiam Wee:** *[Bercakap tanpa menggunakan pembesar suara]*

**Datuk Madius bin Tangau:** Okey.

**Dr. Tan Seng Giaw [Kepong]:** *[Bercakap tanpa menggunakan pembesar suara]*

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

*[Perbincangan secara off record]*

*[Mikrofon dimatikan]*

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**Datuk Seri Long See Wool:** *Now, I can also tell you, today the contractor yang sekarang buat kerja ini, we are going to stop four days sebab baru-baru ini ada permintaan, semua lobi cakup kena luluskan. Four nights we will be opening the runway, there will be no works. You see, that is the difficult position that we are in sebagai pegawai pengawal. Di sini kita cakup tidak boleh, siapkan dulu. Akan tetapi they are the authority, they want it to be open. So, we will still have like four days that is taken away. We told them, no, this is only one-off. They say, okay, okay. I agree with you, one off, empat hari sahaja. I think it's going to be more. Come Chinese New Year they will request lagi. Kalau kita tidak luluskan, dia cakup kita tidak bantu orang hendak balik ke Sabah.*

**Tuan William Leong Jee Keen:** *Can I go back to the awarding too many contract? Can you give us the amount of each contract and the dates that they were awarded? By the time you arrive at the third or fourth contract, were you looking at his financial capability to do so many at the same time? Can you give us the figures and the dates and their financial capability at that time?*

**Datuk Seri Long See Wool:** *You means, to say the earlier question that were asked about how many jobs he has with us?*

**Tuan William Leong Jee Keen:** *Yes. We are talking about the Labuan, KK, Kuching. What the...*

**Tuan Pengerusi:** *The concurrent projects that may have affected the construction of the Kota Kinabalu Airport inilah. So, all these other...*

**Tuan Tony Pua Kiam Wee:** *Because you mention about cash flow.*

**Tuan William Leong Jee Keen:** *Which at the end, affected the cash flow.*

**Tuan Pengerusi:** *It's not directly related to our subject matter. It just that we are trying to assess the contractor's own financial health at that time that may have affect...*

**Datuk Seri Long See Wool:** *I can give all the report to you, but don't go public with this because the case is on- I just caution, I mean, its a prerogative of Chairman.*

**Tuan Tony Pua Kiam Wee:** *Just a statement of fact where the contracts given, how much the amount? You don't have to give opinions.*

**Datuk Seri Long See Wool:** *Ya, we are not going to give, but I'm worry about if things go out, it can be prejudicial to the proceedings.*

**Tuan Pengerusi:** *I think we should be aware of what Datuk is saying. If it is not important, then...*

**Tuan William Leong Jee Keen:** *I think it's important, because as PAC, we want to find out what went wrong.*

**Tuan Pengerusi:** *But, a general statement by Datuk saying that he had many contracts going concurrently. That I think is good enough. Anyway, it's not MOT that awards the contract. It's MOF.*

**Tuan Tony Pua Kiam Wee:** *I think we can have the details of the contract.*

**Tuan Pengerusi:** *[Ketawa] I'm trying to be sympathetic to you here, Sir.*

**Tuan William Leong Jee Keen:** *I think we just need the dates and the amount.*

**Tuan Tony Pua Kiam Wee:** *You gives the dates, the contract and the amount and it will be kept within the PAC. Our reports are not tabled and it doesn't go out anyway.*

**Tuan Pengerusi:** *Ya, I know, but I think is prerogative for Datuk. He has already made a general statement.*

**Tuan Tony Pua Kiam Wee:** *Ya lah, but we want just to look at the contracts and the amount. Even if we ask in Parliament, that amount would be given.*

**Tuan Pengerusi:** *No, no. It's not related to the subject matter today. The subject matter today is KK Airport.*

**Tuan William Leong Jee Keen:** *But, I think its related to why does there is a problem in KK Airport.*

**Dato' Abd. Aziz Sheikh Fadzir:** *I know. The fact is, Datuk KSU said it very clear. It's too many projects given to the same company. That I think justify that. For now, since it is a court case, why don't we don't get into something that may- you know, may causelah. We understood that.*

**Datuk Seri Reezal Merican:** *Yang Berhormat Petaling Jaya Utara can ask in Parliament.*

**Tuan Tony Pua Kiam Wee:** *So, what is the difference? [Ketawa]*

**Datuk Seri Long See Wool:** *I just want to clarify this. I made a statement; he has a number of projects at the point in time. I did not say he has too many projects. I did not make any judgment on that [Ketawa] I hope they record this correct. Otherwise, it can be dragged..*

**Tuan Pengerusi:** *I said that. I made that conclusion.*

**Tuan William Leong Jee Keen:** *The judgement can be made by us, I think we just need the facts.*

**Tuan Tony Pua Kiam Wee:** *We just needs the fact, that's all. Just quickly, just to sum this up. Number one. Sorry- not number one now. Number two, they are suing us for wrongful termination. For our part, are we claiming compensation from them for inability to complete the project? That is number one. How much has been- sorry, part one of my number two. How much has been paid to Global Upline today, how much has been paid? The third question, is the runway involves land acquisition?*

*Is that the- because, I'm trying to figure out whether the runway going to the sea actually involves land acquisition which is the main cause of the delay because, if it doesn't, then there shouldn't actually be a delay with the runway itself.*

**Datuk Seri Long See Wool:** *Okay, they are taking us to court on the ground that, of course they have the specifics, but, it all relates to the fact that they say that they should not have been terminated and that is the thing. Of course, there are other issues relating to a number of specific areas for which they filed to the court.*

*Now, as far as we are concern, in the contract is very clear. He has not finished the job. There are remaining works need to be done for the job to be finish. So, we have appointed what we called 'kontraktor penyelamat'. So, the entire cost of those appointments, we will minus from whatever balance that he has with us, and the condition in the contract is that we are allowed to appoint a third party if he cannot perform, and payment due for those party will have to be billed to him. So, apa yang remain dalam kontrak will be used to pay that. Kalau tidak cukup, dia kena tambah. Kalau dia tidak mahu tambah, then we will have to go to court.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Up to now, I am sure we have appointed everyone already. So, where are we now, in terms of the numbers?*

**Datuk Seri Long See Wool:** *That's why when you asked for the numbers, we will give you the numbers.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Belum ada.*

**Datuk Seri Long See Wool:** *It far exceeds the remaining amount. So, it goes back to my earlier question that when you terminate, you must terminate on good ground that kalau adanya, then you will end up paying much more than what you anticipated*

**Tuan Tony Pua Kiam Wee:** *So, Datuk is saying that the contractor, the cost of kontraktor penyelamat adalah jauh lebih tinggi daripada baki yang ada dalam kontrak dalam kementerian? The question that needs to be ask, did we overpay them for work that has not been completed?*

**Datuk Seri Long See Wool:** *No. You must remember, when you tender for a job, it is all how he financially manages the contract. This is the price that you tender for, say if RM700 million, it is RM700 million. But, you must remember at the point of tender, it is 2006. I will not adjust my price because it is design and build.*



*Even though over the years there might be interest, increase of costs of material dan sebagainya, he has- those are the risks that a design and build contractor will have to take. But, if I today go to the market and tender this job, yang sekarang I lantikkan, I will have to pay today price. I cannot be paying 2006 price.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Akan tetapi ada juga elemen kontraktor ini, dia top heavy. So, I hope the QS and the consultant would have looked at the total tender RM700 million then and rationalize it.*

*Because there are potential of top heavy, they will build up awal itu tinggi. So, I hope that also has been taken into consideration. So, that what Yang Berhormat Petaling Jaya Utara was asking. The amount of money we paid does it goes with the percentage of the work done? I fully agree with Datuk on the second one, bila 2004 tender and today's tender is completely different price. Bila you bawa kontraktor penyelamat ini, dia pun akan tekan harga, different harga because you need- especially those...*

**Datuk Seri Long See Wool:** *Tidak, we go through the details of the rates and all that.*

**Dato' Abd. Aziz Sheikh Fadzir:** *No, no, especially for those for example, yang the brand is already specified. You don't have an option. You still have to take from him. So, they would have taken advantage.*

**Datuk Seri Long See Wool:** *We know the market price. We know how much an ILS cost; we know how much air field lightings. It is not that we do not know those prices.*

**Sr. Jamiah Jahis:** *The rationalization actually was executed during the negotiation itself.*

**Tuan Pengerusi:** *So, there was no front loading, it was quite averaged out, the construction schedule.*

**Sr. Jamiah Jahis:** *Yes.*

**Datuk Seri Long See Wool:** *I am sorry. There were three questions. I have only answered one.*

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**Tuan Tony Pua Kiam Wee:** *That was the amount that has been paid, then, there was the- whether the runway was based on land acquisition. That means rely on land acquisition which caused the delay. If the runway does not depend on land acquisition, and then by right, the runway shouldn't have been delayed. That was my question.*

*The second part of the earlier question was whether we can claim LAD or any other damages from the contractor?*

**Datuk Seri Long See Wool:** *If you are talking about- if I refer specifically, maybe you are referring to the part where we go into the sea.*

**Tuan Tony Pua Kiam Wee:** *The sea as well as any other extension...*

**Datuk Seri Long See Wool:** *Oh! Yes, yes, involve the land and that was the reason why the extension of time was given.*

**Tuan Pengerusi:** *For the land...*

**Datuk Seri Long See Wool:** *Yes, because it was the issue of the raise cost at the turf club which State took much longer time as anticipate to clear that. There was a turf club at the one end of the runway.*

**Tuan Pengerusi:** *Runway into the sea?*

**Datuk Seri Long See Wool:** *No, is this 20 or 02? [Disampuk] Towards the city.*

**Tuan Pengerusi:** *Towards the city. Yes, I know but as you said just now, the extension into the sea, is that land also...*

**Datuk Seri Long See Wool:** *That part, I do not think – it was not a problem. The State...*

**Tuan Pengerusi:** *Just gave approval...*

**Datuk Seri Long See Wool:** *...Clear the land acquisition.*

**Tuan Pengerusi:** *Okey.*

**Tuan Tony Pua Kiam Wee:** *So by right, the work on the sea portion could have started earlier because there was no land acquisition issue.*

**Datuk Seri Long See Wool:** *No, this is a question on the sequence of work, because it is difficult, you have to decide to do which portion first. The consultant is very clear as to where do we sequence first because the moment you do work on one end, you have to displace the threshold for the landing point or the touchdown point of the aircraft will have to be adjusted accordingly. So, all those are taken into account before we...*

**Tuan Tony Pua Kiam Wee:** *So, that is the position of the consultants? That the work on the land to be acquired – need to start first before the sea portion of the runway gets started? Is that the KLIAC...*

**Ir. Mohd. Hanaffi Ayob:** *First, they start with the reclamation area. They complete that section. On the other side of the runway, they need to raise the runway because of the obstruction- because of the new building being constructed nearby, that is the KWSP building which go beyond the flight pass of the aeroplane. So, to avoid that obstruction, we have to rise on the northern portion of the runway. Before we can rise, we have to complete the southern portion- I means we have to decommission that portion where we want to raise, so that we can do that raising.*

**Tuan Tony Pua Kiam Wee:** *We are completely lost [Ketawa] No, it is not the point of reference. All I am asking is the sequence of work, the place that need to be started first is the area that is affected by the land acquisition. Is that a fair statement? The sea portion, where we do the reclamation and the barging and stuff like that, is the subsequence part of the work which the contractor cannot do first until the initial area has been completed?*

**Ir. Mohd. Hanaffi Ayob:** *The sea portion they can start, there is no issue- the northern portion where they want to raise, there is an issue of the land acquisition where the kandang kuda sited.*

**Tuan Tony Pua Kiam Wee:** *So, the sea portion, is it dependent on the kandang kuda, the race horse being acquired first? Is it completely independent?*

**Ir. Mohd. Hanaffi Ayob:** *Independent.*

**Tuan Tony Pua Kiam Wee:** *Which means that it brings back to the question why didn't they start the sea portion...*

**Ir. Mohd. Hanaffi Ayob:** *They started the sea portion first.*

**Tuan Tony Pua Kiam Wee:** *They started...*

**Datuk Seri Long See Wool:** *I see where the confusion is. It was the lighting that we need to build further into the sea where we run into this environmental thing.*

**Tuan Tony Pua Kiam Wee:** *Runway...*

**Datuk Seri Long See Wool:** *Runway is done but...*

**Tuan Tony Pua Kiam Wee:** *The lighting.*

**Datuk Seri Long See Wool:** *Ya.*

**Tuan Tony Pua Kiam Wee:** *Further into the sea...*

**Datuk Seri Long See Wool:** *Further into the sea.*

**Tuan Tony Pua Kiam Wee:** *Further into the sea. That has not been done?*

**Datuk Seri Long See Wool:** *Ya.*

**Tuan Tony Pua Kiam Wee:** *Okey.*

**Datuk Seri Long See Wool:** *...So it is back and forth kind of situation. It is not a straight forward, buat sini, selepas sini habis, buat sana.*

**Tuan Pengerusi:** *It is how you plan the construction anyway.*

**Dato' Abd. Aziz Sheikh Fadzir:** *Kalau ikut tanah ini, RSTC hanya bersetuju pada 5 Oktober 2009. So, if you are talking about the kandang kuda tadi itu, lumba kuda itu, here it said by 5th October 2009 you can already use the land. So, I am not sure whether that cause the delay or not.*

**Tuan Pengerusi:** *Datuk, it is 1.30. We already overrun our original timing so, can you please continue with the ILS dengan AirAsia tadi?*

**Datuk Seri Long See Wool:** *Okey. I mean, while we are explaining that – you saw the complications tadi. Now, ILS is an instrument that helps the pilot when it comes to landing the aircraft in the airport. Today in the world, not all airports are equipped with the Instrument Landing System and yet those airports are safe. If we do not have this piece of equipment, what do we need to do is that there are procedures involved for which the pilots will have to adhere to.*

Jadi kerja dia itu tambah sedikit. *Pilots, if you ask them, they want everything. The whole runway, the whole airport, everything to be equipped to the level they wanted but not all airports can afford to do that.*

*Now, in the case of KK, we have an ILS. When we do an extension of runway, we have to decommission the ILS for the work to be done. If you do not decommission it, when the work is done, the ILS does not function. Now, when the runway is extended, the new ILS will be put in. So, you will have a situation of a certain period for which the Instrument Landing System will not be available to the pilots.*

*Now, what is the difference of having one and not having one is that, when a pilot comes to land- I am trying to explain the technical part to the best of my ability. It took me a while to understand this as well when you come to land, at a certain point, that is what we called a 'decision height'. The DG will explain further. So, he makes a decision whether to land the aircraft or he aborts the landing. Meaning that, kalau dia tidak nampak runway or there is something at the runway, at that height he will have to decide. That is the important decision height. So, that height important because if he aborts, he must be able to climb, bring the aircraft up and clear all of the obstructions.*

*The difference of having ILS and not having an ILS is only 50 feet, 50 kaki. Kalau adanya, at the higher point he make a decision. Kalau tidak adanya, he makes a decision lower. So, that is the only difference. So, it does not affect safety. I have to admit that it would affect a bit of- it cause a bit of time and a bit of inefficiency. Itu sahaja, but there are many airports in the world today do not have that.*

*Same thing, if I would have to draw similar case of radar system. There are certain places in the world until today tidak ada radar coverage, but do you mean that when it was without radar, aircraft cannot land? Aircraft still can land macam pada satu ketika dahulu KK kita tidak ada. Di Kuching pun kita tidak ada tetapi ada penerbangan. So, what do we do, in the absence of that, we follow certain procedural method of landing yang mana dia punya syarat itu adalah lebih ketat. Meaning that, the separation of the aircraft will have to be more vertically and horizontally. Kerja itu lebih sedikit. So, in the case of ILS, it is not one that affects safety. Now, we have ILS in Kuala Lumpur, we have in Penang also. But during bad weather, real bad weather, they still have to divert.*

**Dato' Abd. Aziz Sheikh Fadzir:** *How much does ILS cost?*

**Datuk Seri Long See Wool:** *I think it is over a million.*

**Tuan Pengerusi:** *The report says more. Dalam Auditor General Report kata, ILS ini RM100 juta, RM200 juta. Apa figure ini?*

**Datuk Haji Anwari bin Suri:** *Kita tidak dapat...*

**Datuk Seri Long See Wool:** *[Bercakap tanpa menggunakan pembesar suara]*

**Datuk Haji Anwari bin Suri:** *Detail price kita tak dapat.*

**Datuk Seri Long See Wool:** *You sees, Instrument Landing System (ILS) that consists of a number of equipments. The equipment like glide path...*

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**Dato' Abd. Aziz bin Sheikh Fadzir:** *Tidak apa. The total cost is how much because...*

**Datuk Seri Long See Wool:** *What is the total cost of the entire system?*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *I know but...*

**Datuk Seri Long See Wool:** *No. You give the answer because- you kata, give an accurate answer sebab dalam itu lain harga, sini lain harga pula- ia bercanggah.*

**Tuan Pengerusi:** *In Audit Report is RM200 million.*

**Datuk Seri Long See Wool:** *No, no.*

**Datuk Haji Anwari bin Suri:** *Kita tidak dapat report harga...*

**Datuk Seri Long See Wool:** *No, no. That one we can buy three or four radar system.*

**Tuan William Leong Jee Keen:** *So what is the reason for not install it?*

**Datuk Seri Long See Wool:** *Is not the question we are not installing. We have to decommission it because of the work.*

**Tuan William Leong Jee Keen:** *Yes. What was the cause of the delay? Why GUSB was not able to do it?*

**Datuk Seri Long See Wool:** *You see, if- correct me if I am wrong. Even if GUSB want to do it, if they were to follow the time schedule, we still have to decommission the existing ILS for a period of six months. Because, then you have to extend the runway, build it to the right level, then you put the ILS, then you decommission the ILS. Dahulu itu, yang belakang itu kita kena tutup. There will be a period for which the ILS will not be there.*

**Tuan William Leong Jee Keen:** *You mean you need to finish the extension before you can do it?*

**Datuk Seri Long See Wool:** *Yes. So, since it was delayed, so the absent of the ILS, period of absent become longer.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *If the ILS is not expensive, then I thinks it is justify for us to have it when we do not need it. I means if I...*

**Datuk Seri Long See Wool:** *No. In fact, we... As far as KK is going to be two- one and one on both end of the runway. In fact I would say that most, if not all of our airports, are already equipped with ILS.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *The way Datuk was explaining, we do not need the ILS.*

**Datuk Seri Long See Wool:** *No. You will enhance the efficiency...*

**Dato' Abd. Aziz bin Sheikh Fadzir:** ...*But we do not...*

**Datuk Seri Long See Wool:** *Make the job of pilot easier.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** ...*We do not have to have it.*

**Datuk Seri Long See Wool:** *If we do not has the money, do not lah.*

**Tuan Tony Pua Kiam Wee:** *All modern airport have ILS today. It makes the better airport.*

**Datuk Seri Long See Wool:** ...*Become the standard kind of thing.*

**Tuan Tony Pua Kiam Wee:** *Correct. But the problem that was raised in Audit Report is that sebahagian peralatan ILS yang dibeli pada bulan Jun 2008 masih belum dipasang. It is not distorted, masih belum dipasang. Semua masih ada dalam kotak semasa diperiksa pada Julai 2012. I think that was the issue that was raised by the Audit Department.*

**Datuk Seri Long See Wool:** *Benar. We accept that. That was the problem that we have. Dia tidak buat itu, benda itu tidak siap pada masa yang ditetapkan.*

**Dato' Kamarudin bin Jaffar:** *That is part of Pakej 2 punya kontraktor...*

**Datuk Seri Long See Wool:** *Ya. Same angka [Ketawa]*

**Tuan Pengerusi:** *I think I know what it is. Anyway Datuk, just to qualify the matter, the ILS is only a RM1 million lebih kurang, the cost?*

**Datuk Seri Long See Wool:** *We will give the exact price with the old price and the new price. I think it is between RM1 million to RM1.5 million.*

**Tuan Pengerusi:** *Okay, done.*

**Dato' Abd. Aziz bin Sheikh Fadzir:** *Who saying- I think like Datuk has explained, the issue is, even though ILS is already there, but it is just cannot be installed because it just not ready to be installed...*

**Tuan Tony Pua Kiam Wee:** *No. Actually it can be installed but cannot be used. But the problem is not even installed. I think that is the...*

**Datuk Seri Long See Wool:** *You see, what happened is that- that is why I said related. Because at the end of the runway, because to clear the construction, we will have to bring up the height. So, we cannot be installing it now because otherwise no point...*

**Dato' Kamarudin bin Jaffar:** *[Bercakap tanpa menggunakan pembesar suara]*

**Datuk Seri Long See Wool:** *Ya.*

**Tuan Haji Hasbi bin Haji Habibollah:** *Now is already installs lah, Datuk?... Tidak juga?*

**Datuk Seri Long See Wool:** *Tempat belum buat.*

**Tuan Pengerusi:** *Akan dipasanglah?*

**Datuk Seri Long See Wool:** *Akan dipasang.*

**Tuan Pengerusi:** *Akan dipasang. Okey.*

**Tuan Tony Pua Kiam Wee:** *In the BQ of the contract, Navigation Aids System- this is Navigation Aids System right? ILS Navigation Aids System is RM22.96 million.*

**Datuk Seri Long See Wool:** *Includes airfield lighting system which are much more expensive than ILS.*

**Tuan Tony Pua Kiam Wee:** *Aeronautical Ground Lighting System- separate item is RM28.5 million and Navigation Aids System, RM22.9 million?*

**Datuk Seri Long See Wool:** *We can list the NavAids components for you. It is not only ILS, it is VOR/DME and of course other equipments.*

**Tuan Haji Hasbi bin Haji Habibollah:** *Datuk, under Navigation Aids, ILS sahaja yang belum dipasang, yang lain sudah?*

**Datuk Seri Long See Wool:** *Lampu AGL ke arah laut itu yang masih kita belum buat lagi itu.*

**Tuan Haji Hasbi bin Haji Habibollah:** *AGL lighting is the different one. It is different one...*

**Datuk Seri Long See Wool:** *Yes. That is AGL. But it is still...*

**Tuan Haji Hasbi bin Haji Habibollah:** *No, we are interested in this Navigation Aids under International Aeradio Sdn Bhd ini. These are the one. The AGL different under Armourseal Sdn. Bhd. so ini yang tadi yang di bawah Navigation Aids ini yang tinggal-tinggal itu- AGL is the ground lighting ya, we know that. But yang under this Navigation Aids, apa yang belum buat?*

**Datuk Seri Long See Wool:** *I think most of it is already there except that... [Disampuk] Yang lain are all done except this one, ILS.*

**Tuan Pengerusi:** *Persoalan daripada Yang Berhormat Petaling Jaya Utara tadi mengenai komponen yang berharga RM22 juta dengan... [Disampuk] AGL is RM48 million. RM22 million is the Navigation Aids. Itu pun belum dipasang?*

**Datuk Seri Long See Wool:** *...Except the ILS, the rest already pasang.*

**Tuan Pengerusi:** *That means ILS is the component of those two?*

**Datuk Seri Long See Wool:** *No. ILS as a component by itself belum siap... [Disampuk] Can we give the list to them for those under NavAids yang sudah siap dan NavAids yang belum siap.*

**Tuan Pengerusi:** *Pasal it was in a contract.*

**Datuk Seri Long See Wool:** *Yes.*

**Tuan Pengerusi:** *But it was not pickup by the Audit Report. We just want to know about the progress. Anymore question about ILS? Kalau tidak ada, can we move to AirAsia?*

**Datuk Seri Long See Wool:** *I thought we stop before that [Ketawa]*

**Tuan Pengerusi:** *No. We are trying to get to the clear picture. So, please named all the culprit involved [Ketawa]*

**Datuk Seri Long See Wool:** *All of us are the good people.*

**Tuan Pengerusi:** *Expert culprit [Ketawa]*

**Datuk Seri Long See Wool:** *Yang Berhormat Tuan Pengerusi, the low cost airline business at the point in time in the earlier planning, low cost airline was not feature in the aviation industry. As you know, it only came into it at the much later stage.*

*So, if you remember, when we build airports many years ago until KLIA was built, there was no such thing as building a terminal of providing facilities for low cost, differentiation between low cost and full services carrier. So it was a new feature.*

*Now what happen is, when we redevelop Kota Kinabalu, we need to build a new section of the terminal that when it is done, we have to close down the old terminal and refurbish it. That was the sequences of work. But because of the volume of traffic in Kota Kinabalu was quite high, we were not in a position to do that and attain a comfortable level for the passengers. So what we need to do was to develop a temporary terminal to house AirAsia punya trafik which was by then quite high and it continue to grow. Knowing that airport to take quite few years to finish, so we need to overcome the problem. Therefore, we upgrade the building there, very old terminal building to handle the low cost punya servis.*

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*With an understanding that when the main terminal building, we should call Terminal 1, is ready and has the capacity to cater for nine million passengers, AirAsia would move back into the new terminal building. So, when the new terminal building was ready, we ask them to move but they were reluctant to move. There were decisions by the government at various levels, but until today they have not move.*

*The reason why they do not want to move was, issue number one, today passengers that used Terminal 2 only pay half the passengers service charge compared if you used the main terminal building. But, be mindful of the fact that, it is not paid by the airlines; it is paid by the passengers. Today, you have Malindo aircraft or you even have other low cost airlines that might have come to Kota Kinabalu, but they fly and used the main terminal building. Because the passenger's service charge is paid as part of the tickets- I think a passenger does not really complain, but AirAsia is making that as an issue. Kalau dia kata dia pindah balik ke main terminal building, penumpang akan dikenakan bayaran sepertimana yang dikenakan di Terminal 1, which as far as the authority is concern, that is the terminal building, that is the level of services provided, we cannot discriminate saying that this airlines ini rendah sedikit dan yang ini tinggi sedikit, because that would be anti-competition as such. So, as far as the position is that, if they move back, that is the passenger's service charge, which is not paid by them. It is paid by the passengers.*



*Issue number two, yang dia tidak mahu pindah balik ialah bahawa dia cakap di KK itu tidak mengasingkan operasi penerbangan bagi full service dengan low cost. But in Kuching, itu tidak merupakan masalah. Di Pulau Pinang tidak merupakan masalah and of course, I do not want to go to overseas and talk about it. Sama ada di Singapura- in fact in Singapore, there was a low cost terminal until it was closed sometime this year. AirAsia never used a low cost terminal. They used the main terminal building.*

So, isu sama ada *passengers service charge* itu, kenapa itu tidak merupakan satu isu di luar negara dan merupakan satu isu di sini. Beza di antara satu lapangan terbang dengan yang lain.

Isu yang ketiga ialah bahawa kalau dia kata, “*You mahu kami pindah, you kena bayar pampasan*”.

