



SURUHANJAYA
PENGANGKUTAN AWAM DARAT
LAND PUBLIC TRANSPORT
COMMISSION

ANNUAL REPORT **2011**