**Dato’ Abd. Aziz Sheikh Fadzir:** Hendak tanya itu...

**Datuk Seri Long See Wool:** *Now, this was deliberated at MAB. I think MAB did not agree to the three conditions that they want. That is a reason why until today we have no feedback. But, the decision already made. One consideration which MAB gave to this exercise is because the airport is not totally completed. There are taxiways yang mana belum siap lagi. So MAB, we take into account the fact that if they asked to move today, they will be extra taxiing time that the airlines will have to incur which resulted in higher cost of operation. I think MAB was very considerate. They say, tidak apalah, nanti kita siap semua ini nanti, bila ia siap, kita jemput dia masuk rumah baru. Itu adalah penjelasan saya.*

**Tuan Tony Pua Kiam Wee:** *Okay, I think...*

**Datuk Seri Long See Wool:** *But, I do not want to talk about the part where – because, you have to look at the situation where there are shops in the main terminal building, yang mana volumenya hanya separuh, terminal building tidak digunakan dengan sepenuhnya. Those are the negatives considerations or those are the considerations for which we also took into account. But, we hope by next year when everything is completed, so that it will not be an issue anymore.*

**Tuan Tony Pua Kiam Wee:** *I think out of three reasons raised, sebab yang telah pun diberikan oleh pihak AirAsia untuk tidak pindah, sebab yang kedua dan ketiga, saya setuju dengan pihak kementerian bahawa tidak boleh diterima. Oleh sebab lain-lain airport yang tidak diasingkan pun mereka gunapakai. Ketiga iaitu pampasan. So, kita pun tidak perlu bayar pampasan kepada pihak AirAsia. Itu saya setuju tetapi yang kita rasa ada persoalan adalah mengapakah passengers service charge kena meningkat begitu mendadak sehingga RM65? I think that is the main issue. I think even for AirAsia, the real reason is RM40 increase from RM25. Sekarang di LCCT itu pun RM30- no, less I think. How much did they ask?*

**Datuk Seri Long See Wool:** *It is half of the main terminal building.*

**Tuan Tony Pua Kiam Wee:** *Which is for local flights, I think it is less than RM20 if I am not wrong..*

**Datuk Seri Long See Wool:** *The price is standard, RM6 for everybody.*

**Tuan Tony Pua Kiam Wee:** *RM6 for everybody. So, this is purely for international? Is this RM65 purely for international? Okay. And then, I think LCCT is RM32 if I am not wrong.*

*So, I think that the question is why the steep increase in the fees payable for these passengers? While we can say it does not affect the airlines, it will affect the passengers; it will affect the traffic coming into the country from the international.*

**Datuk Seri Long See Wool:** *Yang Berhormat, if I can explain this in a much broader contexts. The passenger's service charge is a statutory charge, approved by the Government Gazette. Some country called it the passenger service or some called it passenger service charge. The charge is purely for the services they have provided at the airport. You will realized that today in Malaysia airport, operate a number of airports, it is a single till system, meaning that entire collection go into pool by which the money is used to maintain airport. The money is used to subsidize airport which are not profitable. For which the government imposed it on them and they have to continue to operate where even the volumes of traffic is very low. They are also running as number of small airports, what we called stall in Sabah and Sarawak, where there is no passenger service charge at all, for which it involves heavy cross-subsidy.*

*Now, when you come to the passenger service charge, the charge is packed at the level, based on the certain number of factors. Today, Malaysia airport, you have the domestic and international and you realize domestic is very very low. Wherever you go, you check with any countries in the world, the domestic passenger is very low. Now, when you come to the international, we benchmarked it against the regional airport. There is no situation where MAB punya passenger service charge can go beyond the average of those regional airports, which includes Singapore, Bangkok and a number of other airports. So, dia ini tidak boleh minta kalau benda itu tidak gerak. Keduanya, they must reach a certain level of performance before we allow them to move. So, they have to fullfill quite a number of criterias. Now, as I mention earlier, it is the charge not paid by airlines, but paid by passengers. Today, if you were to look at passenger service charge in the overall contexts of the air fare, it all depends on how you look at it, it is negligible. But, do you know that actually you pay close to RM700 or RM800 if you go to Heathrow? If you get a free tambang, but you still have to pay thousands of ringgit. The reason is we only charge RM65.*

*So, we do not see – if a passenger wants to come to Malaysia, would RM65 be an issue that they do not want to come to Malaysia? They come to Malaysia because of Malaysia. They do not come to Malaysia because of taxes, they do not come to Malaysia because we have a nice airport or we have an excellent airline. But, they come to Malaysia because they want to come to Malaysia.*

So, we do not see how by going to the rate of RM65 would affect passenger. It has proven before. We have done study when there is adjustment of passenger service charge, it does not have an impact on passenger volume.

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That is how you look at it but you must remember that when you- if AirAsia move back into the new terminal building, what reason can we give to MAS, Malindo and any other foreign airline that the passenger service charge using the same terminal building but pays half the charge? We cannot stand on that principle because they will look at us as if we are discriminating.

**Tuan Tony Pua Kiam Wee:** I completely agrees with you Datuk on discrimination. That mean, it should be the same rate for all the airlines using that particular terminal. My issue is the increase is very steep and it is significantly higher than other airport in the country. So, the concerns with the arguments are, if you allowed me to say, with regards to, even we charge RM85, people will still come, irrespective of airline or the quality of the airport, I think that is not the concern here. The concern here is, it also causes a burden on the passengers, big or small, and it also results in situation where the cost of airport can cause- building an airport or renovating an airport can increase, because memang we can increase the cost of building this airport because we can recouped it by increasing the passenger tax by another RM20. That is what we are trying to prevent.

The fact that airport can increase by RM100 of millions cost of construction or renovation and then we just increase the service tax. I think this is whether we like it or not, it is an element of competitiveness in the airline industry for the country. Whether it is a big factor fact, small factor that once we can debate tidak habis-habis but like it or not, higher prices would affect our competitiveness.

**Datuk Seri Long See Wool:** Because other airport, with the exception of KLIA where they operate from a separate terminal, where the facilities and services are much more inferior, other airport in Penang and Kuching, they pay the same price for international passengers. So, how do I then explain to Kuching if I allowed them to come back in the main terminal building and it is only half the passenger service charge, unless I go and lower all the chargers of all the rest of the airport to the level of RM32...

**Dato' Kamarudin bin Jaffar:** I think the point is regarding the charges for all airports...

**Datuk Seri Long See Wool:** It is the same.

**Dato' Kamarudin bin Jaffar:** General policy that I think Yang Berhormat Petaling Jaya Utara is talking about...

**Datuk Seri Long See Wool:** But, I appreciate the in fact- I mean, I fully appreciate the points that Yang Berhormat Petaling Jaya Utara said.

**Dato' Abd. Aziz Sheikh Fadzir:** *I am looking at the other side, Datuk. I am looking as a politician at the other side. Because of this inefficient or our problem with the airport, we have KLIA2 problem, we have got KKIA problem, then, AirAsia is making this as 'beautiful story' that you are charging extra to the people because you build a giant airport which is sometime not really useful. So, if you can match that... [Disampuk]*

*No, I think you can match that, then it will be good because I think it is a commercial decision. AirAsia will ask you for one dollar if they can, you know, but that is your decision. We will not comment on that but like Yang Berhormat Petaling Jaya Utara say, as long as you be fair to everybody and to AirAsia, I think you must make sure that their low cost, operational cost does not increase when they move to the new airport, then I think we can be fair. Our problem is, we are not building airport in the right way, very costly, masa, then we increase pula. So, it is not good in the eye of the public. I am looking from the other side.*

**Datuk Seri Long See Wool:** *Yes. I understand the perception, I think a lot of this is perception. Actually, the passenger service charge is collected...*

**Dato' Abd. Aziz Sheikh Fadzir:** *It is not the perception Datuk. KLIA2 punya harga is not perception.*

**Datuk Seri Long See Wool:** *Passenger service charge is collected for the services at the airport. It is not a charge that we do for the purpose of collecting, for purpose of development. There are different revenues stream that come into the airport. Of course it goes into a single till but the passenger service charge is actually services provided at the airport.*

**Tuan Pengerusi:** *I think this issue is better debated outside because I think... [Disampuk] I personally think that AirAsia will move back to Terminal 1 because people will see the difference in the quality of the services anyway, the passenger. They will choose other airline.*

**Dato' Abd. Aziz Sheikh Fadzir:** *You must force them, you cannot give them space. The option is not their, you must force them.*

**Tuan Tony Pua Kiam Wee:** *I think it is fair that maybe is already allowing them to hold on until the whole thing is completed. Once it is completed, they need to move.*

**Tuan Pengerusi:** *I think that...*

**Datuk Seri Long See Wool:** *Ya.*

**Tuan Pengerusi:** *...Because Kota Kinabalu is a very important hub for them. They did the same thing in Johor Bahru, extended the runway, put more parking base and then, they decided not to make Johor Bahru into a major hub. So, they did that to Johor Bahru but Kota Kinabalu I think it is bit difficult for them to do because the connection out of the Kota Kinabalu is quite important for them to go to Hong Kong and so on.*

**Dato' Abd. Aziz Sheikh Fadzir:** *That comes to the other pertinent question, why can't KLIA have a proper agreement with AirAsia before they even move? I see KLIA2 pun kita bergaduh, I see this KK airport pun kita masalah. Can't we have a pre-agreed rate, what are the conditions that you need and they put the signature there, so that once it's done, it is just done. I see a lot of issues between KLIA, MAB and AirAsia.*

**Datuk Seri Long See Wool:** *I think I should not comment on that [Ketawa]*

**Tuan Tony Pua Kiam Wee:** *Ini tidak ada langsung, bukan? [Ketawa]*

**Datuk Seri Long See Wool:** *I mean to be fair– I mean, just giving an example. There are airlines today coming and tell us that they want to keep the cost low. “Can you give us a guarantee for the next 15 years, 20 years you do not increase your airport charge?” So, what will you put back to them? “Okay, if we do that, can you also do your air fare in the next 15 years, 20 years you do not increase?” But they are telling, “No, no. You keep yours, I should be allowed”. You depend where... Which side of the table they are but the overall consideration will have to take into account a lot of other factors.*

**Tuan Pengerusi:** *Any other question?... Well, I think Datuk, you also have been very good at feeding our question today.*

**Datuk Seri Long See Wool:** *I have been grilled [Ketawa]*

**Tuan Tony Pua Kiam Wee:** *Last one Datuk.*

**Tuan Pengerusi:** *Last one because I think after three hours, we should give Datuk a time... [Ketawa]*

**Tuan Tony Pua Kiam Wee:** *I understand. I just got the figure from the Audit's Report on the amount that has been paid, yang telah pun dibayar kepada kontraktor Global Upline on their package of the work. The contract, the final amount is RM773.29 millions, yang dibayar sudah RM721.6 juta, 93%. So, there seem to be a disjoint between the amount works not done versus the amount of money that has been paid to Global Upline. So, tinggal RM50 juta sahaja belum bayar.*

**Ir. Mohd. Hanaffi Ayob:** *Tuan Pengerusi, in terms of– I agree that the balance is RM50 millions plus. That's also inclusive equipment supplied but not yet install especially the Instrument Landing System, AGL equipment. Supplied but not yet install. In terms of the psychical progress, until the day they are being terminated, they have achieved 94% at the point where they being terminated.*

**Tuan Tony Pua Kiam Wee:** *So, you are telling me that the extension into sea, semua itu only two or three percent value of works?*

**Ir. Mohd. Hanaffi Ayob:** *The cost is RM50 millions. All the balance of work not completed is roughly around RM50 millions. RM50 millions plus.*

**Datuk Seri Long See Wool:** Yang Berhormat, *if I may, for instance like you- once the equipment, it is true that ILS is a system and the equipment and the final. Once the equipment is supplied to site, the government actually will pay, correct me if I am wrong. So, it is the installation and the calibration and decommissioning part for which they are not able to do. So, you will see that the value in terms of the actual payment is high but there are for materials, for equipments that they have been supplied but not install.*

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**Dato' Abd. Aziz Sheikh Fadzir:** Datuk, senarai kontraktor yang baru dilantik, Pakej 2, *civil and structure works*, Musaiti Sdn. Bhd., harga kontrak RM155.5 juta.

**Tuan Tony Pua Kiam Wee:** *Civil and structure physical works not that?*

**Ir. Mohd. Hanaffi Ayob:** *Works including the portion on the northern part of runway where they need to raise the runway and also a portion on the taxiway.*

**Tuan Pengerusi:** *Then it should been covered in the original contract, dan kalau sudah 90 percent done, that means should have been done already. Why you need to appoint another...*

**Dato' Abd. Aziz Sheikh Fadzir:** Kalau you kata RM50 juta tadi- okey, ini alasan kata *equipment* ini. *AGL fire protection system* RM23 juta. Jadi, tidak adalah beza sangat tiga tahun dahulu dengan sekarang. *Navigation system*, RM12.9 juta. Itu dah RM36 juta. *Communication*, RM3.4 million, itu sudah RM40 juta. You ambil *figure equipment* itu sahaja sudah RM40 juta sudah. You diskaunlah 20% harga dulu dengan sekarang ini, diskaunlah 20%, so RM8 juta, itu sudah RM32 juta. *Are you saying that the balance of infrastructure that meant to be completed by GU only RM20 million? I don't know.*

**Sr. Jamiah Jahis:** Tuan Pengerusi, kalau kita tengok *the procurement strategy* yang dilaksanakan pada kontrak yang awal adalah *design and build negotiated based on lump sump. The consultant of the contractor then back on November 2005, prepared bills of quantities* for dia punya kontraktor *and they had submitted to us and we have look into it and the negotiation was carry out by the client. That is over.*

*But for this new contract, the strategy of the procurement was by conventional, which is they have to prepare the BQ. That is a consultant to prepare the bills of the quantity of the remaining works. So the remaining works was prepared by the consultant based on bills of quantities and the contractors has actually priced accordingly based on the present price. Itu yang dia dapat RM155.5 juta.*

**Dato' Abd. Aziz Sheikh Fadzir:** Tak nak *challenge* itu tapi saya cuma nak *challenge- you* kata *balance contract price* kepada GU ini RM50 juta, okey. Tolak *equipment which is as I said, you will not be- I give 20% increment, you know. I give 20%.* Sekarang ini sudah RM30 ke RM40 juta tadi, kalau 20% *increment* pun, *that means you would have been RM22 million in GU punya books.*

*That is the price. So you would had paid RM700 over million itu minus RM22 million, the balance RM50 million yang kita owe GU ini is comprises of RM32 million equipments tadi itu, only RM20 million civil and structural works. Itu satu.*

Kedua, mana boleh kita bayar *equipment when it is not install and tested? You saying that just now, RM48 million yang tidak install* tadi simpan dalam stor. Mana dunia yang kita bayar orang tidak *try* ini? TV rumah kita pun kita pasang, dia *mai test* dulu baru kita bayar.

**Sr. Jamiah Jahis:** Ada dalam syarat-syarat kontrak *that for...*

**Dato' Abd. Aziz Sheikh Fadzir:** Takkan *you as a consultant would have agreed to recommend the government to pay for something equipment that not even tested? I don't know. I mean, I can't blame KSU who might not know. But you as a consultant, being paid RM29 million; your job is to just verify sahaja. Apa you recommend? RM80 million* kalau *you* kata tadi itu. RM48 juta campur RM22 juta, RM80 juta barang bayar kepada *supplier*, simpan empat tahun dalam stor. Eh, tidak reti nak fikirilah.

**Sr. Jamiah Jahis:** Kalau kita tengok, dia *suppose to complete the original contract by 2009. So material* yang dia beli itu, mengikut program asal, *they are to fix around 2008 then material equipment* itu dia bawa *because it is an oversea* punya, so they have lead time.

**Dato' Abd. Aziz Sheikh Fadzir:** Berapa lama *lead time* dia?

**Sr. Jamiah Jahis:** Enam bulan.

**Dato' Abd. Aziz Sheikh Fadzir:** Okey enam bulan. Bila *you* tahu benda ini tidak akan siap? *You* tahu tidak tahun 2008 *you* tahu kata kita punya ILS tadi itu tidak akan boleh pasang?

**Sr. Jamiah Jahis:** Tadi dia...

**Dato' Abd. Aziz Sheikh Fadzir:** *I am sure you would have known by 2008, you know, with all your EIA issues, with all your other issues that there is no way 2009 this thing will be completed. A normal man would have call the supplier, negotiate with him, pay additional 10%, ask the supplier to keep the equipments in his place and deliver it when you have been ready. I purely say that there is negligence on your side.*

**Tuan Pengerusi:** Lagi satu *of the lessons. Because, kalau you* beli barang itu simpan empat tahun, barang itu mungkin sudah *obsolete* sudah *by the time you* hendak pasang [Disampuk] *No, no, satu question* sahaja lagi. *You all* kena bayar *according to progress* kan?

**Sr. Jamiah Jahis:** Ya, betul.

**Tuan Pengerusi:** Maknanya kalau tidak ada *willing* daripada kontraktor semua *you* tak boleh *claim* kan?

**Sr. Jamiah Jahis:** *The contractor submits* dia punya *claim* tiap-tiap bulan.

**Tuan Pengerusi:** ...*And then only you get paid* kan? *Or you get paid just by giving advice; the government pays you the total amount that you are due?*

*What I am saying is if you don't bill the equipment in- if you don't agree to the contractor buying the equipment, and therefore that, in this case progress, you don't get paid?*

**Sr. Jamiah Jahis:** Bukan...

**Tuan Pengerusi:** *Is it the driving intention behind your approval ini?*

**Ir. Mohd. Hanaffi Ayob:** Tuan Pengerusi, *the consultant is being paid according to the man month- dia tidak ada related dengan whatever progress of the contractor punya payment.*

**Tuan Pengerusi:** *Lagi teruk. We expect better quality of advice. You already been paid macam retainer basis and then you not even looking at the cost saving aspect to the client.*

**Sr. Jamiah Jahis:** *Let me explain. The purchase of the equipment was done back in 2008. Original contract suppose to complete in 2009. The delay was on 2010.*

**Tuan Pengerusi:** *The point is you know that the project was going to be delay, you should advise the client not to accept any equipment.*

**Sr. Jamiah Jahis:** *The purchase...*

**Tuan Pengerusi:** *The lead time is very small. And you are getting paid like a retainer. My god!*

**Dato' Abd. Aziz Sheikh Fadzir:** *That's why I said lets don't try to deny something that doesn't make sense. Let's try to sit- tidak mengapa, can you give us the work program? We want to see the revise work program and we want to see when this things was procured, when was it delivered, when was it paid. You know, kalau you hendak argue kata benda itu awal.*

**Tuan Pengerusi:** *Datuk, you should look at your- you should review your consultant punya capabilities and advise juga, because in this case, they are not doing value for money type of advise to you. I think we are going to mention this in our report about the quality of the consultant that had been advising our civil service.*

**Dato' Abd. Aziz Sheikh Fadzir:** *...And then we also need to see what are the liabilities you know, by giving all these advice to the government.*

**Tuan Tony Pua Kiam Wee:** *Can I just has a supplementary question on this? Is there a retention sum by the government? Because, by right, they should be a retention sum for warranty and defect for every payment. So, that amount itself should exceeding RM50 million already. I try to look forward at the contract; I have not seen it yet. That's number one.*

**Datuk Seri Long See Wool:** *Itu ada- performance bond semua ada.*

**Tuan Tony Pua Kiam Wee:** *So 5% of retention sum is already RM35 million.*

**Dato' Abd. Aziz Sheikh Fadzir:** *RM35 million to spent lah, in terms of the money that we still have.*

**Tuan Tony Pua Kiam Wee:** *The percentage of payment seems completely out of sync with the actual progress on the ground. I think that seems very obvious at this stage.*



**Sr. Jamiah Jahis:** *For this contract, there are performance bond which is 5% equivalent to RM36 million which government had already confiscated it because the project is being terminated.*

**Tuan Tony Pua Kiam Wee:** *No retention sumlah?*

**Dato' Abd. Aziz Sheikh Fadzir:** *The point Yang Berhormat Petaling Jaya Utara bagi tahu, actually you actually paid RM720 million right? So, RM770 million contract, minus 35%, is only RM735 million.*

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**Ir. Mohd. Hanaffi Ayob:** *The performance bond is not in the form of retention sum.*

**Tuan Tony Pua Kiam Wee:** *So, there is no retention sum?*

**Ir. Mohd. Hanaffi Ayob:** *No retention sum in form of performance bond.*

**Tuan Tony Pua Kiam Wee:** *...Only a performance bond? What I understand is most construction contracts have performance bonds and got retention sum whether it is five percent or two and half percent. Is that waived?*

**Sr. Jamiah Jahis:** *MOF circular is either one. It is either retention or performance bonds. Even if you go to JKR also they have either one. The choice is on the contractor. If they think they want to give performance bonds, then we accept the performance bonds. Otherwise, we will deduct on the retention sum- a 10% of value or valuation up to 5% of the contract value.*

**Tuan Pengerusi:** *Any other issues?... I think we should end our grilling. I think Datuk, you are now well done [Ketawa]*

**Datuk Seri Long See Wool:** *Overcooked.*

**Tuan Pengerusi:** *No, no, no. Not overcooked. There is still one more issue, KLIA2 coming up which we won't cover today, because we don't have the time. Anyway, it's not fair to you to face us for another three or four hour. I think you will be drained of the energy that you have. We are drained too. But, thank you very much for appearing today. I think the answers you have given are quite satisfactory. We can come to some conclusion on the cause of the issues and who we should assign this responsibility to. We hope you can provide all the informations that we asked for just now as quickly as possible, in a week time. Then we will call you again for the briefing on KLIA2 when it's- I think maybe next month, because everybody is going on a holiday. So, maybe in January we meet, okay with you?*

**Datuk Seri Long See Wool:** *Thank you very much to Tuan Pengerusi, Timbalan Pengerusi dan Ahli-ahli PAC. We fully appreciate the discussion. In fact, we have inculcate in our working, in project management as part of our culture is that, whichever project we do, back in our mind that it will be audited. We are very mindful of that, but I hope the PAC Members would also appreciate that there are factors that beyond our control. For which, although- not for failing but for trying our best.*

*On the land issue, we would like to share our frustrations. In fact, today the air traffic control tower where the DG's office is sitting on is a piece of land that the State has not even alienated to us. The State also have got their own- dia hendak buat satu bus terminal berdekatan dengan situ which we did not agree, because we say that, around there, number one to site a bus terminal at the airport, I don't think it's a good thing to do, because you are going to crowd the entire airport area.*

*Keduanya, if you do that, we would have no more land for expansion in the future and this airport is meant for KK and for KK. Now, in KK you imagine if you want to look for a new site for the new airport, I don't know where we are going to find maybe because of that the reason, until today, dia masih tidak meluluskan tanah. We are in dialogue with them and we hope this can be settled and I hope in your final report on this land, we hope you can appreciate the difficulty that we go through in this exercise.*

*Moving forward, we will definitely provide all the information that you have required. If you required any further information, please don't hesitate to get in touch with us. On KLIA2 itself, in fact I was ready to handle the subject matter today. But, nevertheless we have ran out of time. But, towards the end of the year, I think you have a tight schedule, we have a tight schedule, I hope you can give us a date as early as possible, hopefully not next week, because there are certain commitment that we have next week.*

*So, with that, on behalf of the DG of DCA, TKSU, all my officers and also on behalf of KLIACS, we again mengucapkan berbanyak terima kasih kepada Tuan Pengerusi, Timbalan Pengerusi dan semua Ahli-ahli Jawatankuasa dan juga kepada pegawai-pegawai dari jabatan-jabatan kerajaan termasuk pegawai-pegawai daripada Jabatan Audit Negara. I don't blame you for bringing the thing... [Ketawa] ...And also MOF and the rest of the agency, we are all good friends. Issues are issues. I think that one- if it is an issue, we have to face the issue. Kalau kita ada kelemahan, I dah beberapa kali cakap, kita kena terima kelemahan dan take whatever necessary to avoid the same thing from happening.*

Dengan itu, saya sekali lagi mengucapkan berbanyak terima kasih.

**Tuan Pengerusi:** Terima kasih Datuk. *You are invited for lunch di luar.*

**Datuk Seri Long See Wool:** *Sorry?*

**Tuan Pengerusi:** *Kita sediakan lunch. After the grill, kita sediakan lunch [Ketawa] Anyway, PAC Members tunggu sekejap. Orang lain minta keluar dulu.*

***Mesyuarat ditangguhkan pada pukul 2.06 petang.***

**Bil. 12**

**Isnin  
28 April 2014**



**MALAYSIA**

## **LAPORAN PROSIDING**

### **MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA**

**Mengenai:**

**KOTA KINABALU INTERNATIONAL AIRPORT –  
Pemindahan Operasi AirAsia Dari  
Terminal 2 ke Terminal 1**

➤ **AirAsia Berhad**

**PARLIMEN KETIGA BELAS  
PENGAL KEDUA**

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**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
BILIK MESYUARAT JAWATANKUASA 1,  
PARLIMEN MALAYSIA  
ISNIN, 28 APRIL 2014**

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**AHLI-AHLI JAWATANKUASA**

**Hadir**

YB. Datuk Nur Jazlan bin Mohamed - *Pengerusi*  
YB. Dr. Tan Seng Giaw [Kepong] - *Timbalan Pengerusi*  
YB. Datuk Seri Reezal Merican [Kepala Batas]  
YB. Puan Mas Ermieyati binti Samsudin [Masjid Tanah]  
YB. Datuk Madius bin Tangau [Tuaran]  
YB. Tuan Haji Hasbi bin Haji Habibollah [Limbang]  
YB. Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]  
YB. Dato' Kamarul Baharin bin Abbas [Telok Kemang]  
YB. Dato' Kamarudin bin Jaffar [Tumpat]  
YBhg. Datuk Roosme binti Hamzah - *Setiausaha*

**Tidak Hadir [Dengan Maaf]**

YB. Datuk Chua Tee Yong [Labis]  
YB. Dato' Abd. Aziz Sheikh Fadzir [Kulim-Bandar Baharu]  
YB. Tuan Liang Teck Meng [Simpang Renggam]  
YB. Datuk Wee Jeck Seng [Tanjong Piai]  
YB. Tuan William Leong Jee Keen [Selayang]

**URUS SETIA**

Encik Che Seman bin Pa Chik [Setiausaha Bahagian Pengurusan Dewan]  
Encik Nasrul Izani bin Ramli [Penolong Setiausaha (Perundangan dan Prosiding)]  
Encik Alfian bin Mesebah [Penolong Setiausaha (Perundangan dan Prosiding)]  
Encik Ahmad Fauzi bin Mustafa [Pegawai Penyelidik, Parlimen]  
Encik Ahmad Johan (Pegawai Khas kepada YB Pengerusi)

**HADIR BERSAMA**

**Jabatan Audit Negara**

YBhg. Datuk Haji Anwari bin Suri [Timbalan Ketua Audit Negara (Persekutuan)]  
Puan Jacinta Wong Ngouk Hua [Timbalan Pengarah Audit Persekutuan (Pengangkutan)]

**Jabatan Akauntan Negara**

Dr. Yacob Mustafa [Timbalan Pengarah]

*samb/-*

**HADIR BERSAMA** *(samb/-)***Kementerian Kewangan**

Encik Rosli bin Yaakub [Ketua Unit (Parlimen dan Kabinet)]

Encik Dzulhilmil bin Dzulkarnain [Ketua Penolong Setiausaha Bahagian (Kawalan dan Pemantauan)]

Puan Norazura binti Tadzim [Ketua Penolong Setiausaha]

**Unit Perancang Ekonomi**

Dr. Zunika binti Mohamed [Timbalan Pengarah I]

Puan Wan Norashikin binti Mohd Thair [Ketua Penolong Pengarah]

**Jabatan Perkhidmatan Awam**

Encik Mohd. Azraie bin Harun [Ketua Unit (Integriti)]

**SAKSI-SAKSI****AirAsia Berhad**

YBhg. Tan Sri Dr. Tony Fernandes [Ketua Pegawai Eksekutif Kumpulan]

YBhg. Datuk Kamarudin Meranun [Pengerusi Eksekutif]

Encik Ashok Kumar [Ketua Wilayah Ibu Pejabat (Lapangan Terbang dan Insentif)]

Cik Aireen Omar [Ketua Pegawai Eksekutif]

Cik Elina Effendi [Pengurus Hubungan Pelaburan]

Cik Vijaya Priya Ananthan [Pengurus Hubungan Parlimen]

**KLIA Premier Holdings Sdn. Bhd.**

YBhg. Tan Sri Jamilus Hussein [Ketua Pegawai Eksekutif]

**G&P Professionals Sdn. Bhd.**

Encik Tan Yean Chin [Pengarah Kanan]

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**LAPORAN PROSIDING****MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA  
PARLIMEN KETIGA BELAS, PENGGAL PERTAMA****Bilik Mesyuarat Jawatankuasa 1, Parlimen Malaysia, Kuala Lumpur****Isnin, 28 April 2014****Mesyuarat dimulakan pada pukul 10.44 pagi***[Yang Berhormat Datuk Nur Jazlan bin Mohamed  
mempengerusikan Mesyuarat]*

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**Tuan Pengerusi:** *Bismillahi Rahmani Rahim.* Yang saya hormati Timbalan Pengerusi, Ahli-ahli Jawatankuasa PAC, Datuk Haji Anwari serta wakil-wakil daripada kementerian. *Assalamualaikum warahmatullahi wabarakatuh.*

Pada pagi ini, tujuan kita mengadakan Mesyuarat PAC adalah untuk meneruskan prosiding kita mengenai KLIA2 khusus kepada tujuan untuk hendak memanggil AirAsia Berhad untuk memberikan taklimat, itu satu, dan kedua, untuk memberikan peluang kepada AirAsia untuk menjawab apa-apa maklumat yang telah diberikan oleh MAHB kepada kita tempoh hari. Jadi, kita perlu bersikap adil memberikan peluang kepada AirAsia untuk memberikan penjelasan mereka sendiri mengenai isu KLIA2 ini.

Saya juga ingin mencadangkan kepada Ahli-ahli PAC, kalau ada soalan lain yang hendak ditanya, kalau boleh, kita *limitkan* kepada KLIA2 tetapi kalau hendak menyimpang pun boleh menyimpang kepada industri penerbangan negara kerana saya rasa isu seperti penggabungan AirAsia dengan MAS pun boleh ditanya apakah rasionalnya, *at the end*lah, untuk kita mendapat sedikit pandangan daripada AirAsia yang menjadi syarikat penerbangan yang boleh beroperasi dengan keuntungan berbanding dengan Syarikat MAS, syarikat penerbangan negara kita sendiri yang menghadapi masalah daripada semasa ke semasa menghadapi kerugian. Jadi itu juga kita boleh tanyalah. Akan tetapi saya harap kalau boleh *limitkan* kepada skop itu, ya.

Untuk makluman Ahli Jawatankuasa, saya juga ingin memaklumkan bahawa tarikh-tarikh untuk mesyuarat PAC akan datang telah ditetapkan dan saya berharap kalau ada Ahli-ahli PAC yang tidak dapat hadir, sila maklumkan lebih awal supaya tarikh mesyuarat ini boleh dipinda sekiranya perlu, ya. Jadi pada 7 Mei, cadangan mesyuarat PAC adalah untuk membincangkan mengenai draf Laporan Jawatankuasa Kira-kira Wang Negara mengenai Kelemahan Pengurusan Hasil Bagi Lembaga Hasil Dalam Negeri dan Jabatan Kastam Diraja Malaysia.

**Seorang Ahli:** *On what date?*

**Datuk Roosme binti Hamzah [Setiausaha]:** Rabu, Rabu.

**Tuan Pengerusi:** Rabu, 7 Mei, kita cadangkan untuk hendak buat *housekeeping*lah sebenarnya mengenai laporan kita mengenai Lembaga Hasil Dalam Negeri dan Jabatan Kastam. Itu panjang laporan itu.

**Datuk Roosme binti Hamzah:** Nanti kita edarkan senarai ini dekat Yang Berhormat. Surat dan juga laporan draf.

**Tuan Pengerusi:** Selepas itu cadangan tarikh kedua adalah 8 Mei, hari berikutnya, untuk *housekeeping* juga, hendak membincangkan mengenai draf laporan kita mengenai Pengurusan Kehilangan Aset Kerajaan Bagi KDN dan Polis Diraja Malaysia. Kementerian Dalam Negeri dan Polis Diraja Malaysia. Pada 14 Mei, minggu selepas itu, kita cadangkan satu mesyuarat untuk membincangkan draf laporan Jawatankuasa Kira-kira Wang Negara mengenai Pengurusan Perolehan Kapal Pendidikan dan Latihan, *RV Discovery* oleh Universiti Malaysia Terengganu dan juga Pengurusan Perkhidmatan Kawalan Keselamatan di Institusi Pendidikan dan Sekolah.

Hari berikutnya iaitu 15 Mei, saya cadangkan kita buat mesyuarat untuk hendak membincangkan, *housekeeping* juga ya, untuk membincangkan mengenai Laporan Pengurusan Loji Insinerator Jabatan Pengurusan Sisa Pepejal Negara dan juga Pengurusan Aset Jabatan Bomba dan Penyelamatan Malaysia. Pada 20 Mei, cadangan untuk membuat mesyuarat mengenai Tahap Prestasi Pengurusan Kewangan FINAS Yang Tidak Memuaskan mengenai perkara yang tertangguh iaitu kita hendak memanggil bekas Ketua Setiausaha Kementerian dan juga dua orang Ketua Pengarah FINAS yang bertugas sewaktu perkara – perkara apa? Akaun FINAS yang bertegur? Itu ia punya *official terminology*?

**Seorang Ahli:** Teguran.

**Tuan Pengerusi:** Teguranlah, ya. Teguran mengenai akaun FINAS tahun 2012. Jadi itulah...

■1050

**Datuk Roosme binti Hamzah:** Semua yang kita buat *housekeeping*, *one* kita panggil FINASlah.

**Tuan Pengerusi:** *One* kita panggil semua FINASlah.

**Datuk Roosme binti Hamzah:** Yang lain semua *housekeeping*.

**Tuan Pengerusi:** Yang lain semua *housekeeping*. Saya cadang hendak habiskan semua ini pada bulan Mei... [Disampuk] Cadangan masa pukul 11. Tidak, ini cadangan ya. Maknanya sesiapa-sesiapa yang tidak- Yang Berhormat boleh?

**Datuk Roosme binti Hamzah:** Pukul 10.30?

**Tuan Pengerusi:** Pukul 10.30? Setengah jam awal, pukul 10, 10.30 bolehlah. Hendak 10 atau 10.30?

**Seorang Ahli:** Pukul 10.30 lah.

**Datuk Roosme binti Hamzah:** 10.30.

**Tuan Pengerusi:** *So you all voted 10.30 am. [Ketawa]*

**Datuk Roosme binti Hamzah:** Tidak, setengah itu *flight from Sabah, Sarawak.*

**Tuan Pengerusi:** *Actually to give time to come.*

**Seorang Ahli:** *[Menyampuk]*

**Tuan Pengerusi:** *Please be understanding [Ketawa]* Okey, jadi pada hari ini cadangannya ialah untuk memanggil wakil AirAsia masuk tanpa ada wakil kementerian atau wakil MAHB bersama dalam bilik ini.

**Dato' Kamarul Baharin Abbas [Telok Kemang]:** Permintaan diakah?

**Tuan Pengerusi:** Tidak, kita. Sebab nanti kita tidak mahu ada tohmahan bahawa AirAsia tidak memberikan keterangan tidak berkecuali, *independent.*

**Datuk Roosme binti Hamzah:** Bermakna *all the seat* itu untuk AirAsia sahaja.

**Tuan Pengerusi:** AirAsia.

**Datuk Roosme binti Hamzah:** *Three and two more officers* dialah.

**Tuan Pengerusi:** *If need be then we called the* KSU dengan MAHB. Mereka sudah bersedia di luar. Kalau perlu. Saya pun sebenarnya kalau boleh hari ini hendak selesaikan semua keterangan daripada saksi-saksi dan kita boleh terus kepada *report* punya *preparation stagelah.* Satu lagi, saya minta hari ini kita- ini permintaan daripada AirAsia, dia minta prosiding ini diadakan dalam bahasa Inggeris untuk memudahkan- Nama Tony apa semua ini, masalah sahaja *[Ketawa]* Untuk memudahkan prosiding pada hari ini.

**Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]:** Tuan Pengerusi, ini semua sangkaan jahat.

**Datuk Roosme binti Hamzah:** Tuan Pengerusi, *let him request* dalam itu, Tuan Pengerusi beri kebenaran.

**Tuan Pengerusi:** Okey.

**Datuk Roosme binti Hamzah:** Jangan terus sahaja. *Let him request,* sebut.

**Tuan Pengerusi:** Jadi sebelum saya hendak teruskan dengan memanggil AirAsia, ada apa-apa pandangan lain daripada Jawatankuasa?

**Datuk Haji Anwari bin Suri [Timbalan Ketua Audit Negara (Persekutuan)]:** Tuan Pengerusi, kalau boleh isu Lapangan Terbang Antarabangsa Kota Kinabalu yang tidak pindah itu elok ditanya sekalilah.

**Tuan Pengerusi:** Saya lupa. Kita ada satu perkara tertunggak daripada KKIA itu hari...

**Datuk Roosme binti Hamzah:** Ya, dalam senarai ini kita tulis. So kita *remain.*

**Tuan Pengerusi:** ...Di mana kita hendak tanya mengenai persediaan AirAsia untuk berpindah daripada Terminal 2 *Kota Kinabalu International Airport* kepada Terminal 1.



**Datuk Haji Anwari bin Suri:** So Tuan Pengerusi, ada *paper* yang telah diedarkan. Boleh referlah sebagai *guide*. Muka surat 4, muka surat 9, muka surat 12. Ada?... Tidak ada?

**Tuan Pengerusi:** [*Bercakap tanpa menggunakan pembesar suara*]

**Datuk Haji Anwari bin Suri:** Belum edar ya?

**Beberapa Ahli:** [*Berbincang sesama sendiri*]

**Tuan Pengerusi:** Ahli-ahli Jawatankuasa PAC, dimintalah bukalah e-mel. Kesian Audit sudah hantar awal-awal [*Ketawa*]

**Beberapa Ahli:** [*Bercakap tanpa menggunakan pembesar suara*]

**Tuan Pengerusi:** Tidak e-mel pada Jawatankuasa?

**Seorang Ahli:** [*Bercakap tanpa menggunakan pembesar suara*]

**Tuan Pengerusi:** Oh!

**Datuk Roosme binti Hamzah:** Lain kali *email* pada SUDR.

**Tuan Pengerusi:** Oh! Okey, okey.

**Datuk Roosme binti Hamzah:** Kerani dapat, Setiausaha tidak dapat.

**Seorang Ahli:** Sebenarnya pada Encik Ami.

**Tuan Pengerusi:** Kita betulkan dia punya *lines of communication*. Selepas ini e-mel kepada Encik Amisyahrizan berserta dengan SUDR. Yalah, itu dia punya *official line of communication*. Saya ingat sudah hantar kepada semua sebab itulah dia... [*Disampuk*] [*Ketawa*] Okey? Jadi ada apa-apa pandangan lain sebelum saya memanggil AirAsia?... Boleh ya? Okey, panggil wakil daripada AirAsia masuk.

[*Saksi-saksi dari AirAsia Berhad mengambil tempat di hadapan Jawatankuasa*]

**10.58 pg.**

**Tuan Pengerusi:** Selamat pagi saya ucapkan kepada Tan Sri Dr. Tony Fernandes- Group CEO AirAsia Berhad; Datuk Kamarudin Meranun- Pengerusi Eksekutif AirAsia Berhad; Tan Sri Jamilus Hussien- Konsultan KLIACS; Cik Aireen Omar- CEO AirAsia Berhad, seterusnya pegawai-pegawai daripada AirAsia. Selamat pagi saya ucapkan kepada tuan-tuan dan puan-puan sekalian.

Pada hari ini Tan Sri, saya bagi pihak PAC sememangnya menunggu-nunggu kedatangan Tan Sri ke majlis ini untuk memberikan keterangan mengenai isu pembinaan *Kuala Lumpur International Airport 2*, KLIA2. Tujuannya sebenarnya adalah mendapatkan keterangan daripada Tan Sri untuk menjawab apa-apa maklumat dan juga keterangan-keterangan yang telah diberikan oleh Malaysia Airport Holdings Berhad dan juga daripada Kementerian Pengangkutan mengenai isu pembinaan KLIA2 ini. Isu ini memang sudah panas dilaporkan dalam media tempatan dan juga media antarabangsa dan isu ini menimbulkan kebimbangan di kalangan rakyat yang saya rasa perlu dijawab melalui platform

PAC ini. Jadi, tujuan dia pada hari ini adalah untuk Tan Sri memberikan penjelasan dan sekiranya Tan Sri ada apa-apa lagi perkara yang hendak disebut, hendak memberi pandangan mengenai KLIA itu sendiri ataupun industri penerbangan negara.

■1100

Ini kerana ada lagi satu isu yang kami juga berminat untuk mendengar pandangan Tan Sri iaitu isu mengenai penggabungan AirAsia dan MAS yang telah berlaku dan kemudian dibatalkan pada beberapa tahun lepas yang telah menimbulkan satu kontroversi iaitu kedua-dua syarikat didenda oleh MyCC, *Malaysia Competition Commission*. Jadi timbul juga isu bahawa berlakunya monopoli dalam industri penerbangan negara yang mungkin tidak sihat untuk para pengguna industri penerbangan. Kalau ada pandangan daripada Tan Sri juga, kita boleh mendengar pandangan tersebut.

Satu lagi perkara yang kita hendak dengar penjelasan Tan Sri juga ialah mengenai *Kota Kinabalu International Airport*. Pembinaan *airport* tersebut telah diselesaikan, tetapi ada isu yang timbul pada beberapa bulan lepas iaitu AirAsia tidak berminat ataupun belum lagi bersedia untuk hendak pindah dari Terminal 2 *Kota Kinabalu International Airport* itu ke Terminal 1 yang baru dibina dan telah pun beroperasi.

Jadi, kalau Tan Sri hendak bercakap dalam bahasa Inggeris, saya rasa kita boleh benarkan. *Feel free because if it is something that will make your testimony easier then feel free to speak in English. So*, tanpa melengahkan masa lagi, saya minta Tan Sri untuk memperkenalkan pasukan Tan Sri dan sesiapa yang terlibat, seterusnya membuat pembentangan jika ada dan menerima soalan daripada PAC.

Saya hendak maklumkan kepada Tan Sri bahawa kalau ada *statement* yang hendak dibuat yang tidak mahu direkodkan, tutup *mike*. Jangan buka *mike*. Bila buka *mike*, *statement* daripada Tan Sri akan direkodkan. Laporan PAC dibuat secara verbatim. Setiap perkataan dicatat dalam laporan tersebut dan akan dibentangkan dalam Parlimen dalam bentuk itu. Jadi kalau ada perkara-perkara yang sensitif, yang tidak hendak direkodkan, tutup *mike* dan teruskan dengan keterangan. Jadi saya jemput Tan Sri untuk memberikan keterangan kepada PAC. Terima kasih.

**Tan Sri Dr. Tony Fernandes [Ketua Pegawai Eksekutif Kumpulan AirAsia Berhad]:** *Good morning, thank you Yang Berhormat, Members of the PAC. We have a presentation, take you through a little bit about the history of AirAsia as well, what got us to where we are. I think it is important that the Members of the Public Accounts Committee understand the business model of AirAsia. Then we will talk to you about the KLIA, KK and the whole aviation industry as per you request, Yang Berhormat.*

*So, we start with the presentation. We started the airline 12 years ago, me and Datuk Kamarudin, both of us are from the music business. I bought Datuk Kamarudin's record company, RAP which was the biggest headache of my life, Roslan Aziz's Production, I actually overpaid, so I told them*

*the next time we do a deal, you should be on the same side of the table as me. This was 12 years ago. We had not a lot of money between us but we have a dream and an idea.*

*We bought AirAsia from DRB HICOM on the September 8, 2001 subject to due diligence. We said subject to due diligence because both of us did not have enough money to actually– we don't have much working capital and both of us remortgage the houses to raise about a million dollars. We actually- and DRB HICOM was very, very supportive in– they did not want the airline but they knew that they will help us in getting to where we are.*

*So, even though we didn't own the airline, on September 8, after signing, they allowed us to go in there and start changing things. AirAsia had been two aircrafts operations, full service carrier and operating at Subang and accumulated losses in the five years of RM160 millions. On the December 8, 2001, we took over the airline. That is the day actually that we took over, me and Datuk Kamarudin standing in old AirAsia livery. There were five original founders of the airline. Aziz Bakar, who was also from the music industry, BMG Music, I was at Warner Music and Datuk Kamarudin was that RAP, Datuk Pahamin Rajab who we knew through anti piracy. He was the KSU of Ministry of Domestic Trade.*

*And Connor McCharthy who was the Chief Operating Officer of an airline called Ryanair which is probably the most successful low cost carrier in the world and where we based most our model on.*

*Just give you some history.*

*We bought AirAsia for RM1 and took over of a RM20 millions of debts. It is important to noted that we paid all the debts in full. There were three main creditors, Petronas, Malaysia Airport and Malaysia Airlines. We as shareholders never ask for a hair cut. We said, "We will pay you back. Give us eight months to pay you back and we will pay you back". We ask Petronas to give us a deal in terms of- when we pay them back, give us a good incentive which they did. I am not sure anyone actually believe we had paid them back but we did in full and no creditors ever loss any money.*

*I want to tell you that, the history of AirAsia has been nothing short of spectacular if I may say so. The staffs in AirAsia are quite amazing people. We started with two planes 12 years ago and now we had 169 aircrafts. First year we carried 280,000 passengers. This year we will carry in excess of 50 million passengers. No airline has grown as quicker as we have in the history of aviation.*

*Since we started, 228 million people have flown on AirAsia. Most of this people never flew before, never had a change to fly. It was just too expensive. Since AirAsia, Malaysia we have really gone to be an ASEAN brand and hopefully an Asian brand in a very, very competitive environment. We have Thai AirAsia, Indonesia AirAsia. We started at separate company called AirAsiaX. We have Phillippines AirAsia and hopefully this week, today is the last day of proving fly, we will be the first foreign airline to get a license in India. We will restart Japan in early of next year, we received the license. We have been asked to start in all, we have application from 22 countries that after us to start*

*an airline. From Africa to South America to even Europe. As a Malaysia brand, it has shown that we are recognized in the world as someone who knows what we are doing. I think it is important to note.*

*In these 12 years, we have been through every calamity. Nothing has been easy for us, nothing. We had SARS, bird flues, tsunami, earthquakes, revolution, we have to deal with national carriers etc. It took us seven years to get Kuala Lumpur-Singapore as a route. It was just not feasible. It's took us four years to get the first international route. It took me and Datuk Kamarudin, six months to get one extra flight to Langkawi when we first started. Nothing has come easy for us. It has been a very, very hard slough to get to where we have got to. But we always be positive, we always found the way. We had paid a bonus to our staff every year. We have never made any staff redundant in AirAsia in our 12 years.*

**■1110**

*Even during the tough time like SARS- no one wanted to fly during SARS. Everyone thought they would die if they fly but I remember telling our Marketing Department that this is the best time to build our brand. So I said, triple our advertising now because no one else is advertising. People will know us. Plus, I said, and lower the price. I said I know Malaysian very well. If you put a fare lower enough, they will risk their lives. RM800 to Kota Kinabalu, SARS- RM18, who cares? I am going. This is the same for Bali and this is the same for all the problems.*

*The point through this is that, what have kept AirAsia in business is low fares. Be it SARS, be it terrorism, being the airport closed. In Bangkok, we are being able to build a strong business and make money every year except for one year when the oil crisis came. When the oil went from USD150 to USD40, we lost a lot of money through hedging. Apart from that, we have always been able to generate a profit.*

*I want to also show that we had never been given credit. We are always seen as the bad boys, we always given a hard time. It is very tough for an airline such as ours because we are- in someway, the two biggest components of the airlines industry are owned by the government. Malaysian Airport has the big government ownership and Malaysian Airlines. For many years we could not get route because Malaysian Airlines block us in many places and etc. Plus, we had to compete with the subsidized airlines. Malaysian Airline has been- domestic operation was fully subsidized. Even now, they constantly get funds so that they can compete with us. They lost RM1.8 billion and government would top up their account. So if they really want a competition, they would not be able to compete with our fares.*

*On top of that, we had to- obviously, well documented our issues with Malaysian Airport which I will cover some of them. But you would see that AirAsia, if you take AirAsia growth out of Malaysian Airport, Malaysian Airport only grown 3.4%. We have added 38% compound growth over last 12 years. What have delivered this, had been low cost and low fares.*

*If you look at East Malaysia, the number of flight we created- there was no direct flight to Tawau, there was no direct flight to Sandakan before AirAsia. The number of flights we had to Kota Kinabalu and Kuching- we just started the flight that no one would have dreamt of, Kuching-Langkawi. We have fantastic hub in Kota Kinabalu. We would like to develop a hub in Kuching but we restricted by the high airport charges, similarly Langkawi, which I will talk to you in a second.*

*But again, I go back to the main point that we have beaten Singapore and Thailand. Remember, Singapore was the hub of South East Asia. We are now almost bigger than Singapore. Just now we met President Obama and even he was saying, "When you are going to fly to America because many people want to use AirAsia for connectivity". All of this comes from low cost and stimulating the market. If every car in Malaysia was a Mercedes Benz, the market will be very small. If every hotel in Malaysia was a five stars hotel, the market would be very small.*

*I put to the PAC today that every airport is a full service airport. Malaysian Airport would have only grown at 3%. There is a different product and a different type of operation for each type of airlines. One doesn't fit all. That is what we have been battling for 12 years. That is how 228 millions people have flown because we made it very affordable from what it was 12 years ago.*

*Secondly, if you look at our fares, we have not been able to increase fares even though oil has going up from USD30 when we started this airline, me and Datuk Kamarudin, to now jet oil is trading about USD120. We are still remained our fares where we have. We have driven ancillary income and reduce cost to do this. So, even RM1 may not seem a lot to members in this room but RM1 makes a big difference to our market. RM5 makes a huge difference to our market.*

*That is why we push very hard to keep the charges down. To the consumer, they just don't look at the air fare, they look at how much cost to get to the airport, how much is the airport tax, how much is the hotel etc to travel. Is not just the AirAsia air fare which is the components in making you to decide to travel. That is why we work hard in getting cheap busses to the LCCT. We have not had the advantage of ERL. We were promised a link to the LCCT, but that never happened. So, we had to innervate and create bus companies to used that at RM9 as oppose to taxi fares which are in excess of RM17.*

*Our average fare, again, is RM150 across the whole network. So, airport tax when it is RM30 or even top was of RM60 is 50% of the air fare when your average fare was RM150. So, it is really important to understand the sensitivity and the elasticity of this business.*

*So, bargain too much detail- obviously, the LCCT was build for 10 million people. We are currently almost operating 20 million people in that airport and that it is super crowded and that is not a pleasant experience. We had been requesting for a new terminal for a long time. We even actually went on our own initiative to try and build on our own airport in Labu which was initially accepted and then rescinded. We believe we could have build an airport for RM1.8 billion. A whole new airport, brand new airport with tower, runways and everything and look at PSC of RM10 for international. That was our*

target. Our goal was to moved and carries 17 million people and make Kuala Lumpur the Dubai of South East Asia that everyone who wants to travel in Asia comes here. This was a volume game. And, that was rejected. We were assured by Malaysian Airport with the Prime Minister there many times when our Labu plan was rejected, that the airport will be build for RM2 billion, there will be no increase in charges and the airport will be ready in 2011.

*I think the rest of the presentation will try and refute some of the things that I have been talked about how that we cause the delays and we cause the increases. I also want to give you a bit of history. If you look at the LCCT, we made it as cheap as possible. It is not pleasant, but again, to people who can never fly, it is a chance to fly. Of course we want great facilities, of course aerobridges work, of course we want walkalator in the airport. But we were able to build LCCT and MAB was able to build it for RM200 million. First phase RM150 million and then by the end after some extension and expansion, I think RM320 million.*

*That airport with a big mode investment would have been fine. That airport, we insist on having low charges, low cost, so that we could charge people less. We said build it on a capital asset model. If you put RM400 million into it, what returned do you want and then charged people appropriately. We are not getting the money. The airport is. We said to MAB, you will get volume.*

*Initially, MAB wants to charges us the same airport tax as the main terminal. We said, how can we are facilities are so much more inferior, we have no walkalator, we have no lift, people walk to the planes etc. After appeal to Yang Amat Berhormat Prime Minister who was Deputy Prime Minister at the Cabinet, they reduce the airport charge from RM45 to RM25. That enables us to grow to the level that we are able to grow over this last few years, the low airport tax.*

*We had six different dates for starting this airport. The first one was September 11, the next one was December, March, October, May, June of 2013 and now finally 2<sup>nd</sup> of May 2014. We want to officially stated, we never said we were not going to move. We want to make sure that the airport was safe and I think Tan Sri Jamilus who has been involved in building KLIA before I was born, will be able to give you a much deeper insight into that whole airport planning.*

■1120

*Again, just to put on record, an average airline takes eight months to move to a new terminal. We've been given about a month to move. This is not a small operation. We have 500 flights a day from the LCCT. British Airway took nine months to move to terminal five. We contend- of course we want to move. Of course we want to be in a better place at the right charges but we want to be operationally good as well. We don't believe there is been enough testing in terms of the size of the airport that were moving to.*

*So, just to put on record, we want to make sure the airport was safe. We still contend that there's going to be lots of operational difficulties and Tan Sri Jamilus will take you through that. And we*

*feel there is not enough ORAT testing for an airline of our size. I think, again, Tan Sri Jamilus will tell you that an average an airline move takes about eight months. This is, Member of the PAC, our fourth moved. No airline has to move as many times that we have. We were pushed out of Subang to the main terminal building- from main terminal building to LCCT and now LCCT to KLIA2. We have to do it overnight on 9<sup>th</sup> May, 62 planes would have to be transfer over to KLIA2, which is – even if you move a house, it is not that easy to move in one day and test everything.*

*Just a quick look at Labu, our plan, I won't spend so long in it, it's history. But just to highlight one number, we ask we are going to build for 30 million passengers. It is important number because that number has always been in our head and suddenly became 45 million passengers. We never request of that. If you look at our original proposal, you will see a simple structure which would cost a lot less, a much better structure, and in fact, the original design, which again, Tan Sri Jamilus who will talk about, asked for finger pier airport which is what a general low cost airport is.*

*What we have in KLIA2 is a mirror of MTB, is a full service terminal. It is not a low cost terminal. In fact, MAB said, "Yes, we build a full services terminal for low cost carrier" which is an oxymoron statement, in any stretch of the imagination.*

*So, this was the original plan which we thought will get ready by 2009. You'll see again, the finger pier. People go to a main terminal, two floors for separation. Right now we have five floors in a main terminal and people will walk to the planes, no aerobridges. I would talk about aerobridges. That is sort of another emotional topic. But you will see some ideas of what the picture was, and the pre qualify designs, again Tan Sri Jamilus was involved in it. He was part of the team that put this design spec together, was a finger pier concept. When Labu was rejected, MAB assured Prime Minister that AirAsia would be involved in every step of the way. We were not involved because what we have in this terminal is not what we wanted.*

*We will make do and we will find a way but it is going to hard and charges will go up which defeat the whole objectives of a low cost. We are trying to make it cheaper for the rakyat to fly. This terminal will make it more expensive.*

*Just some more pictures of what the airport would have looked like but you can see it. Finally this is what we end up with. This is bigger than main terminal building. I know- the one positive side is, Datuk Kamaruddin and myself will lose weight, because walking from one side to the other is almost seven kilometers, when you do all the piers. So, if I just go back to what we requested a low cost airport, so that charges remain without sound like a broken record, is a simple layout, finger pier concept, not a high-end airport. We want to do 25 minutes turn around. I'll take you through our model very quickly. But 25 minutes turn around is very quick. No use of an aerobridge. Again, I want to clear the misconception. Aerobridge is not about cost, it's element of cost. It's about a quick turn around. It's about boarding 180 passengers in two doors, very quickly.*

*When you have one aerobridge, everyone goes in it. If you fall on an aerobridge, there were always be traffic jams at the aerobridge because 180 peoples are going through that terminal. In terms of steps, we can board from the back and the front. The 25 minutes allow us to have more flights per day which mean our cost per seat goes down. We all pay the same price for an aeroplane. If we use the aeroplane more, our cost per seat goes down. So using aerobridges is a major issue for us which now we have to find the way to come and get it.*

*Again, I won't repeat this, but the philosophy of AirAsia is to stripe out unnecessary cost and give people a choice. So, if you fly on a full service carrier, you will be given a meal. You may think that the meal is free, but it is billed in your ticket price. All we are doing is unbundling all those charges and giving you a chance to choose what you want. You want to buy food, you buy food. You don't want to buy food; you don't get charge for it. You want to board the aircraft first, we give you an option. If you don't, we don't charge for it. And let me explain you bags which have been discuss in Parliament.*

*A person who carries no bags is much cheaper, to me, than a person who carries five bags. Let me explain to you why. If someone brings five bags, I need more man to carry those bags. I need more baggage factors to move those bags from the main terminal to the aircraft. And because we are so cost efficient, the plane become heavier when you have more bags on the plane. Every month in the old days, I would carry bag. People who fly with us generally bring their house with them. Is like two and half tons we have to move within 25 minutes. The issue is that we- and the person who doesn't bring bag is invariably subsidizing the person who brings a lot of bags. So we feel it's fair to charge people for bags and to not charge people who don't bring bags. So everything is democratic bases to make it fly. Anything, there is a choice, you have an option to pay or not an option to pay for.*

*So, the next slide actually just- this is our recipe, ladies and gentlemen. This is what has made one of Malaysia biggest brand. This is what taken Malaysia from a very small aviation industry to now one of the biggest industry in Asia if not the world. AirAsia has committed to buy 500 aircraft. We are the biggest owner of airbus aircraft.*

*Again, an airport needs an airline. You can build the most fantastic airport. If there is no passenger coming to that airport, then you have a massive white elephant. The industry is driven by airlines who take the risk in buying the aircraft, who take the risk in studying up new routes, who take the risk in advertising.*

*About 50% of our routes are route that will never do before. Kuala Lumpur-Bandung, I know Bandung because I used to be the king of dangdut music. [Ketawa] I recorded most of the dangdut in Malaysia, Amelina, Shida, all were my artist and we used to record them in Bandung. So when I started AirAsia, I said why don't we start a flight to Bandung? And no one flew. No one flew to Bandung. Now we have 32 flights to Bandung. Similarly, I used that big artist in Tawau and we used to go to KK and I said why don't we start a direct flight to Tawau? And now we have five flights a day to Tawau. This is*



*our strength, and the strength arises from this graph. This is our Kentucky Fried Chicken secret, low cost- low cost equal low fare. There is no other recipe from that. You can see in comparison with the rest of the world, we are the lowest cost by far, and that enables us to have low fare.*

■1130

*So the next slide gives you a quick one class configuration- all first class you treated great, 180 seats. Point-to-point, we don't do hubbing. I will describe you what we doing with AirAsiaX which is slight differentiated model but it still cost it up differently. One type of aircraft, every single one of our aircraft is exactly the same. From seats to engines which mean our pilots and engineers have lowest cost. If you have three different types of aircrafts, you need three different types of engines, three different types of doors etc. Every single one of our aircraft is the same. We have a young fleet; our average age is about four years. We owned all of our aircraft. I think we are unique in the aviation world. The 92% of our aircraft is owned by us, not lease. Again, Aireen has done all the financing of these aircraft with Datuk Kamarudin.*

*Twenty five minute turnaround, that is so important because if we use the aircraft less- on average of full service carrier uses the aircraft, eight to nine hours. We use our aircraft 12 to 14 hours. Which means we can do more flights per day. There are no safety issues on that and hence you mortising your cost over more flights. That's why the 25 minute turnaround is so important and that's why we don't like aerobridges. Of course people want aerobridges but if you start having to pay for it and no one start to fly, we have a major problem.*

*Simple airport operation, very clear- I saw my guys now they are buying all these bikes and stuffs. They said it is too far for them to walk. We never had this, I don't know what they call, use two-wheel thing where they moving around the airport. They didn't tell me about it. I saw it in Twitter. They bought too.*

*We had the lowest interest. Aireen is a fantastic example of AirAsia which I really want to spend a bit time on how we develop people. We have a truly Malaysian multi-racial company on meritocracy. Kamarudin, me, Aziz and Datuk Pahamin, we always said, let's make this a truly Malaysian company and we develop people. We have boys who carried bags for us who are now pilots. We have a boy from Sibul that I used to carry bags with, and I said you are super smart, go be a pilot.*

*He said, "No, I left school at 12". I said it doesn't matter. I was lucky to have a good education. You have a much bigger brain than me and he's now a captain. He joined to carry bags with us. Our first 18 cadets came from within the company, 11 of them.*

*There was no female pilots in Malaysia before AirAsia. Now we have 52 female pilots. The other day was history. Captain was female, co-pilot was female, all the cabin crew were female and all the passengers were male. [Ketawa] Last point is not quite true but again, we would have lash out a huge talent pool and I'm very, very proud of it. Kamarudin hired Aireen as an investment analyst and we saw*

something in her. I told her many years ago, I said one day you can be CEO and she said "No, I can't, got a lot to learn", normal Malaysian response. She has done a phenomenal job.

We have the lowest interest rate in the world for our planes. Out of 160 planes across the whole fleet, we are paying just about 4% and these are banks from France, banks from America and our recent planes, Aireen has negotiate with JP Morgan, under 3%. We are paying 2.8%. That is better than Malaysian sovereign debt and I think Aireen gets full credit along with Kamarudin for doing this.

People, I've talked about, we have an amazing company and I really urge you all to come and have a look at AirAsia and see the people, see the energy and see the drive. There are 12,000 staffs, no union, so much internal promotion, so much people had joined at different levels etc. Cabin crew who are now pilots, cabin crew who are engineers, boys who carried bags was pilots, etc. It is an amazing company and that is how we been able to have low cost because everyone has one direction. We have pilots who actually talked to engineers. If pilot and engineer don't get on, it cost a lot of money and I can give you 100 examples of that. But the strength of the airline is the people and the amazing energy and it is truly Malaysian company. Our CFO is bumiputera, our CEO is bumiputera, our Head of Commercial is Chinese, our Head of Network is Indian and it is a fantastic environment to be in. We are hammered all the time, I am personally. But I always go back and I see it worth fighting because we having credible staff in our company.

I've talked about high utilization, I've talked about distribution. We use internet. Again, no one use the internet before AirAsia. About 82% of our sales are done on the internet. Economies of scale and we only focus on plane. We don't own an engineering company; we don't own a catering company. We think airlines are poor return of its capital because they do too many things. If you look at Singapore Airlines or Malaysian Airlines, they have full service-long haul, full service-short haul. The difference between long haul model and short haul model is very, very different. Apart from that, they have first class, business class, premier economy and economy. It's a very complicated model. Then they have cargo operation, they own engineering etc. AirAsia all of our capital goes into short haul model. So you can see we are very, very focus and we are very dedicated to simplified model which resonates back to simplified airport.

We are continuing to save money. Everything is about reducing fare. We don't laid back and say with the lowest cost, we continue to find ways to lower the cost. We drove Airbus into creating the winglets which saves 4% on fuel. That was our initiative- our engineers led by Anas who was just a junior engineer in MAS and now Chief Engineer with us and he drove this initiative.

He also had driven initiative to put six more seats onto A320 which will further reduce the cost. The only sacrifices is the toilet to be a little bit smaller but us Malaysians are much smaller than Americans, so the will be no issue. We tested it out with our biggest person, Kamarudin and he's fine.

*We are bought the new neo which will save us 12% of fuel and obviously we are pushing very hard for LCC Terminal everywhere. In my closing remarks on aviation strategy, we could develop so much more if we had low cost terminal in Kuching, if we had low cost facilities in Langkawi. Langkawi is such a waste and I will talk in a second about that. We continue to invest in cost efficient technologies.*

*One of most saddest thing is we invested with the fantastic Malaysian company to build the world first check-in machine where you can actually tag your bags, weight your bags and put them in. This was done by Malaysian company. It's been accepted in Singapore, it's been accepted in Indonesia except KLIA2. We are not allowed to use our own check-in machines. We are not even allowed to put our own branding at the airport. Our branding is great, it makes people feel fun etc. We have branded our check-in counters all over the world including when we flying to London. Stansted Airport gave us our own ability to brand. In KLIA2 we're not. We can't use check-in machine, we can't use any branding whatsoever. I will talk about regulations at the end because it is one way street at the moment.*

*This I've talked you about already, one fleet, you'll see our seats versus everyone else. Just one other thing we done on AirAsiaX, we added a premium class because it was flight for more than eight hours. We put eight seats which has worked very well, asleep per seats. Some of the other long haul low cost carrier has done that but AirAsia predominantly one class, next.*

*I've talked to you about this already, why aerobridges we are not keen on them. Again, we have no choice now but to use aerobridges. We were promise ramps. It was promised at every stage of the airport and we said don't waste your money on aerobridges. It is important to note to PAC, we are 92% of the passengers in KLIA2. Yet, the airport has not asked us what we want. They could have save RM200 million from not using aerobridges by just building ramps. In the end they did not build ramps. It's about three flights of steps to walk up. Plus, the tarmac because of the depression will get flooded, so we are forced to use aerobridges which means our cost would go up.*

**■1140**

*Just the next one, I won't go through too much, but again, with the cutting edge of the technology, we were working with Facebook – we were the biggest Facebook site in the world for airlines. Three percent of our businesses are now come from Facebook. There is no airline that is work closely with conceivably than AirAsia. We have the best mobile apps that are coming out, and again, it is such a shame that other country will see the self checking desk are not in our own country because we are forced to use MAB's not a good technology and more expensive.*

*There are other things I want to add. Whenever we do a promotion where we give away one millions seats, we give away two million seats; we still pay full airport tax. The airport never helps us in that. What we are doing with promoting flight- let me just explain to you our model.*

*We want to stimulate someone who never thought about fly by having low fares. So, six months before- the trick is to know... Once you playing the tax off, and the seat is empty- that revenue gone forever. The trick is to try and stimulate people who never thought about fly by having low fares and we give away about 30% of our seats early. We hope that some they will buy, some ancillary income, some foods, and etc. But for us, the marginal cost of having one extra person that is very small. So, we must give it away and of course air fare goes up the closer you get to the booking, our fare are higher during high demand periods, etc. It normal revenue manage situation.*

*I told to you about lots and lots of our staff, I can talk for hour. It is most proudest thing for me and Kamarudin is what we have developed with our staff. And the efficiency of our people, it is far greater than any airlines in the world and we do everything ourselves. We have 85 staff for aircraft, versus a normal carrier, double that, and in some cases, triple that.*

*Next page is very clear. I want to tell you also, Ryanair and EasyJet, both are big airlines in UK, operate from full service airport – low cost airport really. Gatwick and Luton Airport, they do not use aerobridges. Stansted which is a very big airport in UK does not use aerobridges- 25 minutes. They had given tremendous incentive. Stansted just got a huge incentive package to Ryanair and Luton Airport give a huge deal and Gatwick Airport to EasyJet to stimulate more travel. We used this incentive to start new route for advertising. Our loses are very big in the initial stage of new route.*

*Again, this is being done by Bank Negara. AirAsia direct contribution to the GDP is 1%. The number of job we created both indirect and direct are huge. You see, for every one aircraft to Malaysia, it is RM135 million per year, 100 new jobs and 31 highly-skilled jobs. The number of pilots we created, 2,000 you know, the numbers of engineers, the number of jobs in MMRO is huge. All of this will disappear if the low cost industry is not supported.*

*So now I split this with Tan Sri Jamilus and goes through some of the issues that have been highlighted. I want to give you a good understanding of what the model is and what our contributions is to the country. The issues and the perception we been led to believe and so we will try cover them to our best ability. Issues regarding to runway, regarding to us requesting for the 45 million terminals, requesting that we asked- we went from a manual system to fully automated system. We believe the cost is not RM4 billion. We always have been very consistent. In the end, it would end up something like RM4.5 to RM5 billion. AirAsia requested for 76 stands, we requested for A380 facilities, we requested for a museum and spa, and we requested for use for the passenger loading bridges. We will talk about all those issues now. We will show you clearly the timelines when the discussion took place and hence there was no caused to the delay and no change to the original RM2 billion budgets.*

*So, I will start with the issue of the runway. The runway was always meant to be 4,000 meters in that area, 3,900 because again, AirAsia X was there. Why would we build a new airport, have a new runway and AirAsia X can't land on it? In a need statement, it was agreed in a need statement when*

they started the cost started running, they decide to cut it to short-haul and in fact, Khazanah highlighted to me when they went up to the tower, and they said, "Do you ask for the shorter runway?" I said, "No, of course we needed the longer runway". So, in the need statement which you will see, it was always meant to be to for A330 and A320 operations. And you will see from that timeline, again, by the time MAB said that they were changing it, it was well in the first date of September on second revision.

A runway was needed because of the site that MAB choose. It is very far from the other two runways and if we did not have a third runway, it will take about 15 to 20 minutes to get to the other runway and of course a lot of fuel burn. So when they choose KLIA west, they have to build the runway.

They was never a decision- it was a dare decision to build it there and put the runway there and the runway length was always meant for 330. The reason, I won't go through there. And you will see the timeline again, on 16<sup>th</sup> of December 2010, they agreed that the runway would be extended by 300 meters to 3,960 meters which of course, was acceptable to us. In 29<sup>th</sup> of June, they talk about a shorter runway and both DCA and AirAsia requested for the reinstatement of runway length to 4,000 meters. It was always in original need statements and always in original budget of RM2 billion.

The second issue is that, we ask for a change for the 45 million's terminal. Like I said in Labu, we said 30, we always contended to be 30 and then later extended. We never asked once for 45 million's terminal. If you look on at the side page, you would see the passenger pick hours, where we quoted the passengers. MAB never change the airport from the RM2 billion. It is exactly the same. All they change was the comfort level. So suddenly went up from the 30 million to 45 million to try and justify the cost increased. There was no change. We requested as you will see later, 80 stands, 30 million terminals etc. It was always there. There was never a request and it is incorrect for them to say that we asked for 45 million, we never did.

And I stress to the PAC, the building that was meant to be open in 2011 and the building now that is open in 2014 is the same size with the same number of stands. All they have done is they change the passengers level comfort and so they squeeze us in a bit more to bring out this 45 million number. There was no increase in stands, there was no increase in floor space at all. I think Tan Sri Jamlus who was part of that original plan will tell you from the detail airport size.

Third issue, we never saw the airport because they never ever show us, as system in LCCT is manual. The bags come out, the boys are there waiting for the bag, they drives it to the plane. It works, there is no breakdown, there is no issue. When we finally saw the terminal, we was, "Wow", we were shock a bit and so we said okay, but again, we didn't want to increase the charges because increasing the charges with meant more charges to the rakyat.

■1150

Every point, and Datuk Kamarudin can tell us, we asking the Prime Minister, please make sure the charges don't go up, the cost don't go up because eventually someone has to pay for it. And Tan Sri

*Bashir promise the Prime Minister it will not go up more than two billion when me and Kamarudin, and Ashok were there at the time.*

*When we saw- we said okay, we will take a semi automated system which is much cheaper than fully automated system and everyone agreed on the semi automatic option. The MAB bought unilaterally disagreed themselves to go fully automatic, had nothing to do with AirAsia. We were quite happy with the semi automated system. The decision which are more costly and will incur some delays, were the decision of the Board of Malaysian Airport. We were quite happy with option two which initially agreed and then the board decided to go with fully automated system. Again, if you look at timeline, you can see none of the timeline even of this one would have caused the slight delay, they should not been able to meet their dateline for opening the airport.*

*Issue four, it just for an interest sake, we think there is still a lot of variation order, still a lot of work to be done which I think Tan Sri Jamilus can fill you in and that terminal won't in no way would cost RM4 billion. I think three years ago, I was hammered by many when I said this airport will be three years late and would cost RM4 to RM5 billion. My prophecy has been 100% right.*

*AirAsia requested for 76 stands. We always, if you look at the right hand side, there is need statement done in February 2009. We ask for 80 stands. There has never been a change. We never ask for less. So, we cannot be blamed for increasing the airport. From day one, we said we need 80 stands for 30 million passengers. That has always been our stand and you'll see the documentarily evident on the right hand side and you see that we confirm that in February 2009 and MAB come back and said the airport will cost RM2 billion, which was very similar to our figure in Labu.*

*Provision of A380- again, you know, I don't think a low cost carrier would ever, ever buy A380. That is the most expensive aircraft man will ever make. Any plane with more than two engines is crazy. I have no idea where MAB said that is AirAsia requested to have A380. I think in all my million and one press interviews, you'll never see AirAsia talking about A380. In fact, I said the 380 and we upset Airbus by saying it's a white elephant aircraft. And you can see in this world, bar Emirate, no one is buying the 380. So I'm not sure what possess MAB to say we wanted the 380.*

*A museum, this is we said, give us a piece of land, we want to get kids involve. We want to build a Smithsonian to make it a bit more interesting. So we said, it's our cost, we will build it. Just give a piece of land so we can build it, so school kids can get into aviation. They can test the simulator, etc. They never gave us a piece of land and it never went anyway. We never ask MAB to build the museum. It was our initiative to get young kids involved into aviation.*

*The spa, I have no record of that. Having walked in that airport, I think spa would very useful and I think it would be fantastic commercial venture for Malaysian Airport but AirAsia never requested spa.*

*I talk you at length about passenger loading bridges. This is something that we quite upset about, to be honest, because we said from day one, we never want passenger loading bridges. And yet, MAB has just completely ignored this. I'm not sure who regulates because it seems that they can do whatever they want, and we will talk about that later. Maybe I just hand over to Tan Sri Jamilus now, who may fill in some others about low cost facility and history.*

**Tan Sri Jamilus Hussein [Ketua Pegawai Eksekutif KLIA Premier Holding Sdn Bhd]:** *Bismillahi Rahmani Rahim. Nama saya Jamilus. Yang Berhormat Tuan Pengerusi PAC, Ahli-ahli Yang Berhormat Ahli PAC, tuan-tuan, puan-puan, hadirin sekalian.*

*Saya terlibat dalam AirAsia baru-baru ini kerana AirAsia tidak melantik company saya, KLIA Consult to assist them in Operational Readiness and Airport Transfer (ORAT). Before that, I'm never involved with AirAsia. Am I right, Tan Sri?*

*So, we go back a bit in history, macam mana KLIA Consult terlibat dengan projek LCCT. We were never involved in KLIA2. We only involved in LCCT. When they move up to KLIA2, upgrading, we were not with them anymore. Jadi pada awal tahun 2009, pihak Malaysia Airport Berhad datang berjumpa saya untuk menubuhkan sebuah company. Dia kata, "Jamilus, why not we combine together?" AirAsia got technical company called MACS, Malaysia Airport Consultancy Company, civil services dengan KLIA Consult. So, saya kata pada masa itu, our culture is different, I said why not we formed an incorporated joint venture company first, we do it incorporated. In other words, lets be boyfriend and girlfriend before we get married. So, that was the idea, So, we did form that company and MAB used that joint venture company and send it to Ministry of Transport for the appointment for LCCT.*

*What happen? MOF only approved that KLIA Consult be the PMC and MAB should retain to be an airport operator. Akan tetapi saya keep to my philosophy of honoring what I have agreed when they appointed us in June of 2009, we took MAB personnel on board. About 40% of the personnel on board to manage LCCT at that time are MAB senior staff and they hold very important position. For example, a senior construction manager for airside and the landside, senior construction manager for the main terminal building and satellite, senior construction manager for ICT, construction manager for mechanical, electrical and system and also a liaison officer.*

**Tuan Tony Pua Kiam Wee:** *Clarify sedikit. Ini LCCT yang sedia ada sekarang atau KLIA2 yang...*

**Tan Sri Jamilus Hussein:** *We were involved when it was LCCT...*

**Tuan Tony Pua Kiam Wee:** *You are talking about the current LCCT?*

**Tan Sri Jamilus Hussein:** *Yes, yes.*

**Tuan Tony Pua Kiam Wee:** *Okey.*

**Tan Sri Jamilus Hussein:** *Current LCCT because at that time when we were appointed, KLIA2 wasn't there. It was LCCT 2. So, to cut our story short, lets us understand where our roles is.*

**Tan Sri Dr. Tony Fernandes:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Jamilus Hussein:** *LCCT 2, which now KLIA2.*

**Tuan Tony Pua Kiam Wee:** *That's why I am a little bit confused. So that 2009 appointment is for KLIA – what we know KLIA2 sekaranglah, bukan yang LCCT yang kita guna...*

**Tan Sri Jamilus Hussein:** *Not the existing one.*

**Tuan Tony Pua Kiam Wee:** *Not the existing one. So you're entire conversation, report before*

...

**Tan Sri Jamilus Hussein:** *Entire appointment is for KLIA2 but at that time it is known as LCCT*

2.

**Datuk Seri Reezal Merican [Kepala Batas]:** *I think let us terms it as KLIA2.*

**Tuan Tony Pua Kiam Wee:** *Ya, KLIA2- to avoid confusion.*

**Tan Sri Jamilus Hussein:** *Because this the process, so I didn't want to- sorry.*

**Beberapa Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Jamilus Hussein:** *Thank you. Jadi with MACS ataupun 40% of the staff are MAB staff with us, in actual fact, commercially we are on the losing side because their salary are much higher than the officers that were involved in my own company. But it is okay, we thought we want to work together, we talk about long term. As a result of that, KLIA Consult has to work very hard to cover the huge increase in scope of work when it is migrated from what was intended to be LCCT 2 to KLIA2 because it's much bigger and the cost also much higher...*

**Tuan Tony Pua Kiam Wee:** *Sorry, don't understand. So you are saying migrating from LCCT 2 to KLIA2, you are referring to a shift in location or you are referring to shift in the current terminal...*

**Tan Sri Jamilus Hussein:** *Concept, shift in concept.*

**Tuan Tony Pua Kiam Wee:** *Design? Not location, just purely on design.*

**Tan Sri Jamilus Hussein:** *No, no, no. Just in concept.*

**Tuan Tony Pua Kiam Wee:** *So that was a change in design from the original LCCT...*

**Tan Sri Jamilus Hussein:** *Which I will come to that later.*

**Tuan Tony Pua Kiam Wee:** *Okey.*

#### ■1200

**Tuan Pengerusi:** *Tan Sri, before you proceed, I just want to put some perspective into your testimony today because you are not part of the testimony today. But, your testimony is important to basically give us a background on the issue of why your contract was not extended as the KLIA2 planning was in progress. So I just want to put on record, your testimony here is important because that was a question to MAHB which they couldn't be answer. You know, "Why did you not renew the services of your original consultant?" So, please limit your testimony to answering that particular query. Thank you.*



**Tan Sri Jamilus Hussein:** *In short, although we were appointed as a project management consultant, the scope of work under the terms of reference that we signed with MAB, the scope of work is more like a support consultant. Because, within MAB themselves, they have their own team and we have to answer to that particular team. At the same time, they also appointed consultant to do detail design. So we as project management, we manage the decision of policy given out by Malaysia Airport Berhad and to make sure that the consultant do the job. So the one thing that we cannot, why we... It's not that we were terminated, I have to stress that. We were not continued and we also do not want to continue because there are issues that we cannot agree. There are two issues that we cannot agree with them at that time.*

*One is on the scope of work. The scope of work has increase tremendously from what was originally intended for a budget of RM2 billion, for a timeline of about two years. The other one is on the cost and the time. The cost when we left in September of 2011, in our book, is already RM3.6 billion and as far as the client is concerned, they are still sticking to their budget of RM2 billion. We said we must announce this. So we do not want to associate ourselves, at the end of the day, to answer a lot of question like, you know, we have to face PAC like this. So when our contract ends in September 2011, we also do not want to continue with them. So the two major issues that we cannot agree is that, on the timeline, the manner in which the scope of work has increased.*

*You see, in the project management, there are many phases. The first phase is the intention to build. The second one, what we called requirement sculpture. We have to identify the internal and the external stakeholders and get the requirement from the stakeholders. From that, we do the scope of work, and then on we do the concept design. But in this particular case, there was no proper management of requirement sculpture. They go straight to appointing of design consultants and appointing of their architect.*

*Now, there are many concepts. One, proposed by the airport planner they engaged, Netherlands Airport Consultants, is to use a finger pier concept. So there were eight participants. Out of the eight participants, only one deviated from finger pier concept and they go for a satellite concept. That participant...*

**Tuan Pengerusi:** *This is the design contest, so called beauty contest that MAHB said they were doing.*

**Tan Sri Jamilus Hussein:** *That's right.*

**Tuan Pengerusi:** *To determine the design of the terminal building.*

**Tan Sri Jamilus Hussein:** *Yes. So with all these issues that we cannot agree with them and I think, why they increase this is the selection of the concept. Because of the satellite concept and because of the high- the called it skybridge, the building has to be very high because, could see aircraft taxing underneath it. Now, because of the high of the building, then the question of building bridges*

become necessary. Because the high of the building and the configuration, they have to have a tunnel to connect the satellite to the terminal building. They need to have control tower because from the present control tower, they cannot see the runway because the high of the building is blocking it...

**Tuan Tony Pua Kiam Wee:** *Just to repeats and confirm. There were eight designs submitted, that was only one design that deviated from the finger pier requirement and that design was selected.*

**Tan Sri Jamilus Hussein:** *Yes.*

**Tuan Pengerusi:** *Well, I was quite amazed and quite receptive of MAHB's assertion that the part where the design of the building where the airplane can actually go below the bridge was the first in the world. I was impressed but I am not being in airline man, so I thought... Now you say that is a stupid design... [Ketawa] That is sort of clears the air.*

**Tan Sri Jamilus Hussein:** *Yang Berhormat, they can do what they want. But, don't have to blamed others for it. That is the message that I want to impart today.*

**Tuan Pengerusi:** *Tan Sri, I think what triggers my interest is this. Was there any intention to basically disengage you from the whole planning process, because I have seen the word "deviation" from the statement. That means they could be an intention to basically just add more things, upsize the scale of the building and therefore increase the cost of the whole project. Is that something that is possible in this case?*

**Tan Sri Jamilus Hussein:** *I am not really involved in the competition that they organized. I think they handle it by themselves. But what I thought is, if we want to have a low cost operation, it has to be a low cost terminal rather than high-end, I do not call it hybrid. It is quite similar to KLIA1 because we built KLIA1 before we understand. The only difference is that, the connectivity from the terminal building to the satellite, we use the train, and here they use a skybridge because they much closer. That was the difference.*

**Tuan Pengerusi:** *Is a beauty contest to call people to submit design to build an airport; is it a normal thing that is practice throughout the world?*

**Tan Sri Jamilus Hussein:** *Ya, we do. Even in KLIA also there was a contest and Dr. Kisho Kurokawa won the contest. In this particular case, the contest is not selected the concept but more to select an architect who they can work with on a finger pier concept. But this one- probably it looks nice. Everybody was taken by it, you know, very dramatic, we are having skybridge and what not and it was taken on board. I don't know. That is their problem...*

**Tuan Pengerusi:** *Tan Sri, I am worried your statement is sounding more like an accusation. Is that something that you feel very strongly about? I mean, the design was held basically manipulated to let they prefer the architect win and therefore that was a start of the whole problem with KLIA2?*

**Tan Sri Jamilus Hussein:** *It's because of the configuration of the terminal. A lot of cost could have been save if a finger pier concept has been accepted. But it is their prerogative Yang Berhormat. They can have any kind of airport they want. Is that only...*

**Tuan Pengerusi:** *No, no. It's not their prerogative. It's their prerogative to deliver the best airport at the lowest cost and value for money for the people. Is not their prerogative to basically just increase the scale of the airport and therefore, the size of the contract that will come that will associate with it. I am more interested in the question about consultants.*

**Tan Sri Jamilus Hussein:** *I think it is whether to have an audit Yang Berhormat. For me to say it, I think it's not fair.*

**Tuan Tony Pua Kiam Wee:** *Tuan Pengerusi, have you...*

**Datuk Seri Reezal Merican:** *Can I ask...*

**Tuan Tony Pua Kiam Wee:** *Wait, wait. Have you finish your slide before we ask the question?*

**Tuan Pengerusi:** *Time to be basically said sometime [Ketawa]*

**Tan Sri Jamilus Hussein:** *Never mind...*

**Tuan Tony Pua Kiam Wee:** *No, no. That is fine.*

**Tan Sri Jamilus Hussein:** *Can asks the question now.*

**Tuan Tony Pua Kiam Wee:** *More or less, the point that you want to raise have been raised?*

**Tan Sri Jamilus Hussein:** *Ya, ya. The point is we cannot agree with them on the timeline and the cost.*

**Tuan Tony Pua Kiam Wee:** *So I just wants to clarify ...*

**Tan Sri Dr. Tony Fernandes:** *Yang Berhormat, if I just can add one point. The needs statement all talked about finger pier when they are ask for the contest.*

**Datuk Seri Reezal Merican:** *That is why I want to ask. The needs statement, has it been conclusively agreed to tell within the requirement of the client and also the service provider and then, they has got to follow that. And then, why suddenly this is an absent, I means...*

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**Tan Sri Jamilus Hussein:** *I cannot answers that Yang Berhormat. I wasn't involved. All I know is that, the objectives of the competition was to select an architect to work with, to come out with a formal design. So there are few term. The term of references also is....*

**Dr. Tan Seng Giaw [Kepong]:** *Mr. Chairman, actually I have been dying to ask questions for a long time but let him finish the briefing.*

**Tuan Pengerusi:** *No, my point is, Tan Sri made a very strong statement saying that he was involved and then he was out. There was an original needs statement which he was a part of it, the earlier part. And then when he was out, the needs statement change and therefore the planning of the airport change. That is my real question.*

**Tan Sri Jamilus Hussein:** *It wasn't like that Yang Berhormat. It wasn't like that. We were involved. We had a term contract with them for two years because that was the original plan, RM2 billion budgets and a two year contract. So, during the process within those two years, in the beginning of the project, there was this competition organized by Malaysian Airports Berhad. We were not involved. But, my staffs were involved in the evaluation, in doing- because we were the support consultant to them. All decisions and recommendations done by Malaysian Airports Berhad.*

*What I am trying to impress here is that, the concept suggested by the airport planner they engaged which is Netherlands Airport Consultants is the finger pier. Out of the eight that participated, only one did not follow the finger pier concept but came up with the satellite concept, and this guy won. That is what it is.*

**Tuan Haji Hasbi bin Haji Habibollah [Limbang]:** *Tan Sri Jamilus, tadi ada soalan berkenaan tentang you mentioned your staff was involved. You are not involved but your staffs were involved. Was your company involving di dalam...? [Disampuk] Ya.*

**Tan Sri Jamilus Hussein:** *We are not involved because whatever our recommendation will never used. They have their own.*

**Tuan Haji Hasbi bin Haji Habibollah:** *But what was the role of your staff that involved itu tadi?*

**Tan Sri Jamilus Hussein:** *He is an architect. He did the documentation but he is not in a position to do a selection.*

**Tuan Tony Pua Kiam Wee:** *I want to confirm this particular fact because we were informed by MAHB bahawa the reason why the design has to be a satellite based terminal is because otherwise you cannot cope with 45 million passengers. That was quite explicitly put to us that there is no other way you can have a simple design like LCCT sekarang sebab 45 million passengers you have to have your multilevel, you have to have your satellite terminal otherwise you cannot cope with 45 million. How does that?*

**Tan Sri Jamilus Hussein:** *In my understanding, I think we can. There are many forms. One is a satellite concept. The finger pier concept can. Amsterdam is a finger pier concept. They are handling more than 50 million passengers per annum. They can. With finger pier, you can do modular expansion.*

**Tan Sri Dr. Tony Fernandes:** *Which was always our plan because we said build it for 30 million, once we reaching that number, then modular expanded which is no different from the LCCT. It can be expanded as we change the parking and we added more finger piers.*

**Tuan Tony Pua Kiam Wee:** *Is there an issue with regards to the distance you have to walk relative to a satellite terminal versus a finger pier terminal? Being disadvantages for 45 million, just trying to cover all angles.*

**Tan Sri Jamilus Hussein:** *I think the finger pier is shorter, much shorter.*

**Tuan Tony Pua Kiam Wee:** *One of the comments made in the earlier presentation by MAHB when we asked why was location shifted from the original site of KLIA North to KLIA West which had a lot more problems in term of the soil condition. That was in the original 1991 airport master plan. One of the responses that were given the other day was the fact that this decision was made together with the same consultant who did the 1991 airport. So, it is not like – they were arguing that this decision to move from North to West was not a unilateral decision by MAHB but was done together with the same consultant who did that report. They approved the new airport master plan.*

**Tan Sri Jamilus Hussein:** *True. We were involved in the revise of the master plan in 2009. So, you see, in 1992 there was a master plan. At that time, low cost carrier terminal did not exist. So, the expansion of legacy airlines is to have a mirror image of what it is today, beginning with the Satellite B location. So, the only location available and the Runway 3 have already been there- there are five runways. Runway 3 and Runway 4 is on the west. So, ideally, the location, this is done together with us but our expert is Netherlands Airport Consultants. They are the expert in the airport planning. They suggested and we went through and presented to MAB and they also agreed that is the location. The soil being what it is, is well known, because Runway 2 is build on similar ground.*

*But the methodology in which we did then and this one differ because our solution before was two-two solution, meaning we dig out all the soft material and fill it up with selected material and compacted so that we do not have a problem on the time dependent solution, where the one done at KLIA2 is a time dependent solution, nothing wrong with it, where you have vertical drains planted into the original ground and you surcharged it and you accelerate the consolidation and this consolidation is time dependent.*

**Tuan Pengerusi:** *Tan Sri, can you please explain what surcharged mean for the benefit of the...*

**Tan Sri Jamilus Hussein:** *I think can I ask Mr. Tan Yean Chin. Engineer Tan Yean Chin here is the consultant, geotechnical consultant. He will explain.*

**Seorang Ahli:** *Maybe you just finish your...*

**Tan Sri Jamilus Hussein:** *Ya. Can Mr. Tan answer that question about the...*

**Tuan Pengerusi:** *This is just for the record. Surcharge mean – you know, what material does it?*

**Tan Sri Jamilus Hussein:** *Surcharge means the extra amount of loading that we had to put on top of the finished level. You have the original ground, you have the formation level. The surcharge is an extra volume of earth we put on top of it so that the original ground will be subjected to a higher loading than what it is supposed to be subjected when it is in operation, to accelerate consolidation.*

**Tuan Pengerusi:** *This is the cause of the subsidence that is happening around the side, affecting the runways and taxiway?*

**Tan Sri Jamilus Hussein:** Yes, which Mr. Tan will explain in more detail...

**Tuan Pengerusi:** No need to explain more detail. I just want you to explain in simple terms so that I can relate it back to the issue of soil subsidence on the runways.

**Tan Sri Jamilus Hussein:** Yes, it does because if we removes the surcharge early and the consolidation is not complete, it would keep on settling.

**Tuan Tony Pua Kiam Wee:** So, the question we have and the concern we have with the regards to the migration from the KLIA North- I mean, that was the original plan to build the KLIA2 or the LCCT 2 at the north location. That was subsequently changed in the master plan to move to the west location and there were two proposal, one was by KLICS which is to remove everything and put in new stuff and the second one which is used by MAB which is basically just to top up and let it settle into flat ground.

Now the concern we have is essentially on the cost impact to KLIA2. So, the way that MAHB has done it has resulted in the reclamation itself or the adding of soil itself costing RM800 million or at least that is the number that was given to us- RM800 million over.

**Tan Sri Jamilus Hussein:** Correct.

**Tuan Tony Pua Kiam Wee:** Would it had been different if they used your method with regard to timeliness, cost, and ability to launch the airport?

**Tan Sri Jamilus Hussein:** Very good question. There are many ways to solve the problem of having an infrastructure in pit soil. One is to have total dig out. The other one is a time dependence solution using vertical drains and surcharged and the light. When we did ours in KLIA1, we do a total dig out, it is not cheaper. It is more expensive than the vertical drain with surcharged.

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But, why we decide – we did a value engineering exercise. Because our tenders are lower than what we anticipated at that time. So that is a saving. So we said why not we use this saving and pay more but we don't have a problem. That's what we did. So to answer your question which one is cheaper, I think doing the vertical drains is cheaper, but it is time dependent.

**Tuan Tony Pua Kiam Wee:** So, my question would then be, how could MAHB then contains the cost within RM2 billion if the minimum cost of toping up that soil on pit land already is RM800 million and I mean, as you mention, the complete replacement will be even more expensive. So how even possible that it was RM2 billion in a first place?

**Tan Sri Jamilus Hussein:** I think sorry to say that, I don't think they read the report. In the report at the time, with a smaller area, the cost indicated approximately RM300 million plus. But their budget for the RM2 billion, they put only RM35 million. So I think the initial budget was totally out of line for what it is today.

**Tuan Tony Pua Kiam Wee:** *Initially they budgeted for RM35 million for smaller area and which was suppose...*

**Tan Sri Jamilus Hussein:** *Even...*

**Tuan Tony Pua Kiam Wee:** *...To be for RM300 million and because they expanded the area, the cost actually went up to RM800 million?*

**Tan Sri Jamilus Hussein:** *Yes. In the report to do for a smaller area is already RM300 million plus. But in their budget for the RM2 billion, they put only RM35 million for earth work. Then the actual one come out to RM800 million.*

**Tuan Pengerusi:** *I'm attracted by Tan Sri statement earlier when you said that you propose to build the Labu Airport for RM2 billion and then Cabinet agreed. Later it was rescinded because MAHB said they can build the terminal KLIA2 for RM2 billion. So was MAHB just putting the figure of RM2 billion without doing proper costing just to scuttle your plan to ask for the new airport. Now, if you want to answer that on record Sir, you can switch on the mike. But if you don't, if you don't want to, you can off the mike.*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Pengerusi:** *Well, on issue of PSC, passenger service charges, MAHB said, it's not their control, it's government. Government only allows them to revise every five years. But the quantum is determined by the government. Is that true?*

**Tuan Tony Pua Kiam Wee:** *I just want to add to what our Tuan Pengerusi says on the passenger services tax. What was specifically highlighted in the last meeting was that MAHB is happy to follow their concession agreement with the government which is to revise the price of PSC in accordance to the CPI every five years. So it's actually a discount to the CPI. Every five years, accumulative CPI, they will raise it only the discount to the CPI. CPI is around two percent a year. Also I asked, based on your projected figures, you only increase it thereabout eight percent to eleven percent every five years. They said, yes.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *You want to put on record or not?*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *Okay. Then switch on the mike, please.*

**Cik Aireen Omar [Ketua Pegawai Eksekutif AirAsia Berhad]:** *What we have, We put on the slide about the passenger service charges. This is a based on the operating agreement on LCCT. This is actually an agreement which is accessible to all – to analyst really. So, whatever analyst actually shows this, it is what it is. From that formula between consumer price index and minus 0.1% every five*

years, in order to bridge that range whereby Malaysian Government will have to subsidize if there is, if the charger are lower than what it should be, the inflation need to increase by about 5.5%. Right now, the inflation that we are actually looking at are roughly around 2%, so we think that by based on the current inflation with based on the formula, the passenger service charge should not be increase until 2024. But it was increased in November 2011...

**Tuan Tony Pua Kiam Wee:** RM25 to RM30?

**Cik Aireen Omar:** Yes, that's right.

**Tuan Tony Pua Kiam Wee:** I'm trying to understand what you mention just now. You are saying that the November increased in 2012. The proportion of increase is way higher than the inflation rate as part of the concession agreement. If they use that increase, actually they should only increase that amount in 2024.

**Cik Aireen Omar:** That's right.

**Tuan Tony Pua Kiam Wee:** Okay. That's history. Fair enough, that's history. That has been increased and what we asked MAHB was going forward. Do you need to drastically increase the rate? They said, no. They are happy to follow the concession agreement. Would AirAsia be happy with the- From now onwards, based on current rate, every five years increased by CPI minus point one percent?

**Tan Sri Dr. Tony Fernandes:** Yes, I think we would be happy with that.

**Tuan Tony Pua Kiam Wee:** The question is whether MAHB will stick to that concession agreement.

**Tan Sri Dr. Tony Fernandes:** It is important to note PAC Members that actually apart from PSC going up, parking and landing charges has been increased 60% over the next three years. So, it's not just the PSC parking, landing charges has also grown up.

**Tuan Pengerusi:** Wait a minute. MAHB says that govern regulates every charge that they can...

**Tan Sri Dr. Tony Fernandes:** They get the permission from the government, yes. But they have to come out...

**Tuan Pengerusi:** But they don't follow the actual basis of calculation.

**Tan Sri Dr. Tony Fernandes:** No, no. It's about 60%. Correct, Aireen?

**Tuan Tony Pua Kiam Wee:** My question then will be for parking landing charges. Are they governed by the same concession terms? That mean, five years inflation minus point one percent?

**Tan Sri Dr. Tony Fernandes:** We don't think so. It's just PSC.

**Tuan Tony Pua Kiam Wee:** So only the PSC is governed, then the rest is up to MAHB to propose to the government?

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[Perbincangan secara off-record – mikrofon dimatikan]



**Tuan Pengerusi:** *I'm trying to narrow down the focus now because our objective here today is basically to find the reason why the airport has been build at such a huge cost. First conclusion that I sort of picked up from Tan Sri Jamilus's testimony is there was a change in design. There was, not to say improper selection but there was selection of the architect which was deviated from the original needs statement. Okay.*

*Number two, another factor in increase of the cost is the shifting of the terminal building and the shift was done on the portion of land of that airport which is known to be very, very soft. In the process, there were also dispute between how the treatment of the land was to be done. And that, under your method Tan Sri, it would have cost more but I seem to think that because of MAHB commitment to the government that they can build the terminal for RM2 billion and therefore denying AirAsia proposal to build the terminal Labu, they were already under pressure in terms of cost- one.*

*And number two, because of the upscale in design and the other complexities, they were also under pressure in terms of time. Therefore, as the project progress, there was an attempt to basically speed up the construction without really looking at the overall usefulness of the airport, as one. And number two, because of the upscale of the size of the terminal, that also cause timeliness problems and they had to basically race against time to complete the terminal.*

*I am actually quite disturb that our executive may have made a decision to continue with the KLIA2 as it is today because of the recommendations of the MAHB management and board which is turn out to be fraud with many, many questions. That is what I think. I'm summarizing it. Is my summary accurate in anyway?*

**Tan Sri Dr. Tony Fernandes:** *Ya. I think it is very accurate summation. I think the fact that the main factor was, "Let make sure Labu doesn't happen. Let's build an airport at this price." And then I think, they were always on the back foot in terms of making that price and making that timeline. They did not have matters by building a full service airport. Obviously, if you build the much more complicated airport, it's going to cost much more. You could still build a RM2 billion low cost finger pier terminal in our opinion. It would never made in 2011 because the soil just takes a long time to settle. But it would not take until 2014.*

**Dr. Tan Seng Giaw:** *Tan Sri, is it true that Labu will be too near to KLIA?*

**Tan Sri Dr. Tony Fernandes:** *Do you know Sir, when the time we sat with DCA, it was all okay. It was all about planning, airspace planning. Sir, if you look at Heathrow, if you look at London and four airports within very close distance. If you look at New York, there is LaGuardia Airport, JFK and Newark. There is no problem. You effectively have built a Labu in KLIA west. It's effectively another airport. It has. We want to stress to you, Heathrow airport has two runways and carries 18 million people. We are the only airport in the world with three towers and three runways.*

**Tuan Tony Pua Kiam Wee:** *Why is it three towers, not two?*

**Tan Sri Dr. Tony Fernandes:** *There's one in satellite building- Apron Tower.*

**Datuk Seri Reezal Merican:** *Satellite building, ya.*

**Tuan Pengerusi:** *But we must build the tallest airport control tower in the world. That is essential in promoting Malaysia. [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *Yesterday I went to KLIA2 and they put up all these posters defending the cost and the high end. One of the defenses is the tower was from 73 meters to 93 meters and that's purely because they put the tower in the wrong place.*

*Can I also add one thing which is never been made up and we see some blogs writing this? Is that, we didn't want to move into the airport because our office wasn't ready... [Disampuk] Yes, our office isn't ready because we have to move it. MAB agreed on a piece of land, we were ready to build it, we have spent money on architecture. Because they place the tower in the wrong place, our offices with seven floors, block the tower. So we had to throw away and spent RM11 million in reject fees to move our office through no fault of ours because the tower was blocking three bases- three or four bases. Correct?... [Disampuk] Six bases so, we even ask the DCA, we don't have to see it, the TV camera etc. You know many airports actually the towers are actually underground, they can see the... But DCA rejected and said we must have line outside. So we have to scrap our office building and now move it to completely different area. So not the case at all, because our office building.*

**Dr. Tan Seng Giaw:** *Tan Sri, because it's already nearly 1 o'clock. Now...*

**Tan Sri Dr. Tony Fernandes:** *It's 12 years of frustration, Sir. No one has ever listened to us. We are so appreciate.*

**Dr. Tan Seng Giaw:** *No, no. I've been dying to hear anyway.*

**Datuk Seri Reezal Merican:** *To touch all of you, he saying that he have been dying.*

**Dr. Tan Seng Giaw:** *It has been because I've heard it enough in Parliaments some of the MPs were accusing AirAsia with all sort of names. I have heard but now it's all your time...*

**Tan Sri Dr. Tony Fernandes:** *Mostly to me.*

**Datuk Seri Reezal Merican:** *None of us.*

**Dr. Tan Seng Giaw:** *Tan Sri, why do you think that MAHB insist on building aerobridges and banning your check-in machines?*

**Tan Sri Dr. Tony Fernandes:** *It's a profit motives, Sir. Aerobridges I don't understand, I really don't. They have actually subcontracted the management of the aerobridges to another third party.*

**Tuan Pengerusi:** *MAHB doesn't do their own management...*

**Tan Sri Dr. Tony Fernandes:** *Nope, it is been subcontracted which we ourselves said, if you are forcing the use of aerobridges, we would like to operated ourselves.*

**Tuan Pengerusi:** *Is it a subsidiary company of MAHB?*

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**Tan Sri Dr. Tony Fernandes:** *Nope. We are being told that's completely outsource to someone else.*

**Tuan Pengerusi:** *Third party?*

**Tan Sri Dr. Tony Fernandes:** *Yes. And when we ask whether we can operate them, they said, "Sorry, we signed the contract already". That is number one. Number two, on the check-in machine, its' cost RM7 million more to operate on their check-in machine. They signed the unilateral contract with SITA, bought the machines and then told us, we have to use it. This is pure monopoly behavior.*

**Tuan Pengerusi:** *They said for consolidation purposes because KLIA is uses SITA. So therefore, it is just an extension to KLIA2.*

**Tan Sri Dr. Tony Fernandes:** *But in Changi Airport uses SITA as well but they are allows us to use our own machines because they know that is cheaper and quicker. Hong Kong Airport allows us to use. Lots and lots of airport allows because they understand that we require lower charges.*

**Datuk Seri Reezal Merican:** *That was an allegation they said, the other airport so using SITA. Now you are saying that...*

**Tan Sri Dr. Tony Fernandes:** *No...*

**Datuk Seri Reezal Merican:** *Allows you to use.*

**Datuk Kamarudin Meranun [Pengerusi Eksekutif AirAsia Berhad]:** *There is only two airport that we use SITA, Bali and Surabaya. The rest we use our own, even though those airports use SITA.*

**Datuk Seri Reezal Merican:** *Tan Sri, I am quite sympathetic about all these hardship that you have got to go through. Seriously, all this eight issues that you have highlighted indicated to me a serious mismatch of your business model and the actual- and it is not compatible at all just to have LCCT operating in this airport. That is what you are saying and then, with SITA thing, with the aerobridges, there will probably be a lot of added cost. Have you done the forecast? Because I saw- I mean, it is something to be proud of and incremental jump throughout 13 years you have like- how many people flying with you?*

**Tan Sri Dr. Tony Fernandes:** *About 240 million.*

**Datuk Seri Reezal Merican:** *Jumlah 228 million and then you will be occupying like 80% of the...*

**Tan Sri Dr. Tony Fernandes:** *92%.*

**Datuk Seri Reezal Merican:** *Oh, 92%, now again. They said it was 80%. Okay, anyway...*

**Tuan Pengerusi:** *Your figure and MAH figures divert quite a bit.*

**Tuan Tony Pua Kiam Wee:** *I think the- my guest is, the 82%...*

**Datuk Seri Reezal Merican:** *Ya.*

**Tuan Tony Pua Kiam Wee:** *The 92% is based on as it is.*

**Datuk Seri Reezal Merican:** *As it is, ya.*

**Tuan Tony Pua Kiam Wee:** *And MAHB were projected other airlines coming...*

**Datuk Seri Reezal Merican:** *And then they are hopinglah.*

**Tan Sri Dr. Tony Fernandes:** *Praying that other people are coming in to break our dominant.*

**Datuk Seri Reezal Merican:** *My question is that, after you have seen all these and then with your, I mean, you will be occupying 82%, substantial enough to contribute to the success of that airport, KLIA2. With all this added cost, have you done financial forecast? How much that badly you will affect on the passengers, on the probably your profitability on all the commercial aspect?*

**Tan Sri Dr. Tony Fernandes:** *On the record and off the record. On the record, we have to already increase charges by RM3. We have a separate charge now which has to go in, in KLIA. It is actually about RM5 but we are sacrificing RM2. This is the actual charges, the SITA, the aerobridges, the extra staff and etc.*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tan Sri Dr. Tony Fernandes:** *On the record, as Tan Sri Jamilus was said, we are being forced to move to an airport with about three weeks of checking. Yesterday, our pilot won't be able to line up the plane per the VDG. It is because it wasn't calibrated properly and then the aerobridge guys couldn't line up with the door.*

**Datuk Seri Reezal Merican:** *What you have to say about – I mean the claim that ICAO has certified that they have achieved a minimum requirement of the international standard, things like that.*

**Tan Sri Dr. Tony Fernandes:** *Sir, I think two things. ICAO just said the airport is safe. ICAO doesn't look at the operational aspects. I don't think they – it takes nine months to check everything. ICAO was here for one week. They focus on the soil etc which we still think is the problem. It will flood and our pilots feel the depression. Pilot reported to Cik Aireen on the depression.*

**Datuk Seri Reezal Merican:** *Then, this thing need to be publish publicly because ICAO just presented to Cabinet...*

**Tan Sri Dr. Tony Fernandes:** *We didn't asking for the ICAO report.*

**Datuk Seri Reezal Merican:** *Ya.*

**Tan Sri Dr. Tony Fernandes:** *We haven't got...*

**Datuk Seri Reezal Merican:** *Because there is serious misleading from...*

**Tan Sri Dr. Tony Fernandes:** *Have a look at this picture... [Merujuk kepada slaid pembentangan]*

**Seorang Ahli:** *This was early April, isn't it?*

**Tan Sri Dr. Tony Fernandes:** *Listen to us.*

**Cik Aireen Omar:** *The apron is lower than the drainage system and that was after one hour after five minutes rainfall. So, we highlighted this to MAB two weeks ago and they said they will look into it.*

**Tan Sri Dr. Tony Fernandes:** *No, our ramp boys discovered that the marking on the runway were wrong. Two of our plane if they were push back at the same time, there was 17 centimeters gap. And so, they have to repaint the parking lines now. They have done that but we highlighted that. We don't know what else are there. We are going in a little bit blind.*

**Tuan Pengerusi:** *I am worried about your statement because MAHB keeps talking about great things going forward. They are building a new airport in Turkey, in Hyderabad, but their main home country project, in terms of project management, they are not doing as well.*

**Tan Sri Jamilus Hussein:** *Yang Berhormat, can I say something about Hyderabad? I was involved in it. That was way back during Tun Lim Liong Sik was the Minister. Me, and other party-another Environmental Engineering Consultant (EEC)- we helped MGR to participate in India, in Hyderabad. It is our concept that MGR got it. Then, they came back to us and say that it is build and transfer. They need an operator to operate the airport. I was the one who bring Datuk Adnan to see, semasa itu Tun Lim Liong Sik, you know, to make MAB commits. They don't want the money. They want them to flash only, so that they have an operator, so they get the job. So, theirs' involvement in Hyderabad is questionable whether they are the project manager or they are the operator of the airport or a shareholder. So, the experience there is "in what capacity?" It is because we have...*

**Tuan Pengerusi:** *Later on I found out also that for the Turkey airport, they just the minority shareholder, 20%. Therefore, they don't play a big role in the planning or construction of the airport.*

**Tan Sri Dr. Tony Fernandes:** *I think there is three issues here, Sir. Oh, no, four issues which I haven't cover. Firstly are the cost and the complexity of the airport which we never wanted. The second is we think the airport has been built too quickly and hence, have a lot of inadequacy. It may look nice but there is a lot of inadequacy. I think we have seen many building like that here.*

*The third aspect is one of ourselves airlines testing out the operation. We are ready to move. LCCT is terrible. No ones can say it is great. Who wants to be there? But, it is being great for us to get there but there is no point rushing it. It is only three years delay. We said let do it properly and move over properly. ORAT, if you see, we won't go through the detail because it taking a lot time, but an average is six to eight months, we ask for six months to do it. The CCC only came out last week. So, we are moving into an airport where we doing 500 flights a day. We asked to do it in two weeks. But you know, these are the things that our staff will find the way and do it.*

*The fourth issue is what is the national aviation policy? How is it regulated? It is because MAB has seen to be able to do what they want. It rise charges what they want, it built full service terminal for*

low cost carries. It decides the date and we all have to move and unilaterally closes the low cost terminal which put us in- what do we do?

■1250

They close the terminal. They said on the 9<sup>th</sup>, it will be closed. We have to operate, right? So, there is real- and if I can just reiterate, I think no one regulate the charges from MAB properly, whether they are overcharging or undercharging, whether they are efficient, and the consumer in the end will pay.

Number two, to go through our terminal, I don't know if have you been to the terminal, you have to go through the shopping mall. I have never seen that anywhere in the world. You have to go through a shopping mall to get to a check-in desk. That is number one. Where is the regulation on this? We have asked for a fair incentives scheme, we generate the most demand and revenue to MAB.

And the second part is, LCCT just for your reference, the McDonald in LCCT is a biggest McDonald in South East Asia. Who brings those people to McDonald? AirAsia. It's our passengers in our meet and greet. The ancillary income, you can't move it in LCCT. There is shop every where, there is shop in front of the toilet now, serving food. It's all through out passenger. So, we asked for a fare incentives to develop new routes and we done that. About 52% of our routes are route that had never been done before. We asked for a low airport charges that's well established.

Number three I think is very imported, it must be independent. Not for the benefit of AirAsia, not for the benefit of MAB but for the benefit of the country. What is the right charge, why should Kuching not have the low cost airport? Langkawi, let me give you five minute on Langkawi. Compare Langkawi with Phuket, there is one international flight in Langkawi, Langkawi-Singapore, that's it. We have requested MAB for eight years to give us RM15 airport charge. We said we will put Langkawi-Jakarta, Langkawi-Bangkok, etc. We said there is no extra cost to you if I land the plane- really a marginal cost. You up side it by three or four new flights, they would spent in the shop, you get RM15 more that you'll get, It's a common business...

**Tuan Pengerusi:** Volume.

**Tan Sri Dr. Tony Fernandes:** Volume. The airport opens, whether we land or not, you still have to turn the lights on, you still have to man the runway. It is way under capacity and the hotel in Langkawi not full- vise versa in KK, where they all full because low cost terminal. Yet, MAB refuses to do that. So, you have one international flight where there is an airline whose willing to base five planes there, start all the international flight etc.

Kuching could be a massive hub for us but the airport taxes is RM65. We manage to persuaded YB Prime Minister to reduce Miri. We started international flights from Miri. There were never international flights in Miri. We now have Miri-Singapore, Miri-Manila, we are about to start Miri-

*Bangkok because we have RM25. Isn't that better than the airport empty? We are now – KK, you have brought out, I just cover it quickly and you'll see in slide later on, the growth in KK has been fantastic.*

**Tuan Pengerusi:** *Are you moving from Terminal 2 to Terminal 1?*

**Tan Sri Dr. Tony Fernandes:** *If we are forced to move, we will be forced to move and if the charges RM65, we will have to close on half the flight and especially now with the Chinese problem. Why can't you build something great in KK? The hotel loves, the industry loves, we use all facility and build it- expanded, extended, build the new low cost terminal.*

*Malaysia Airlines don't want us in the main terminal because it will cause traffic. In fact, when I went to KK and YB from Tenom was there, etc, MAB said we agree with AirAsia, we don't want them there because of the traffic it will cause but MAB is hell bent and if you moved- our average fare to China from KK is about RM180. The airport tax in LCCT in KK is RM32. If we move it up to RM65, it becomes almost 40% of the fare. And with all the problem we having with China, it will destroy the market we built. So we need to have an independent commission that really looks at what's good for Malaysian aviation, not for AirAsia, not for MAS, not for MAB but what is good for the country. We are not allowed to fly a rural air services which is ludicrous. The government is subsidizing. We are willing to do BKI-Sibu which- and the government doesn't have to subsidize that route, and they can have jet, aircraft on there. We not allowed. MOT said no rural air services, it purely for MASwings. But we said, "we save you money" but still not allowed.*

*The development of the airport infrastructure support system, I think we covered very well, harmonization of regulation; it's all come under the regulations. We never know what the regulation is. You know, how do we invest? We are investing billions. We never know what the charges are going to be. We asked to move to a new terminal- can you imagine, you move to a new office and you don't know what your rent is going to be. We has spent an average aircraft cost USD40 million. We bought 500 of them. That is USD20 billion. Yet, we have no idea what are the charges are going to be. And once we moved, it's not like we going to move out. We were stuck there.*

*Point seven- we have our own academy and etc. but really- again, on Malaysian Airlines, you know, we are competing against the airline that is fully subsidies. Whatever loses they made, Khazanah puts more money in.*

**Tuan Pengerusi:** *No, it is EPF and KWAP now, not Khazanah money. Let me correct you on that.*

**Tan Sri Dr. Tony Fernandes:** *Okay, same girl, different head... [Ketawa]*

**Tuan Pengerusi:** *No...*

**Tan Sri Dr. Tony Fernandes:** *Same girl, different dress.*

**Tuan Pengerusi:** *Without asking the depositor of the EPF and KWAP whether they are actually want to invest in MAS.*

**Tan Sri Dr. Tony Fernandes:** *So, here you have an efficient airlines, Malaysian Airlines compete with us, loses RM1.8 billion and we have to lower the fares. Consumer feels happy but at the end of the day, if we go bust, consumer will loose out in the end. So, it is been- I know it's very long and we really appreciate you. This is the first time anyone...*

**Tuan Pengerusi:** *It's a therapy for you... [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *It is. I'm going to put that on Twitter actually, "PAC- my new syringes."... [Ketawa] But as YB Kepala Batas has said, it has been very, very, very hard to operate here.*

**Datuk Seri Reezal Merican:** *I got another question but I has got nothing to do with what the report. Can I?*

**Tan Sri Dr. Tony Fernandes:** *Yes.*

**Datuk Seri Reezal Merican:** *What has triggered you to change from the attractive looking skirt to jeans?... [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *Say again, say again.*

**Tuan Tony Pua Kiam Wee:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *Why do we do it?... Just because we thought to give them a little bit of variety- everyday they wearing... [Disampuk] Sorry?*

**Datuk Seri Reezal Merican:** *Have they wearing skirt still? The crews...*

**Tuan Tony Pua Kiam Wee:** *Jeans are weekend only.*

**Tan Sri Dr. Tony Fernandes:** *It's only on the weekend.*

**Datuk Seri Reezal Merican:** *Oh! Okay. Oh, you are the attendant flight...*

**Tuan Tony Pua Kiam Wee:** *I watch them everyday.*

**Tan Sri Dr. Tony Fernandes:** *No, Monday to Friday is skirt, Saturday and Sunday jeans. Just to give them a little bit of variety.*

**Dr. Tan Seng Giaw:** *Tan Sri, I have told Dato' Seri Hisham although he said that he went to visit and said that the KLIA2 is safe and all that, so I asked him to ensure that the safety in all aspects. Now, I ask this question to Tan Sri Bashir, I want to repeat to you. I ask him, how he see that the timeline for the project KLIA and ceiling for the cost move? Why do you- is that the usual airport practice to move the timeline and to move the cost? I ask him, he said it is a normal practice now.*

**Tan Sri Dr. Tony Fernandes:** *I think...*

**Tuan Tony Pua Kiam Wee:** *I just to qualify a bit. What was stated by MAHB is that it is important for MAHB to change with the fast changing requirement in the industry and hence, along the construction process as AirAsia requested for premium lounge, requested for your hotel and spa, and hence, the cost is natural to grow up because we cannot commit to something that was decided three years ago and the industry has change.*



**Tan Sri Dr. Tony Fernandes:** *I think that's an excellent couple of points, gentleman. Firstly, I stressed at the beginning of my presentation what is low cost model is. For 12 years, our model has remain the same. Only the fact that we now move passengers between AirAsia and AirAsia X which we called fly through. We cost that out, we charge passenger for the benefit of moving between airlines. It not likes full service carrier that you interconnect. So, if you want to move from Sydney to Hat Yai, you take AirAsia X from Sydney to KL, you then change plane. We test it out for two years to make sure it did not affect our model and then we price it at RM60 and we charge passengers for that privilege.*

■1300

*We have not changed our model. I think Malaysian Airport, how can they say that we are changing- I think they have said that we are changing our model to a full service carrier. How can they tell us... We operated this airline for 12 years and we constantly in media saying, "We don't want aerobridges, we want low cost, we want..." I don't think It's their right to say we are changing the model especially we are self said, we are not changing our model. That we are exactly the same 12 years ago and now we almost exactly the same.*

*We have started by this and in fact in Thailand, we have been able to move to a simply airport from Suvarnabhumi and now unfortunately, because of the political situation, they were about to reduce the charges at the airport. Again, just like MAB said where AirAsia uses aerobridges in other places, they pay high airport tax in other country. Yes, correct. But look at our growth in Malaysia versus Indonesia and Thailand. Our growth in Malaysia is spectacular. In Thailand which is much bigger tourism market, our growth is a quarter because the airport charges is high. Our growth in Indonesia is- we not even making money in Indonesia because the airport charges is high.*

*So, it's not because other people are charge us. Let's look at what made us successful. Look at the volume we given, look at the growth. Take outside our growth and MAB over 12 years has only grown 3% and our growth is 38% compound. So, how can they not talk to the main customer and say what do you need to continue to growth 38%? It has been unilaterally decided for us and to hear comments that they have made various politician and various organization that we think AirAsia will going to be a full service model one day. It's unlawful words.*

**Tuan Pengerusi:** *Tan Sri, Tan Sri Bashir said that- did not he personally assisted you in planning for LLCT before, the original one. Is that true?*

**Tan Sri Dr. Tony Fernandes:** *Let me tells you the whole story. Tan Sri Bashir is a very good friend of mine, maybe not anymore... [Ketawa] We used to watch Wimbledon together, we played hockey together. He was an advisor to the Ministry of Transport and was very, very influential in the beginning. That is absolutely correct. I lobbied with Datuk Kamarudin very hard to stay in Subang. We wanted to the stay in Subang because that is a perfect low cost airport. Tan Sri Bashir said, "No way, but I will help you find a low cost terminal". We drove together around the airport, that is true and he*

said, "This is the best place". And I said at that time, "Please make this permanent". And he said, "I don't think it will be permanent but you can be here for a long, long time". We agreed there will be very lower chargers etc, etc, etc. But along the way, we loss- you know, he build what we wanted. LCCT is what we wanted and we have succeeded, 220 million passengers is a success and he did help us. I publicly said that many time but over the last since, you know, we lost this cooperation.

**Tuan Pengerusi:** *Its led to my next question and this question will be a very honest one. Do you think that government has helped you to grow?... Because you need a home, you need Malaysia as your home. Indonesia is not going to be your home, Thailand is not going to be your home. To be fair, only the Malaysia Government has given you the facilities and the low cost of operations to enable you to grow to where you are today. Now, let's be fair to the government. I don't want this hearing to be one sided. What is your opinion? Has the government help you to grow where you are today become a major power?*

**Tan Sri Dr. Tony Fernandes:** *If I can takes aside the government first. MAB has helped us at the beginning. We have to have an airport operator who did what they did. They builds a low cost terminal. It is stop there. The government then helps us by reducing the PSC to RM25. That was hundred percent Prime Minister who was Deputy Prime Minister at that time. We made a presentation, we show the volume and he said, "I buy this". And he went to Cabinet that week and he reduces so, hundred percent. That is accurate that the government has helped us...*

**Tuan Pengerusi:** *Over the years?*

**Tan Sri Dr. Tony Fernandes:** *Yes.*

**Tuan Pengerusi:** *Since you took over.*

**Tan Sri Dr. Tony Fernandes:** *Yes.*

**Tuan Pengerusi:** *You admit that the government has helped you tremendously?*

**Tan Sri Dr. Tony Fernandes:** *I admit. The government has given the given us air rights. Without the air rights, we cannot grow. The government has given us the air rights, the government has agreed to a two airlines operations which is now become three, four, whatever it will be. The government through MAB builds us a low cost terminal but the most important part, if there is low cost terminal RM45 which is the same as the main terminal, we will not see- the government major contribution was the reduction of the PSC.*

**Tuan Pengerusi:** *I have a feeling that our Executive has been mislead with information that has basically become the basis of decision that are being made which is not the right decision for the industry as a whole*

**Tan Sri Dr. Tony Fernandes:** *The main problem is we do not have access. There is myth out there that we have access, we can see anybody, we can tell. We are very poor relative.*

**Tuan Pengerusi:** *You got your Tan Sri-ship...*

**Tan Sri Dr. Tony Fernandes:** *Sorry?*

**Tuan Pengerusi:** *You got your Tan Sri ship from the government, so you must get that by the top leadership.... [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *But I think you can hear our issues now, can't you? Maybe I got it for something else... [Ketawa] But, we don't have. I think if you see the number of letters, if I can...*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Datuk Seri Reezal Merican:** *But Tan Sri, it is quite difficult for me to consumed that you have difficulty in getting access to get the message across to Executive, what more to the Prime Minister. I mean I am quite sure Datuk Kamarudin Meranun has ...*

**Tan Sri Dr. Tony Fernandes:** *I haven't met the Minister of Transport.*

**Datuk Seri Reezal Merican:** *Until now?*

**Tan Sri Dr. Tony Fernandes:** *Once, at Hari Raya function.*

**Datuk Seri Reezal Merican:** *The predecessor?*

**Tan Sri Dr. Tony Fernandes:** *Very rarely- the one before that- yes and Ling Liong Sik, yes. Now, we haven't and there is many, many gate keepers. It is very hard to see the Executive.*

**Tuan Pengerusi:** *And you know who the gate keepers are? [Ketawa]*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Haji Hasbi bin Haji Habibollah:** *Anyway Mr. Chairman. Ini Tan Sri, kita retract balik ke belakang sedikit. Tadi kita cerita pasal keselamatan di airport. Malindo akan beroperasi 2 Mei ini nanti. Tadi Cik Aireen cerita pasal runway flooding, all these things. We are talking about safety here. MH370 pun belum selesai, MH192 pun sudah mula siasatan. Jadi, apa mungkin among your airline operators ada berbisik-bisik sesama sendirih? Apa Malindo cakap dalam hal ini?*

#### ■1310

Ini kerana kalau betul-betul as *what you said airport* ini belum selamat, ini belum selamat, esok lusa Malindo hendak operate, kalau apa-apa terjadi, *you know, it is going to be another headache for the country.* Jadi kita hendak dengar mungkin antara *you all* apa bisik-bisik antara mereka. Mungkin dapat dia punya perbandingan. Kita hendak dengar. *We don't care* siapa, tapi yang dia bawa ini manusia. AirAsia kah, Malindo kah, MAS kah, tidak kira. Akan tetapi *if anything happened, it is going to be a headache for the country again.* Ini kita hendak dengar, mungkin ada apa-apa kompelin daripada Malindo juga seperti apa yang di *raised up* oleh AirAsia.

**Tuan Pengerusi:** *Either way, Yang Berhormat daripada Limbang is our residence JKR expert. He was an engineer.*

*I just want to narrow the question to about this whether MAHB's attitude in managing the project and also in managing operations of the airport is lackadaisical. Because, when we asked them about doing the rectification work on the apron and on the runway, they said, "We will do the management overtime, we will do the rectification overtime" without considering the great operational difficulties that you will be facing as their doing it. You shoot the pictures just now about the heavy rain can just disrupt your operations by more than, I do not know how long it will take but it will disrupt. So, they seem to have lackadaisical attitude about managing operations itself. I am not even talking about managing the project. So, can you please just elaborate on that too?*

**Tan Sri Dr. Tony Fernandes:** *First of all, in Malindo's case, they are much smaller airline. You know, Civil Pacific, they all got five or six planes. So, if there is an operational problem, it is not a major issue for them to move the aircraft. They can even move back to KLIA where they are operating now. Civil Pacific has one flight a day. For us, I do think and I do think Malaysian Airport is fully aware that this is going to be disruptive to us, In fact, recently I been led to believe and Aireen, they even said maybe you want to delay May 9<sup>th</sup>. I think that was made known to you.*

**Cik Aireen Omar:** *But the things is they did warned us that if we delay, then the 2<sup>nd</sup> May of opening will be delayed too because they can't afford more than one week gap between the first opening date and the second opening date because of lack of manpower resource for immigration, CIQ and all that. So, we told them if you are committed to 2<sup>nd</sup> May which Datuk Azmi said yes he is committed to it then we will just stick to it because we do not want us to be used as another reason for the delay of the KLIA2.*

**Tan Sri Dr. Tony Fernandes:** *Sir, I cannot say hundred percent that everything is going to be great because we just haven't had enough time to test. As has been said, Aireen was on the landing with our head of safety, Captain Saiful and you can feel the depression. The fact that the VDG is not aligned up properly. We are couple of weeks away. How can the VDG not be lining up? The docking system.*

**Tuan Haji Hasbi bin Haji Habibollah:** *Tan Sri if I interject. Ini soal keselamatan, Tan Sri, whichever airlines kalau betul-betul masalah ini kena highlight. If anything happened, let say dalam PAC ini Tan Sri raise up all this things, Malindo tidak ada duduk di sini hendak cerita mungkin the same problem, tetapi this is a national punya cerita, kepentingan keselamatan rakyat negara kita ataupun passenger daripada luar. Jadi dalam cerita ini kita kena pastikan betul-betul apa yang terjadi, what is happening now. Tidak boleh hendak di selindung. We cannot afford kalau apa-apa terjadi with all the depression on the runway, everything, tidak kiralah Malindo atau AirAsia, they land on the same*

runway. It would be a problem. Jadi inilah kita hendak- it is not a matter of volume or not. Walaupun sebuah kapal terbang buat hal di sana, it is enough to be a headache for the country.

**Tan Sri Dr. Tony Fernandes:** *Sir, again, we are not comfortable honestly. But I think you can see from the media, and the statements, we are under enormous pressure to move. So, what do we do? Honestly, I don't think anyone from AirAsia is really comfortable to move that we haven't done enough testing. But all the way, every message has been, we are the bad guys, move, move, move, everything is safe, etc.*

*The safety, I think it is safe. I think there will be lots of operational problems. But the safety issue, for me, is that AirAsia as an airline hasn't had enough testing to do everything. That is something I am concern about.*

**Dr. Tan Seng Giaw:** *But what do you propose we do to make sure that it is truly safe?*

**Tan Sri Dr. Tony Fernandes:** *We kept saying that we wanted six months from the CCC date. Just to show you how lackadaisical it was. We asked for insurance. When they asked us to start doing some ORAT trials, Operational Readiness Trial, we said please give us the insurance because you don't have the CCC, our insurance provider will not insure us. We have to protect the safety of our staff, we have to protect the safety of our equipment. MAB would not give us the insurance. So, we couldn't do any testing. But yet, we were made out to be difficult, we not doing testing. We only got the insurance coverage a week ago? [Disampuk] Two weeks ago. Effectively two weeks and now you got 11 days to move 500 flights a day, to move 8,000 staffs.*

*You don't even know our car park situation is not solve, my cabin crew. You don't know how many problems we had with cabin crew car park in LCCT. How many of our staff we have cost. How much MAB promise us security etc. We don't even have enough car park spots now for our staff. We had to build our car park ourselves right now. They increase car park charges tremendously for our staff.*

*Yes, ICAO will look at it and say, yes, it is within the pressure, whatever, I don't know, but our pilots can actually feel it. But it is the operational readiness that I am concern about. But what do we do? They said they are closing the airport on the 9<sup>th</sup>. We are made out to be the bad guys. We have to move. But, no one in the airlines is confidence or comfortable.*

**Tuan Pengerusi:** *So, I guess I won't be traveling AirAsia for the next three months... [Ketawa] I will travel in the next few days but not next three month, I supposed, after you moved.*

*But one question which I asked Tan Sri Bashir before was about service level agreement. You are the customers, they are the managers, the owner of the projects, surely there must be some sort of a – well, it doesn't have to be a definite Service Level Agreement (SLA) but it can be a very loose one with ranges and targets. But is that the normal practice in the airline industry?*

**Tan Sri Dr. Tony Fernandes:** *We have the- Ashok Kumar actually he was 35 years veterans with Malaysian Airlines and ten years veterans with us and has been in the hospital three times since he has been with us. Has got about 17 volumes of SLA discussion and maybe Ashok you can say. But presently, we have none. Just to add, Aireen has...*

**Tuan Pengerusi:** *The reason is because Tan Sri Bashir said, there is no need to do one – it is not in industry practice.*

**Tan Sri Dr. Tony Fernandes:** *It is industry practise. Ryanair has one with Stansted, EasyJet has one with Gatwick. Let say they closed down half of the airport because of this cracks, there is no indemnification for us. We have none. We moved in there. We have no contract with MAB. We have been putting USD20 billion of investment and we have not a leg to stand on. They had fires in LCCT. They had constant power failures. The air condition never works. We just have to accept it.*

**Tuan Tony Pua Kiam Wee:** *You are moving in without even a draft contract being seen from MAHB?*

**Tan Sri Dr. Tony Fernandes:** *Ashok, maybe you...*

**Encik Ashok Kumar [Ketua Wilayah Ibu Pejabat (Lapangan Terbang dan Insentif) AirAsia Berhad]:** *MAB have introduced what they called a condition of use contract, and this is a document...*

**Tuan Pengerusi:** *Please speaks closer to the mic.*

**Encik Ashok Kumar:** *MAHB has introduced a document they called the condition of use contract, but this document is very one sided. Everything is in favour of MAHB. So, we had numerous discussions with them to develop a SLA which is look in the interest of both parties. But unfortunately, after various discussions and coming to an agreement or a document, they back out and say we do not require an SLA, you have to abide by the COU.*

■1320

**Tuan Tony Pua Kiam Wee:** *This is exercising monopoly control.*

**Tan Sri Dr. Tony Fernandes:** *Yes. That's the real issue. If I'm in their position, they force us to use aerobridges, they force us to use checking machine, why on earth would they give us SLA? They don't need to. No one's telling them to do it. There are laws unto they own hands.*

**Tuan Pengerusi:** *But from MAHB shareholders perspective, they are doing the best because they are minimizing their risk... [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *Absolutely, I would agree. But can I just add one thing from MAHB shareholders point of view? If AirAsia or any airlines don't do well, they will be affected, right? I think ultimately, what's good for the country? I stand on that. Put people first, I think that's a motto. Don't say whether it is good for AirAsia, whether it is good for- you know, I can't believe. Even I go through this presentation how we've been able to do what we've been- the obstacle put in front of us. So, I still think there is need to be a clear policy but just to suffice to the PAC, there is none of the extra charges*

or the delayed were caused by AirAsia. AirAsia did not want the terminal that is got and, you know, there's no one really regulating in this industry.

**Tuan Pengerusi:** *I'm trying to basically wind down. I think you must be quite tired after being – it's like...*

**Datuk Seri Reezal Merican:** *Therapy, therapy.*

**Tan Sri Dr. Tony Fernandes:** *Could we just shows you a little bit about the depression?*

**Tuan Pengerusi:** *Yes. I mean, can you just summarize the important things that you want to put forward to us and then we can wind down with the final question. Thank you.*

**Encik Tan Yean Chin [Pengarah Kanan G&P Professionals Sdn Bhd]:** *Yang Berhormat, thank you. Basically I want to bring you all to the attention is that, this is the fact that...*

**Tuan Pengerusi:** *Can you introduce yourself?*

**Encik Tan Yean Chin:** *Yes. My name is Engineer Tan Yean Chin. I'm a registered with the board also as checker for geotechnical.*

**Tuan Pengerusi:** *Okay, thank you.*

**Encik Tan Yean Chin:** *Okay. Basically, if you look at the facts, basically these are reported by IKRAM. You are having 2.1 cm per month of settlement still on going on the taxiway and apron. What it means that- can you go to the next slide?... [Merujuk kepada slaid pembentangan]*

*Okay, minor depression in all these A is okay. [Merujuk kepada slaid pembentangan]. So, it's still within the standard of ICAO. That's what ICAO certified is okay. But the issue is that, this are continue to happen and reported by IKRAM, 2.1 cm per month. So, what it mean is that they need to do further running scanning. What it means is that, this may happen again. And why it happens? Why and how?*

*The reason is that all their services are on pave. Actually the development technology- I can't comment too much on this. We are using this in 70's but in the 90's actually most of the highway, expressway and even in double track and in all these, we are not using this anymore. So the reason is that, your soil will continue to settle but the one all your services on pave do not settle. So, this is what you'll get. So this in between the pave structure which is very rigid and unpaved structure. [Merujuk kepada slaid pembentangan] You can see the depression. The depression is a soil. The one not depressing is a service and it will continue and they need to top up very often and this, I think would have maintenance problem...*

**Tuan Pengerusi:** *That piece of plank you put on the...*

**Encik Tan Yean Chin:** *Yes, to show you the depression.*

**Tuan Pengerusi:** *The depression.*

**Encik Tan Yean Chin:** *The reason of this photo, sometimes very difficult to see because its two dimensional, okay. Continue. These all the photos that I want to show you... [Merujuk kepada slaid pembentangan]*

*Okay, and because the drain are on pave mostly, so the platform is not on pave. So you'll have a drain higher than a platform. So how water going to flow? So these are the area of concerned... [Merujuk kepada slaid pembentangan]*

*So in summary, I just want to show you – just now Tan Sri trying to explain what consolidation is and what is surcharging. Okay, if you look at the vertical axis... [Merujuk kepada slaid pembentangan] Basically this is the filling that you going to do, okay. And this will be the settlement that will take place with time. So if you look at this, this is a time... [Merujuk kepada slaid pembentangan]*

*So what you do is that use the surcharge higher so that you can have a higher settlement at a shorter time so that you can remove it and have your airport earlier which is using vertical drain like Tan Sri Jamilus has mentioned. So what you needed is that you surcharge higher, then after that you remove. But this one requires time, okay. If the time not enough, it will still continue to settle and this is required, let's say in the graphical form that means you put the fill on top, you thought you reach the level you want which is this line... [Merujuk kepada slaid pembentangan] But actually with time, it will continue to settle.*

*So, most of the time, the technology used is right. The technology they use is right, which is using the vertical drain to remove the settlement but you need time. But the issue is that, even though you do the surcharging, there are still some settlements on going. If your services are all on pave which is very rigid, you have all this differential movement which is causing the crack. I just want to show you the graph which we downloaded from Boeing which is you are here... [Merujuk kepada slaid pembentangan] And yes, you are still in acceptable limit. But if the settlement continues as reported by IKRAM, you all can check with IKRAM of 2.1 cm, would it still safe if you don't do the maintenance? So, these are the question we need to. Therefore, all this taxiway we need to re-mill even as short as one month.*

*In summary, there are some recommendations we give out to them. I think the key point is that, the settlement is still on going and likely you'll have a close interval of services and maintenance which is your milling and this will be the issue that PAC may need to consider. Thank you.*

**Tuan Haji Hasbi bin Haji Habibollah:** *I just want to ask. How bad is the runway? It's where the plane land and takeoff.*

**Encik Tan Yean Chin:** *So far the runway as reported, according to IKRAM, is only minor depression. So they are doing another scanning but the major one that we shown are actually on the taxiway and apron.*



**Tuan Pengerusi:** *The runway doesn't have any drains in the middle of the runway? Anything else Tan Sri, that you want to basically highlight before we go through the final session? Final question and answer session...*

**Tan Sri Dr. Tony Fernandes:** *No, Sir.*

**Tuan Pengerusi:** *Okay, shall we go around? I'm sure we start with- no we will start on this side, because I'm sure Yang Berhormat PJU will have a lot more question.*

**Datuk Seri Reezal Merican:** *We start with himlah,*

**Tuan Pengerusi:** *Start with him? Can you go first?... [Bertanya kepada Yang Berhormat Petaling Jaya Utara] You'll be taking a lot of our time... [Ketawa] Okay, we start with Yang Berhormat PJU, last question.*

**Tuan Tony Pua Kiam Wee:** *Okay, Tan Sri Jamilus, I think referring to the earlier discussion with regard to the shift of airport from North to West. Can I conclude to say that had the shift not been done or the decision not to shift the airport location from KLIA north to KLIA west where it is now, we would not be faced with the severity of the soil problems that has caused two things, which is one, the obvious increase in cost and two, the time being taken to develop that airport? So, on hindsight of course, we should have stay at KLIA north. Even though original plan was a mirror design, we could have change the mirror design to a low cost finger pier design. And I have seen actually intermediate plan before the switch of location was done where that will be the location for the new low cost airport.*

**Tan Sri Jamilus Hussein:** *Okay Yang Berhormat, I think for a low cost carrier terminal operation, I think the present KLIA2 position is the better one. But if you want legacy airlines terminal, then the north is.*

**Seorang Ahli:** *Why?*

**Tan Sri Jamilus Hussein:** *Why? Because their type of operational different.*

**Tuan Tony Pua Kiam Wee:** *No, I'm trying to understand why a shift in location whatever it is, 30 acres or 100 acres of it, from one place to the other would actually change its use for a low cost airline, because the services wouldn't be the same. It's just where you park.*

**Seorang Ahli:** *[Menyampuk]*

**Tuan Tony Pua Kiam Wee:** *No, no. Services would be the same whether you are in the north or in the west. It's just where you park the plane. And, there's also the other advantage which is you can share the existing runway, you don't have actually to build immediately the third runway.*

**Tan Sri Jamilus Hussein:** *You mean the north is the satellite be? Is it about this?*

**Tan Sri Dr. Tony Fernandes:** *Behind the tower where Concorde Hotel is.*

**Tan Sri Jamilus Hussein:** *Oh! Where the Concorde Hotel is? That will be the expansion of legacy airlines terminal, the mirror image because the original design, we can expand the present KLIA*

into 100 million passengers per annum. At the moment it's about 30 million. So, when satellite B comes in, it will be 45 million. Once it reach 65 million, then we need the mirror image.

**Tuan Tony Pua Kiam Wee:** *Right. So, what I'm saying is we are not even at satellite B yet.*

**Tan Sri Jamilus Hussein:** *Yes, correct.*

**Tuan Tony Pua Kiam Wee:** *We are not even anywhere close to 45 million that satellite A is suppose to be able to cope. So we have plenty of room in satellite B. Would it has been more feasible to convert KLIA west from the 100 million expansion into the new low cost airport which will then enable the operations to use both runways? Of course this is on hindsight but I would like an educated opinion.*

**Tan Sri Jamilus Hussein:** *Okay. Of course the north is on a better ground where we would save money on the treatment of the pit soil. But then, if we don't consider the expansion of legacy airlines, it's okay but it will cost less definitely.*

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**Tuan Tony Pua Kiam Wee:** *So that will be only consideration, the expansion for legacy airlines, perhaps in 20 years time or 30 years time if we were to reach that sort of numbers?*

**Tan Sri Jamilus Hussein:** *Yes.*

**Tuan Tony Pua Kiam Wee:** *Okey.*

**Tan Sri Dr. Tony Fernandes:** *Can I just add? Obviously, Tan Sri Jamilus is involved in very first airport planning. So, for the plan, I think no one want to change that plan, you know. Nice four satellite terminals, you got up to 100 million. AirAsia's position was always to be in that north. We always felt that this was difficult. I can understand Tan Sri Jamilus's position quite clearly because there was a plan for future legacy growth.*

*What has changed from the original master plan was the start of AirAsia and the whole new industry that wasn't there before. So, I would have still taken the approach of- well, we need this now, this is the best land, we don't need to build another runaway, let's do this. And then, there was enough space for another satellite anyway. I think 100 million in KLIA without low cost is a long, long way. Heathrow is not even there. So I would have definitely, if I was running the airport, I would have say, "Well, look. Here's someone can give us 30 to 40 million. Let's utilize our two runways." It's better, it's quicker, it's better soil. You know, we still got space for further legacy to take it up to maybe 70 million. Everything would have been happy.*

*We contended over and over again. We were very concern on the soil, we were very concern on the delay and the cost. But we kept being assured, "Don't worry about the cost, don't worry. It will be done, the charges won't go up." So, our position has been very clear from day one, build it in the north. Of course that spoils the whole master plan.*

**Tuan Pengerusi:** *Can I just interject? Tan Sri Bashir when we ask the question about why the shift from 30 million to 45 million passengers, he said- when we ask, "Did you do any independent study*

to verify those figures?" He said there is no need because they just do the internal forecast and through internal forecast, growth has been up by 10% a year. Therefore, in 10 years, it will hit 45 million. Now you are telling me that the growth that MAHB has achieved all these years is through your business. So my point is, did they basically use your success as a justification to basically build the new terminal whether it's on north side or whether it's on west side?

**Tan Sri Dr. Tony Fernandes:** I ask Kamarudin to explain this because this is one of his special. But in terms of – I still find the 45 million is an X-file mystery. The airport was 30 million, 80 stands and the square footage. When they increase the cost, when suddenly they announce there was RM3.6 billion, it suddenly became a 45 million passengers' terminal. We never requested a 45 million passengers' terminal. Never- so that's the first point.

In terms of forecast, the best person to give the forecast is us. Right? Whether it's 80%, 90%, whatever, we know how many planes we bought, we shared everything with MAHB. There was never a discussion. It was always built for 30 million, and remembers, the airport supposed to be ready in 2011. We realize that we will have an expansion from 30 million onwards but we were said, let's do it modular. It supposed to be finger pier, build it from 30 million, fill it up and then spend more money, right? It's been done all wrong but at no point that we ask for 45 million. The 45 million suddenly came, they divided some numbers and it became– well, this is cheaper than LCCT. And I think the only way they justified the 45 million they said the passengers' comfort has been reduced. We are getting different answers. Some of them said that we based them on aerobridge study etc.

**Tuan Pengerusi:** Reduce congestion.

**Tan Sri Dr. Tony Fernandes:** Sorry?

**Tuan Pengerusi:** They said they build the airport terminal up to a comfort level where 45 million passengers can move around. A bit tight but they can still move around.

**Tan Sri Dr. Tony Fernandes:** Yes, so they reduce the comfort level. I think that was convenient...

**Tuan Pengerusi:** My problem is I think that was convenient excuse to build a terminal as big as this.

**Tan Sri Dr. Tony Fernandes:** To justified the RM3.6 billion.

**Tuan Pengerusi:** Yes.

**Tan Sri Dr. Tony Fernandes:** Actually Sir, if I can just say, I don't think it was- they didn't make it bigger. It was always 80 stands. It was never changed. That's the point I've been trying to say. The terminal was 80 stands it was built. They didn't increase it to build it to 45 million. They didn't.

**Tuan Pengerusi:** That's a worse statement to me because that just saying that they pluck the figure 45 million from the air to justify their original plan to make it as huge as it is.

**Tan Sri Dr. Tony Fernandes:** *On the record with red light, everything on. That's exactly what I'm saying.*

**Tuan Pengerusi:** *So, just a matter of interest. When do you think the 45 million passenger level will be reach because they seem to be confident that it will be reach in ten years?*

**Tan Sri Dr. Tony Fernandes:** *Depends if they increase charges or not... [Ketawa] If they keep it the way it is, and they reduce charges, we are estimating seven years to eight years. Is that correct, Ashok? Ya. We have slow down our growth. This year will be the slowest growth ever for AirAsia. I have cut, together with Aireen and Datuk Kamaruddin, we were supposed to take 24 planes this year, in fact, 30 initially- now we down to 17 planes. Next year we're taking 12 planes. Malaysia is only getting three because we're nervous about the cost structure and whether we can fill the planes. No one has asked us. Here, you know, as I said, every year we will put in at least eight or nine planes a year to Malaysia. This year is the slowest growth and not a single plane is going into KL actually. It's Penang, Johor, and KK. Next year is even worse.*

*First time in our history we went to Airbus to cut our order. It's a real. And because we are strong with Airbus, they are able to do it. We have cut 28 planes already from our order. Take that from that slide where we show you the investment and the jobs we create and because we just not sure about this whole cost structure- this one here... [Merujuk kepada slaid pembentangan] So 2,800 jobs have been lost because these are pilots, these are cabin crews etc that will have fired. MAB hasn't sat down with us.*

*I give you an example. A small airport for us in Australia, they come down and sit with us for the economic planning. What do you need, what do you give us – what do we need to give you to get to these numbers. Yes, Gold Coast, Sydney and I can say Senai in Johor sit with us to plan and say what do we need to get to your numbers. It's very different. Malaysian Airports is very different. Even Changi, you know, we are the biggest airline, we are bigger than Singapore low cost carrier. We're bigger than Tiger, we're bigger than Jetstar. Tomorrow, we win the award for the best airline in Changi Airport. They sit with us and give us what we require. They help us to build new routes and they don't particularly like us. Let me be clear, they much rather support Tiger and Jetstar but it's a business. So they have to sit with us. I think they resent having to give us an award tomorrow especially me. I bring my cap and I put it on Minister's head etc... [Ketawa] But they have no choice.*

*It's a very different approach at Malaysian Airports. It wasn't like that at the beginning. That is correct and I stand by it. We drove. Me and Tan Sri Bashir drove. We went around, we search for the airport. We work very well with Tan Sri Jamilus and I think his key statement, even for me today was, he steps out because the need statement went from a low cost terminal to a full service terminal. Am I right in saying this?*

**Tan Sri Jamilus Hussein:** *Yes.*

**Tan Sri Dr. Tony Fernandes:** *Something is very wrong. How can they do this?*

**Tuan Tony Pua Kiam Wee:** *I also need confirmation that two runways are more than sufficient to cater both airport, the full service airport and the low cost airport for many, many years to come, perhaps even more than a decade.*

**Tan Sri Dr. Tony Fernandes:** *Yang Berhormat, you need to look at Heathrow Airport which has two runways and carries 90 million passengers.*

**Tuan Tony Pua Kiam Wee:** *We were told by MAHB because you fly more planes – you have smaller plane, so you fly more planes. And hence, it's not a fair comparison between Heathrow and what we're having here.*

**Tan Sri Dr. Tony Fernandes:** *Gatwick Airport is a very good comparison. Gatwick is a short haul airline generally, EasyJet etc. Gatwick does about 50 million passengers I think with one runway.*

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**Tuan Haji Hasbi bin Haji Habibollah:** *Tan Sri, when you move to KLIA2, so your plane will flying from Runway 3?*

**Tan Sri Dr. Tony Fernandes:** *Yes, Sir.*

**Tuan Haji Hasbi bin Haji Habibollah:** *Ini hendak tanya dengan Tan Sri Jamilus, pembinaan runway ketiga ini dan pendapat Tan Srilah apakah ianya satu pembaziran sahaja?*

**Tan Sri Jamilus Hussein:** *I think pembaziran tidaklah tetapi over providing probably. Berapa runway ini bukan depend on MAB, ia Department of Civil Aviation (DCA), its' level of confident and the equipment yang kita ada dekat control tower itu. Ia bukan number of plane served, ia pick hour. Ia selalu pick hour. Berapa in one hour, how many plane are landing. Whether they can handle it depends on the equipments. So hendak katakan kalau kita bina Runway 3 itu pembaziran, tidak.*

**Tuan Tony Pua Kiam Wee:** *Akan tetapi kalau katakan kita dah memutuskan untuk memindahkan LCCT itu kepada kawasan KLIA west, terpaksa kita bina runway ketiga itu.*

**Tan Sri Jamilus Hussein:** *Ya.*

**Tuan Tony Pua Kiam Wee:** *Kalau kita teruskan di KLIA north, then the two runways is more than sufficient.*

**Tan Sri Jamilus Hussein:** *It depends on the Department of Civil Aviation. Their level of confidents...*

**Tuan Tony Pua Kiam Wee:** *I means, even with two runways...*

**Tan Sri Jamilus Hussein:** *If we increase in the movements...*

**Tuan Tony Pua Kiam Wee:** *Ya.*

**Tan Sri Jamilus Hussein:** *Probably you still need the third runway.*

**Tuan Tony Pua Kiam Wee:** *But currently we are only at 30 million.*

**Tan Sri Jamilus Hussein:** *Now is 30 million.*

**Tuan Tony Pua Kiam Wee:** Ya.

**Tan Sri Jamilus Hussein:** *It's about 30 million.*

**Tuan Tony Pua Kiam Wee:** *So Gatwick is like one runway with 50 million- Heathrow 80 million with two runways so by enlarge, it is should be sufficient, two runways.*

**Tuan Pengerusi:** *If manage properly.*

**Tan Sri Dr. Tony Fernandes:** *There is some – you know, we been asking for- we don't do parallel landing and takeoff. They are still missing some software.*

**Tuan Tony Pua Kiam Wee:** *So, it's just system upgrade, ya?*

**Tan Sri Dr. Tony Fernandes:** Yes.

**Tan Sri Jamilus Hussein:** *I think he bring upon- baru saya teringat. Dia ada dua runways, whether...*

**Tan Sri Dr. Tony Fernandes:** *Airspace planning is very poor.*

**Tan Sri Jamilus Hussein:** *Yes whether it's a mix mode or dedicated mode. Sekarang ini ia dedicated mode. One runway for takeoff, one runway for landing, tetapi kalau yang lain-lain itu dia pakai mix mode.*

**Tuan Tony Pua Kiam Wee:** *The issue isn't the number of runway. The issue is your software in managing the landing and takeoff.*

**Tan Sri Jamilus Hussein:** *Yes, and the airspace planning.*

**Tuan Pengerusi:** *No wonder they built the second control tower with all the fancy screen there.*

**Tan Sri Jamilus Hussein:** Ya.

**Tan Sri Dr. Tony Fernandes:** *It's a very nice tower.*

**Tuan Pengerusi:** *I know. We wouldn't worry. What worried...*

**Tan Sri Dr. Tony Fernandes:** *When me and Cik Aireen went up, we rather being push off.*

**Tuan Pengerusi:** *But we have the dual capability to manage the...*

**Tan Sri Dr. Tony Fernandes:** *It will be multimode- it is something that MAB did actually delivers for us. I think just to add, it is not just the multi mode. Parallel takeoff and landing means a plane can takeoff and land on the two runways at the same time. That is not being done right now. So, a plane has to land and then they will sequence other plane to takeoff, as oppose to in most airport with two runways, they come in at the same time.*

**Tuan Pengerusi:** *No wonder there is a traffic jammed at certain hour...*

**Tan Sri Dr. Tony Fernandes:** *Ya. I think we are about 40 landing per hour... [Disampuk] 38 to be precise.*

**Tuan Pengerusi:** *If you fly from KLIA at seven, eight and nine o'clock in the morning...*

**Tan Sri Dr. Tony Fernandes:** *Ya and a lot of time they shut one runway.*

**Tuan Pengerusi:** *What, they shut one runway?*

**Tan Sri Dr. Tony Fernandes:** *For maintenance during- they suppose to do it most of it at night but they do a lot of maintenance...*

**Tuan Pengerusi:** *But not many planes fly at night.*

**Tan Sri Dr. Tony Fernandes:** *They don't do it at night.*

**Beberapa Ahli:** *They supposed to do at night.*

**Tuan Pengerusi:** *You know, one of the reason given to us for the third runway is because first and second is approaching capacity of 30 million.*

**Tuan Tony Pua Kiam Wee:** *Okay, that's the runway issue. There is a request from me to AirAsia. In your presentation just now, there was several document that you referred to with regards to, one, 30 million passengers and two, on the automated baggage handling. Could we perhaps at a later stage get copies of those letters...*

**Tan Sri Dr. Tony Fernandes:** *Yes.*

**Tuan Tony Pua Kiam Wee:** *To shows that it is actually MAHB decision and nothing to do with...*

**Tan Sri Dr. Tony Fernandes:** *Yes, we have all of that.*

**Tuan Tony Pua Kiam Wee:** *Okay.*

**Tan Sri Dr. Tony Fernandes:** *We are going to donated to a museum.*

**Tuan Tony Pua Kiam Wee:** *I am a bit surprise by the fact that you are actually now going to use the bridges because we were informed by MAHB, although the bridges are there, AirAsia is still free not to use the bridges. So what was the...*

**Tan Sri Dr. Tony Fernandes:** *If you come to the airport and you see how much people have to walk, it is going to be a major problem for us.*

**Tuan Pengerusi:** *We did it.*

**Tuan Tony Pua Kiam Wee:** *We need the walk, but I referring to the aerobridges...*

**Tan Sri Dr. Tony Fernandes:** *No, the walk up down the steps, up the steps is a long walk because it is five floors, Yang Berhormat. So it is not like... You know, you have to walk down step and then you walk up another steps.*

**Tuan Tony Pua Kiam Wee:** *So like LCCT?*

**Tan Sri Dr. Tony Fernandes:** *No, and we have to walk up the ramp on top of the step.*

**Datuk Kamarudin Meranun:** *Not only is a long ramp but also the way they built where you have the aerobridges and the pillar and all that is so close to each other. So, for the trucks to come in nearby, it just not conducive for people to get down to the ramp and walk up.*

**Tan Sri Dr. Tony Fernandes:** *And other thing is we anticipate flooding. So people are going to get their feet wet etc. As Cik Aireen said, the drain were built above the level of the taxiway.*

**Tuan Tony Pua Kiam Wee:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** Yes.

**Tuan Tony Pua Kiam Wee:** So, can I say that, then AirAsia is essentially not really left with a choice, you left with hopeless choice. You are forced to use the aerobridges even though the option of not using it is technically there.

**Tan Sri Dr. Tony Fernandes:** Technically is there, we try very hard. I gave Cik Aireen a very hard time and in fact, Datuk Kamarudin got involved and he was the one who told me and said, "Bro, we can't do it". We try and- we will get more complaints, then it is not worth it.

**Tuan Pengerusi:** As far as I see...

**Tan Sri Dr. Tony Fernandes:** Our models has changed in 12 years...

**Tuan Pengerusi:** That is why Tan Sri Bashir was concern and he provided an option. It is up to AirAsia to use it or not.

**Tan Sri Dr. Tony Fernandes:** The true option which should have been provided which is guaranteed was a ramp. That was the true option. They have box us into a corner. It is no two ways about it. This is an official or unofficial, whatever.

**Tuan Tony Pua Kiam Wee:** The last question, on KKIA. In the presentation that you have, I think there are various reasons you gave why you didn't want to move but perhaps the bigger concern you have would be the items number one which capacity limitation. Currently Terminal 1 allows up to nine million passengers per annum. The concerns were then be, if you are forced to move, when would you have to move again once the limits gets rich? What would be the growth projection?

**Tan Sri Dr. Tony Fernandes:** I think Cik Aireen can answer that but I think, we almost- we show the projection that within two years that airport is full already. There is no forward planning. We made it very clear. I went to KK myself, Deputy Ministry was there and everyone agreed. MAS agreed and all the stakeholders were there. If you ask MAS, they will agree with us, the airport is going to be full. The congestion is two ways Yang Berhormat, one is passenger, and two is actual parking space. Because, do not forget in...

**Tuan Tony Pua Kiam Wee:** Paid parking or passenger parking?

**Tan Sri Dr. Tony Fernandes:** Passenger parking- I haven't thought about that parking, but passenger parking... [Disampuk] Aircraft parking- and there is because of a lot of 'turbo probe' in KKIA for the rural air services, the whole spinning of aircraft and moving it, it will get- the guys most against us moving is the CEO of MASwing, whose said, "We support exactly what AirAsia stand is, keep them at Terminal 2".

**Tuan Tony Pua Kiam Wee:** Then why don't MAHB want to have just two terminal given that the capacity...

**Tan Sri Dr. Tony Fernandes:** Because I think, it is commercial decision. They think by moving us over...



**Tuan Pengerusi:** *Then they get more money from...*

**Tan Sri Dr. Tony Fernandes:** *We pays RM65.*

**Beberapa Ahli:** *[Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *I told you commercial, Tony.*

**Beberapa Ahli:** *[Ketawa]*

**Tuan Pengerusi:** *Aviation makes millionaire out of billionaire but are you still a billionaire?... [Ketawa] Anyway, so in KLIA2, they are over optimistic and in KKIA, they are very pessimistic in their forecast, which also tells me about the actual management...*

**Tan Sri Dr. Tony Fernandes:** *I don't think there is any long terms vision in MAB.*

**Tuan Pengerusi:** *Okay.*

**Tan Sri Dr. Tony Fernandes:** *To sit down and really plan properly.*

**Tuan Pengerusi:** *Alright.*

**Tan Sri Dr. Tony Fernandes:** *And they don't sit down with the stakeholders.*

**Tuan Pengerusi:** *So, they administered but they don't managed.*

**Tan Sri Dr. Tony Fernandes:** *Ya. I mean, they don't sit down with us. And just to let you know...*

**Tuan Pengerusi:** *There is no good to give them concession for 25 years- should give them concession for five years.*

*[Perbincangan secara off-record – mikrofon dimatikan]*

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**Tuan Pengerusi:** *No Tan Sri, they operating as a beneficiary of a good- pay increase, large bonus payment.*

**Seorang Ahli:** *Tuan Pengerusi.*

**Tuan Pengerusi:** *So they have to charge. They always to looking at ...*

**Tan Sri Dr. Tony Fernandes:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *Ya. The CFO when he came here he was very proud. He said Malaysian Airport Berhad share price...*

**Tuan Tony Pua Kiam Wee:** *They got fourth month bonus in MAHB.*

**Tan Sri Dr. Tony Fernandes:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tuan Pengerusi:** *The basically doing it for their own personal interests instead of the interests of the nation.*

**Tuan Tony Pua Kiam Wee:** *Tan Sri, just one little thing. The meeting in KKIA where all parties were involved, there were minute to the meeting?*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *They haven't seen minute, we haven't seen minute.*

**Tuan Tony Pua Kiam Wee:** *So we can't get any documentation to say that all stakeholder were largely agreeable to keep it to two terminal.*

**Tan Sri Dr. Tony Fernandes:** *One of the thing is, I am always asking for the minute. Priya, was there a minute?... [Bertanya kepada pegawai yang bertugas] No. We kept asking minute actually, they weren't any. There was supposed to be a press conference but they cancel. Deputy Minister of Transport appears agree with us on all points and said we made sense but then we don't know what happens since.*

**Datuk Seri Reezal Merican:** *What was funny, the project of such magnitude of RM4 billion hasn't got anything documented.*

**Tuan Tony Pua Kiam Wee:** *Not that one, the KKIA.*

**Datuk Seri Reezal Merican:** *KKIA. Oh! Samalah.*

**Tuan Tony Pua Kiam Wee:** *KKIA. That one where everyone agreed that is best not to shift but MAHB is insisting...*

**Datuk Seri Reezal Merican:** *Yalah, but KLIA2 too, the need statement. I am quite sure there is supposed to be a minute.*

**Dato' Kamarudin bin Jaffar [Tumpat]:** *Terima kasih Tuan Pengerusi. Terima kasih Tan Sri-Tan Sri dan Dato'-Dato'. Yalah, all of you have made very elaborate presentation to us and we thank you for that.*

*Lot of question has been asked and you have answered quite fully to done. I am simply surprise to be very honest, I'm simply very surprise that I heard all this kind of complaints, number one to number eight, from planning stages to even how and what time period you need to move from where you are now to a new building. Normally PAC would deal with government department and the private company, contractor and things like that but obviously, we are looking at two companies fighting out between you two and obviously the Minister not doing anything.*

*The government is not doing much to even to be fair moderator or arbitrator and make sure that thing in the end is good for the whole country, so I don't not know how... [Disampuk] Badly advised by another set of consultant somewhere. Obviously I don't not know personally, how you going to sort this out. Hopefully we have new government when the time right... [Ketawa] Thank you.*

**Datuk Seri Reezal Merican:** *The last sentence need to be strikeout.*

**Tan Sri Dr. Tony Fernandes:** *Can I just say? I think I will echo... For me and Datuk Kamaruddin, who have been around for 12 years. This is very different environment and fantastic opportunity that you allow us to present at such length. I know AirAsia charges for food and you may start your lunch as well... [Ketawa] But the main point... [Disampuk] If you fly with us, we give you free nasi lemak.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *The main point I think Sir, is when you present the case as we have, it is compelling. It is compelling that things haven't been right. But I stand by the chairman of the PAC and I think if I can be very frank, in some cases, it's has been easy to demonized us and the advise has been less than correct and the Executive have heard advise just from one sight and it has been very easy, again, I am very frank to demonize some like myself that is seen as outspoken, arrogant and brash. I think as I said it earlier, I'm very proud of being Malaysian. I don't think it's wrong to want to be the best. To one to push and be the best, I don't think that is wrong but that's turned a round to be arrogant, these and that, all kinds of things. Any one who knows me knows that I am the most down to earth person in the world...*

**Tuan Tony Pua Kiam Wee:** *[Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *Tony Pua doesn't know me... [Ketawa] So I have to rest on the fact that they had been advised.*

*[Bercakap tanpa menggunakan pembesar suara]*

**Datuk Madius bin Tangau [Tuaran]:** *Saya mengenai EIA. There is an issue of EIA in KK Airport. Was there any time when EIA consultant AirAsia in the design- any part of design... [Dismapuk] Environmental Impact Assessment. Environmental Impact Assessment is one of big issue in that airport where you operating now, Terminal 2, the certificate were only submitted... [Disampuk] Actually it was presented to Prime Minister when it was officially open. I'm interested to know whether you were consulted or was you, in anyway, asked in the design process at that time including the EIA consultant people?*

**Tan Sri Dr. Tony Fernandes:** *For which airport Sir?*

**Datuk Madius bin Tangau:** *Kota Kinabalu.*

**Tan Sri Dr. Tony Fernandes:** *No, we weren't.*

**Datuk Madius bin Tangau:** *Okay, that my first question. Second, it's appears to me that in the whole process while the- it appears to me that the government not facilitating in the whole process of, you know, in your whole, how to say, frustration. And yet, you have actually push the industry, the aviation industry to such a great extend. I'm just amazed that a level of communication between you, the industry and the government for so long, it didn't have the line of communication or things like that. It amazed me. What is the problem? Why you have this difficulty in communicating with the government? What is needed? I mean, you start by saying that you start from business model, low cost model and things like that which is you know, and it appears that you not able to communicate the government but why is that? What is the problem?*

**Tan Sri Dr. Tony Fernandes:** *If I can be frank, I just think Malaysian Airport have done a better job at getting their story across than we have and they have much more access than we do. The*

*most important thing is the Chief Secretary to Ministry Transport since he is on board, so constantly he will tell the minister these what happening, this is wrong with AirAsia or whatever.*

■1400

*We do not have a point of coming back. So it is very easy to make us out to be the bad boy in the industry. Maybe my personality does not help the issue either... [Disampuk] [Ketawa] That's a fine one to talk... [Ketawa] I follow you now. It is amazing actually. In other countries, I don't know, I cannot understand that fully. Maybe Datuk Kamarudin can- I tell MAHB just better plus they have more access.*

**Tuan Pengerusi:** *Minister has got to protect MAB because MAB produce the income for the government, for Khazanah. That's it.*

**Tan Sri Dr. Tony Fernandes:** *I think AirAsia producing income as well.*

**Tuan Pengerusi:** *Ya, but it is not going to Malaysian Government coffers.*

**Tan Sri Dr. Tony Fernandes:** *I think taxes.*

**Tuan Pengerusi:** *The taxes okay but you always want to reduce the passenger charges... [Ketawa]*

**Datuk Kamarudin bin Meranun:** *But the spin of that we brought. That is why...*

**Tuan Pengerusi:** *I am just making the statement to say that directly the Minister will have to listen to the KSU...*

**Datuk Kamarudin bin Meranun:** *Sure.*

**Tuan Pengerusi:** *Because of the direct flow of...*

**Tan Sri Dr. Tony Fernandes:** *That is the real issues, Sir. Is that the KSU sits on MAHB Board.*

**Tuan Pengerusi:** *But the Minister of Finance interested in tax revenue from AirAsia. Minister of Transport is not. But his interest is this link to the KSU...*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Pengerusi:** *Datuk, I think you should switch on your microphone to explain this because it will have been in the report, unless it is sensitive. [Ketawa]*

**Datuk Kamarudin bin Meranun:** *Early one is sensitive. [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *I think everything he said was being off record. That is why he is light, I am not... [Ketawa]*

**Datuk Kamarudin bin Meranun:** *No, no I think...*

**Tuan Pengerusi:** *Don't naming the person. Just say the position. [Ketawa]*

**Datuk Kamarudin bin Meranun:** *No, no the fact is this. We have a slide actually a presentation he wanted to show the government that this is actually a smart partnership between us and MAB, if they can see right. Because, here with whatever incentive and whatever assistances that we need, we were*

able to grow this things. Who is going to fill that 25 millions terminal if not us? So, we will be prime driver in actually filling up that terminal. But in a way that it will not sacrifice them because whatever incentive or whatever the assistance that they provide us, they will get back many more time in... And the whole countries then to gain.

**Tan Sri Dr. Tony Fernandes:** *I think Langkawi...*

**Tuan Pengerusi:** *You can actually quantifies this.*

**Datuk Kamarudin bin Meranun:** *Yes, yes, we can.*

**Tuan Pengerusi:** *You said just now you give away RM2 million...*

**Tan Sri Dr. Tony Fernandes:** *We always say only give us an incentive if we deliver. If we deliver 10 million extra passengers, give us an incentive. If we don't deliver, don't give us anything. Again, the best example of how non-commercial MAHB is Langkawi Airport. You have an airport that has 15% capacity. Some cost- lights are on, tower is on, an airline is willing to invest USD200 million to put five planes in there and another RM100 million on advertising to start route that were never done before but we have got nowhere. This was requested to me by Idris Jala. He got the permission of Prime Minister. They came and ask me "What rate did you want? We want to develop Langkawi". I said, "RM15 I will put five planes there" and I confirm that with Aireen. The Prime Minister...*

**Tuan Pengerusi:** *Off the microphone if you do not want to... [Ketawa] We understand the gist of it is, you generate for the government more revenue than what you ever received in an incentive over the years. Is that a fair statement?*

**Tan Sri Dr. Tony Fernandes:** *Incentives are about RM30 million a year versus our revenue used to them are about RM600 million.*

**Tuan Pengerusi:** *Is that tax revenue?*

**Cik Aireen bin Omar:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *RM700 million. PSC, landing and parking charges and the retail side we estimate from their figures. We asks for about less than 10%. So we give this volume, we said give us this discount which we give back in terms of developing new routes. Every airport in the world does that.*

**Datuk Kamarudin bin Meranun:** *We don't understands when they said that "Okay, if we give it to you, we got to give to everybody else" which is fine for us because, at the end of the day, whoever develop the volume, they deserve the incentive. So, what they don't see is that, actually with that bigger volume coming from other airlines, the whole terminal will be full.*

**Tuan Pengerusi:** *The barrier to entry to the airline industry is huge. So it is not easy for somebody just to take incentive and make it as a success as what you have done.*

**Tan Sri Dr. Tony Fernandes:** *But Sir, I just also- we are free marketers. We never protest that Malindo or any airlines that come in. Any foreign airline that is coming for right, we have- when it's*

*circulated around, we always said yes. We believe the only way to win is to compete and to be better. So when Malindo was put- we never say, "Don't have them", "Stop them", whatever. We only said fair competition.*

**Datuk Kamarudin bin Meranun:** *Sorry Yang Berhormat. Another thing is this. What we have done is we also ask MAB to look at the model that we have doing because if we were too depended on just the fare alone like MAB depended on PSC, we will never be able to grow. So that is why we have ancillary income and all that, likewise we asking the Malaysian Airport to look at the ancillary income. If we were to actually price out- you know, we got a couple of route which is exclusive to us. You know, Bandung, it's used to be exclusive to us. But if you noticed, we have never put out any of the fare even though it is monopoly. We believe in stimulating and we feel that MAB should also do the same, because this should be smart partnership where we both stimulate the market and actually build Malaysia as a hub...*

**Tuan Pengerusi:** *KLIA2 they need passenger to fill their shopping center upfront. Usually shopping center- the shopping is inside after the Immigration but in KLIA...*

**Datuk Kamarudin bin Meranun:** *No, the shopping is before the Immigration.*

**Tuan Pengerusi:** *Oh! Before- they should actually let's you stimulate demand so that more passenger will come and actually use their shopping center.*

**Tan Sri Dr. Tony Fernandes:** *Yes, exactly. If you look at the...*

**Tuan Pengerusi:** *And spent more money when they are eating and shopping, more than the part of the ticket that they are going to take.*

**Tan Sri Dr. Tony Fernandes:** *Correct. Our passenger is actually passenger are spend more time at the airport, the leisure passenger. We just seen IATA has just put out a statement to say the Government of Malaysia should increase the charges to RM45 to level it up with the main terminal. IATA, they will be driven by MAHB. IATA has no low cost carrier in their member. They is full service airline.*

**Dr. Tan Seng Giaw:** *Tan Sri, since the acting Transport Minister, Dato' Seri Hishammuddin says that it will be in full operation and it's safe, so we ask him to show us how he is going to ensure that all aspects including runway will be safe for the KLIA2. Now, actually we heard enough- I think what we should do is all of us should be able to voice out for fairness and justice for all. We do appreciate that your efforts as a free enterprise- the energy and the passion to get it going with fair competition. Now, just last questions. What happen to the football team in the UK?*

■1410

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Pengerusi:** *Okay, before I wrapped up, I just have another question about the ERL. You mention just now in your earlier presentation, you said you were promised that the ERL would actually*

stops at the original LCCT. I am beginning to think that, you know, ERL wouldn't want to do it anyway because they are charging them a fix rate of RM35 per trip, and RM70 return. So, it wouldn't fit into your low cost objectives anyway.

Now, I don't know whether this is a correct question or not, but the ERL extension, we were told that the cost is RM100 million but ERL will continue to charge the same rate. Wouldn't that be counter productive? First of all, it is wrong in the sense that if government had to pay for it, RM100 million upfront, and then they charge a rate of RM35 per trip against the low cost model of the KLIA2, so I think that the ERL making a free ride out of the whole project.

**Tan Sri Dr. Tony Fernandes:** I think there is two issues here. One is either that has to be a commercial decision. From the very beginning, even with the main terminal building, I requested a cheaper price for the ERL. I think it is difficult for them to charge differently because otherwise everyone will go to Terminal 2 and then just walk across or whatever. But I think they won't get the success at RM35 that they could if it was lowered, but I don't that is something we can really control. But for us, there are alternatives in the busses.

If I can just add, I am not sure you are aware but it is unique in Malaysia to move between one terminal and the other, they charges RM2. No where else in the world does that happen. You don't pay to move from Terminal 4 to Terminal 3 in Heathrow Airport or in JFK or in Paris, Charles de Gaulle or even in Singapore but in Malaysia, ERL is charging RM2. We just think that is wrong, morally. I mean, we do not see many passengers coming from the main terminal to us and vice versa but some of our staff are inconvenient because they have to park like a miles away so they are using it. I think it doesn't set the right scene for Malaysia that we charge between terminals. I just think it just morally wrong. But it is not something- we have bigger battles to fight than that. Just to give you the full information of what we are facing.

**Datuk Kamarudin Meranun:** Yang Berhormat, even if you talk about the RM100 million investment they had to put for the extension, but we got 20 over million passengers that had gone to LCCT that couldn't have uses the ERL because there is no connectivity between the two. So, a percentage of that 22 million people maybe able to go on the ERL to get to KLIA2, so the way we done the numbers, if 15% of the existing passengers uses the ERL, they won't get back their RM100 million within a year. So, that will be a great investment. Any commercial decision you should have done that as oppose to compositing the RM100 million.

**Tuan Tony Pua Kiam Wee:** Are you also confirm that the price of the ticket of the ERL are- is it the price of the ticket for every passenger that even goes to LCCT today that don't uses the ERL, part of the PSC actually goes to the ERL? Is that correct even for the LCCT passengers?

**Tan Sri Dr. Tony Fernandes:** Let me answer. Yes, we are led to believe that. Yes. The agreement covers like half of the state. It does the terminal everywhere within...

**Datuk Kamarudin Meranun:** *Greater KLIA. Any new terminal within the Greater KLIA they entitled to collect.*

**Tan Sri Dr. Tony Fernandes:** *We were told even Labu would have to pay for it.*

**Tuan Pengerusi:** *That is the side track. Anyway, last question just as a matter of interest. Any more side contract, third party contracts had been given by MAHB at KLIA2? You mention one just now. [Ketawa] It can be off records. Management of the aerobridges contractor...*

*[Perbincangan secara off-record – mikrofon dimatikan]*

■1420

**Tuan Tony Pua Kiam Wee:** *More expensive than KLCC? Is that different between the main terminal and the budget terminal?*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Pengerusi:** *It has been build as...*

**Tan Sri Dr. Tony Fernandes:** *Our rental of office space is USD55 per square meter.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *This is in the LCCT, above. Our office space is USD55 and the rental is going up. It's very bad for us to hear this. But they say it's going up because of the success of AirAsia. There is more demand... [Ketawa] Can you imagine how the brash guy feels? When I see a report back to say we have to increase it because AirAsia has increased the demand for that, rental space.*

**Tuan Pengerusi:** *And then you are the victim of your own success... [Ketawa]*

**Tan Sri Dr. Tony Fernandes:** *Yes.*

**Tuan Pengerusi:** *Your office in the KLIA or...*

**Tan Sri Dr. Tony Fernandes:** *Office in LCCT.*

**Tuan Pengerusi:** *LCCT.*

**Tan Sri Dr. Tony Fernandes:** *I think if you look at our office, the new one is even worst. But never mind, we won't go there.*

**Tuan Pengerusi:** *Okay.*

**Tan Sri Dr. Tony Fernandes:** *We hope message repainting is that someone's need to arbitrate and you know, we have a monopoly commission.*

**Seorang Ahli:** *[Bercakap tanpa menggunakan pembesar suara]*

**Tan Sri Dr. Tony Fernandes:** *Ya, but...*

**Tuan Pengerusi:** *You can't merger with MAS.*

**Tan Sri Dr. Tony Fernandes:** *Sorry?*



**Tuan Pengerusi:** *You can't merge with MAS. You can't marry MAS and produce children.*

**Tony Fernandes:** *I think you know when you get married once and you divorce, you probably want to stay that way? [Ketawa] Once you burned, you don't want to go down that road again.*

**Tuan Pengerusi:** *Give a little background, why did it all fall apart? Short answer, and why did the Competitive Commission fine you?*

*[Perbincangan secara off-record – mikrofon dimatikan]*

**Tuan Pengerusi:** *Since there are no more questions, I think Tan Sri, this is time for us to thank you for nearly – wow! Three hours. We have done extremely well as guest of ours and we also are quite satisfied with your explanation. In fact, you have improved our sympathy with you, because your reputation carry a lots of weight in a negative way which today... [Disampuk] I'm trying to find a right word express since it's in record. But we satisfied with your explanation and we hope that you have been very forthright with us with your suggestions as well, how to go forward with national aviation policy. I think we will be focusing in our report on your recommendations too, to improve your communications with the government and the... You know, we wish you success in your future and ever. Again, on behalf of the PAC would like to thank you for appearing and now we would like to invite you for the customary photo session. Thank you.*

**Tan Sri Dr. Tony Fernandes:** *On behalf of AirAsia and Tan Sri Jamilus- I just to thank you very much for listening to us for three and half hours. I just have one last thing that, you know, I would really recommend if you have a time to come and visit AirAsia. It is 12,000 amazing staff, and just to add, it is a Malaysia brand run by Malaysian. And for the last five years, we have won the World Best Low Cost Carrier as voted by passenger, SKYTRAX, the most reputed Airline Award. We won it for five years in a row. So that something right but thank you very much for listening to us and we appreciate the therapy, the candle and the support. Please support us in Parliament when were attacked next time. Thank you.*

**Tuan Tony Pua Kiam Wee:** *Tell for the press, right?... [Ketawa]*

***[Mesyuarat ditangguhkan pada pukul 2.25 petang.]***

# DOKUMEN PEMBENTANGAN

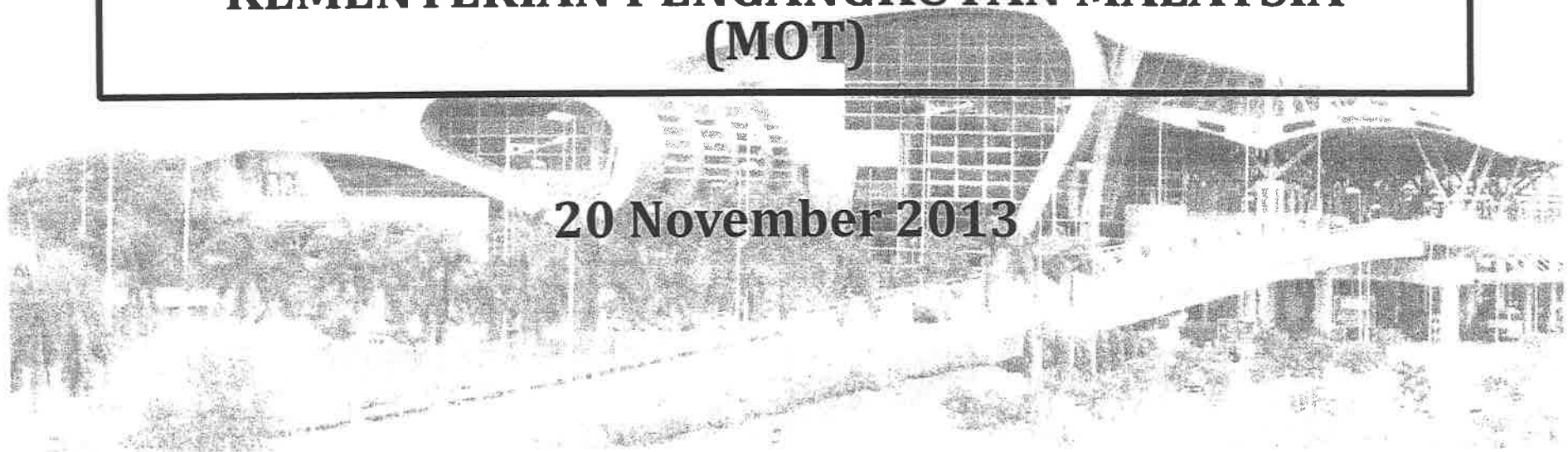


**TAKLIMAT KEPADA  
JAWATANKUASA KIRA-KIRA WANG NEGARA**

**PROJEK PENINGKATAN  
LAPANGAN TERBANG ANTARABANGSA  
KOTA KINABALU, SABAH**

**KEMENTERIAN PENGANGKUTAN MALAYSIA  
(MOT)**

**20 November 2013**



# KANDUNGAN PEMBENTANGAN

1 - LATAR BELAKANG PROJEK

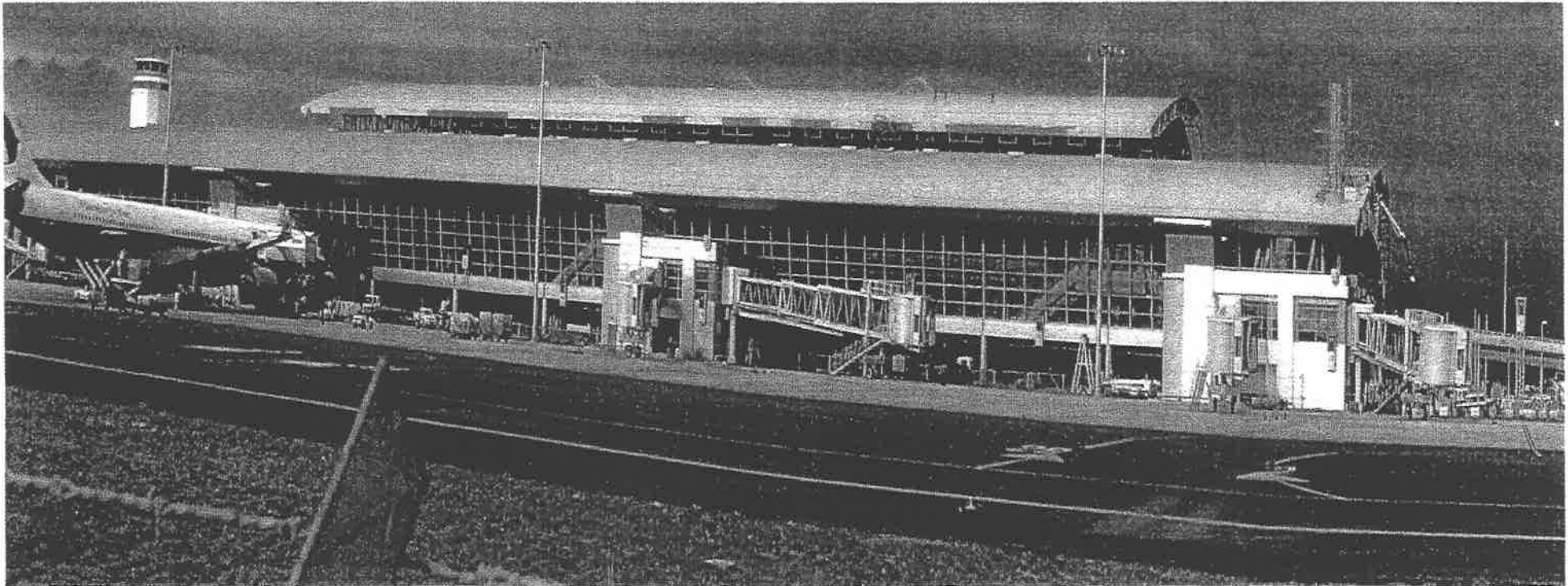
2 - ISU-ISU DIBANGKITKAN OLEH  
JABATAN AUDIT NEGARA

3 - STATUS TERKINI PROJEK

**LATAR BELAKANG**  
**PROJEK PENINGKATAN LAPANGAN TERBANG ANTARABANGSA**  
**KOTA KINABALU, SABAH**

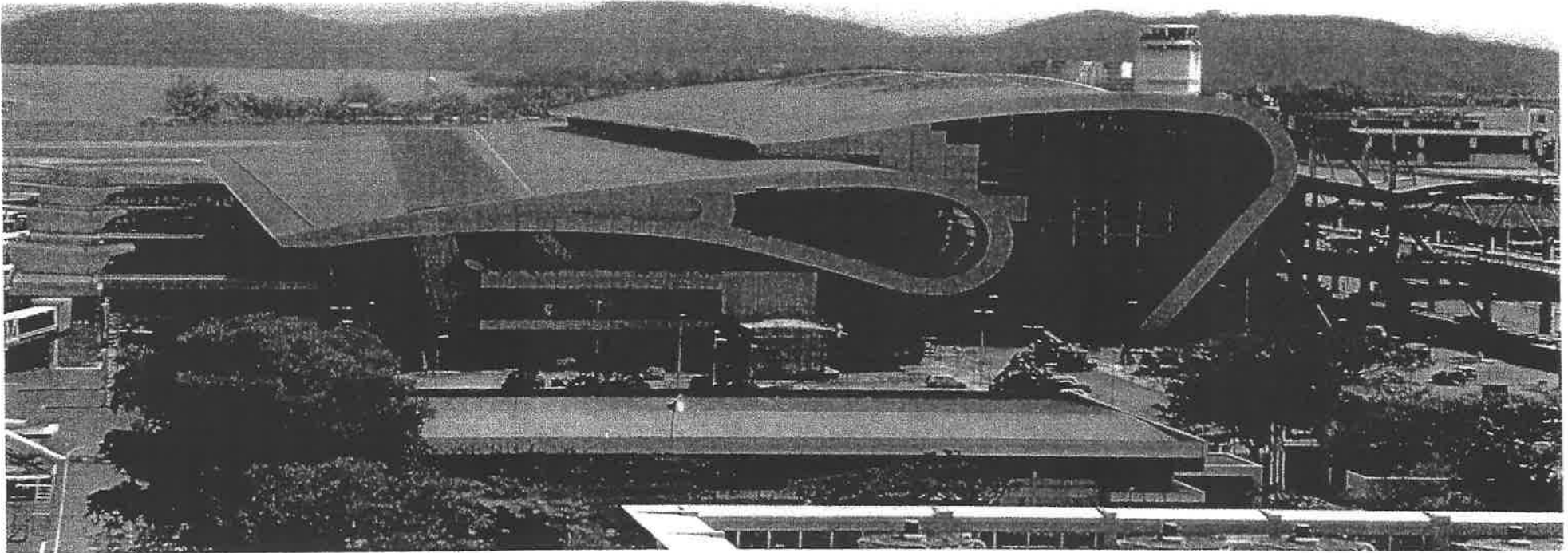
<b>PAKEJ 1</b>		<b>PAKEJ 2</b>	
<b>WCT Engineering Sdn. Bhd.</b>		<b>Global Upline Sdn. Bhd.</b>	
<p><u>Skop-Skop Kerja:</u></p> <ul style="list-style-type: none"> <li>- Menaik Taraf Bangunan Terminal 1 - Peningkatan Keluasan Lantai Terminal</li> <li>- <i>Passenger Loading Bridge</i></li> <li>- <i>Baggage Handling System</i></li> <li>- Tempat Letak Kereta</li> <li>- <i>Aircraft Parking Bays</i></li> </ul>		<p><u>Skop-Skop Kerja:</u></p> <ul style="list-style-type: none"> <li>- Peningkatan <i>Airside</i> - Pemanjangan Landasan , Sistem AGL, Sistem NavAids dan Sistem ComAids</li> <li>- Peningkatan Terminal 2</li> <li>- Menara Kawalan Trafik Udara</li> <li>- Bangunan Pentadbiran Jabatan Penerbangan Awam</li> </ul>	
Nilai Kontrak	RM 700.20 juta	Nilai Kontrak	RM773.29 juta
Tarikh Mula Kerja	21 Mei 2006	Tarikh Mula Kerja	21 April 2006
Tarikh Siap Kerja	04 Mac 2010	Tarikh Siap Kerja	31 Disember 2012
Tempoh Tanggungan Kecacatan	24 bulan (sehingga 4 Mac 2012)		

# LAPANGAN TERBANG ANTARABANGSA KOTA KINABALU



Lokasi : Bangunan Baru Terminal 1  
Deskripsi : Pandangan *Airside*

# LAPANGAN TERBANG ANTARABANGSA KOTA KINABALU



Lokasi : Bangunan Baru Terminal 1  
Deskripsi : Pandangan Sisi

**PENEMUAN AUDIT BERKENAAN  
PROJEK PENINGKATAN LAPANGAN TERBANG  
ANTARABANGSA KOTA KINABALU, SABAH**

<b>PENEMUAN AUDIT</b>	<b>1</b>	<b>KETIDAKPATUHAN UNDANG-UNDANG ALAM SEKITAR</b>
	<b>2</b>	<b><i>INSTRUMENT LANDING SYSTEM (ILS) DAN ISU KESELAMATAN</i></b>
	<b>3</b>	<b>PERPINDAHAN OPERASI AIRASIA DARI TERMINAL 2 KE TERMINAL 1</b>



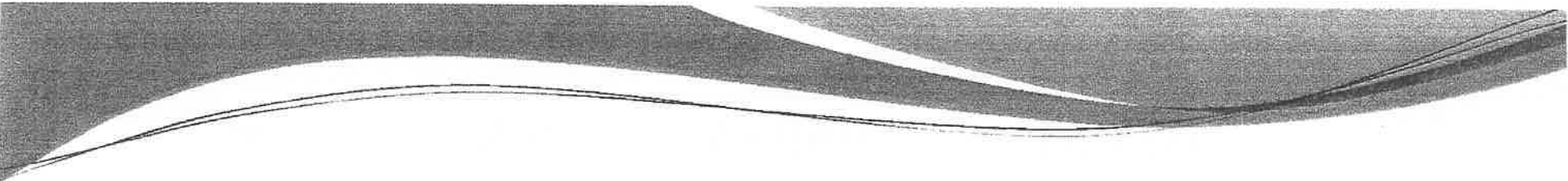
# PEMATUHAN UNDANG-UNDANG ALAM SEKITAR

## **ISU ENVIRONMENTAL IMPACT ASSESMENT (EIA)**

- ◆ Audit mendapati EIA masih belum diluluskan oleh pihak Jabatan Perlindungan Alam Sekitar Sabah (JPAS) (Setelah tertakluk kepada syarat tambahan).

## **MAKLUM BALAS KEMENTERIAN**

- ◆ Laporan EIA bertajuk "*The Proposed Redevelopment of Kota Kinabalu International Airport, Kota Kinabalu, Sabah*" yang disediakan oleh EPR (Kuching) Sdn. Bhd. untuk Jabatan Alam Sekitar (DOE) telah diluluskan pada 14 Februari 2007.

- 
- ◆ “*EIA for Proposed Obstruction Clearance for The Redevelopment of Kota Kinabalu International Airport (KKIA), Penampang, Sabah*” bagi aktiviti penambakan laut untuk *Runway Extension* telah diluluskan pada 13 Februari 2007.

## MAKLUM BALAS KEMENTERIAN

- ◆ JPAS melalui surat bertarikh 2 Ogos 2010 telah mengenakan syarat-syarat berikut:
  - i. Pembinaan *Precision Approach Light* (PAL) hendaklah menggunakan kaedah mesra alam tanpa melibatkan sebarang bentuk pengorekan pasir dasar laut atau pasir muara sungai.
  - ii. Sebelum pembinaan PAL dimulakan, kontraktor hendaklah memaklumkan JPAS mengenai kaedah pembinaan yang hendak diguna pakai.
- ◆ Pada 31 Januari 2011, JPAS meluluskan kaedah *Temporary Steel Staging*. Walau bagaimanapun, kontraktor tidak mematuhi syarat yang telah ditetapkan oleh JPAS.

## MAKLUM BALAS KEMENTERIAN

- ◆ Susulan itu, *Non Conformance Report* (NCR) telah dikeluarkan kepada Kontraktor pada 28 Jun 2012.
- ◆ Kontrak kerja bagi kontraktor telah ditamatkan pada 31 Disember 2012 kerana gagal mematuhi kontrak perjanjian tambahan.
- ◆ Kontraktor penyelamat yang dilantik telah dipastikan mematuhi syarat JPAS.

## **PEMASANGAN *INSTRUMENT LANDING SYSTEM* (ILS) TIDAK MENGIKUT JADUAL DAN ISU KESELAMATAN**

- ◆ Ketiadaan *Instrument Landing System* (ILS) di landasan bagi jangka masa yang panjang memberi kesan kepada kecekapan operasi pendaratan.
- ◆ Pemasangan ILS adalah antara skop kerja di bawah Seksyen 2, Perjanjian Tambahan dan dijadualkan siap pada 31 Ogos 2012. Namun, Kontraktor gagal menyiapkan skop kerja pemasangan ILS tersebut.

### **MAKLUM BALAS KEMENTERIAN.**

- ◆ Ketiadaan ILS di landasan tidak dapat dielakkan, kerana pemanjangan landasan memerlukan ILS dipasang di lokasi baru.
- ◆ Pemasangan ILS yang baru dijangka siap pada bulan April 2014.



## MAKLUM BALAS KEMENTERIAN

- ◆ Operasi pendaratan tanpa *Instrument Landing System* (ILS) tidak membahayakan keselamatan kapal udara.
- ◆ Penggunaan ILS bertujuan meningkatkan kecekapan pendaratan dan bukannya keselamatan.
- ◆ Ketiadaan ILS, hanya melibatkan perbezaan *decision height* untuk juruterbang mendaratkan kapal udara bertambah 50 kaki.

## **PERPINDAHAN OPERASI AIRASIA DARI TERMINAL 2 KE TERMINAL 1**

- ◆ Audit mendapati AirAsia masih mengguna Terminal 2 untuk beroperasi dan enggan berpindah ke Terminal 1 yang telah siap dinaik taraf.

### **MAKLUM BALAS KEMENTERIAN**

- ◆ Operasi AirAsia di Terminal 2 adalah langkah sementara sehingga Terminal 1 dinaik taraf sepenuhnya.

## MAKLUM BALAS KEMENTERIAN

- ◆ Walaupun Terminal 1 telah siap dinaik taraf, AirAsia tidak bersedia berpindah ke Terminal 1. AirAsia menetapkan syarat-syarat berikut sekiranya dikehendaki berpindah:
  - i. Pengasingan terminal dan apron antara Penerbangan Tambang Murah dan Penerbangan *Premier*.
  - ii. Pengekalan *Passenger Service Charge* (PSC) di Seksyen Penerbangan Tambang Murah, Terminal 1 sebanyak RM25.00 seperti kadar di Terminal 2 berbanding PSC di Terminal 1 sebanyak RM65.00.
  - iii. AirAsia menuntut ganti rugi daripada Kerajaan bagi perbelanjaan perpindahan operasi dari Terminal 2 ke Terminal 1.





## MAKLUM BALAS KEMENTERIAN

- ◆ MAHB tidak dapat bersetuju dengan syarat-syarat yang ditetapkan oleh AirAsia.
- ◆ Walau bagaimanapun, Kerajaan telah memutuskan supaya AirAsia berpindah ke Terminal 1.
- ◆ Keputusan ini akan dilaksanakan setelah kerja-kerja membina *taxiway* menghubungkan landasan terbang dengan apron bangunan Terminal 1 siap dibina.

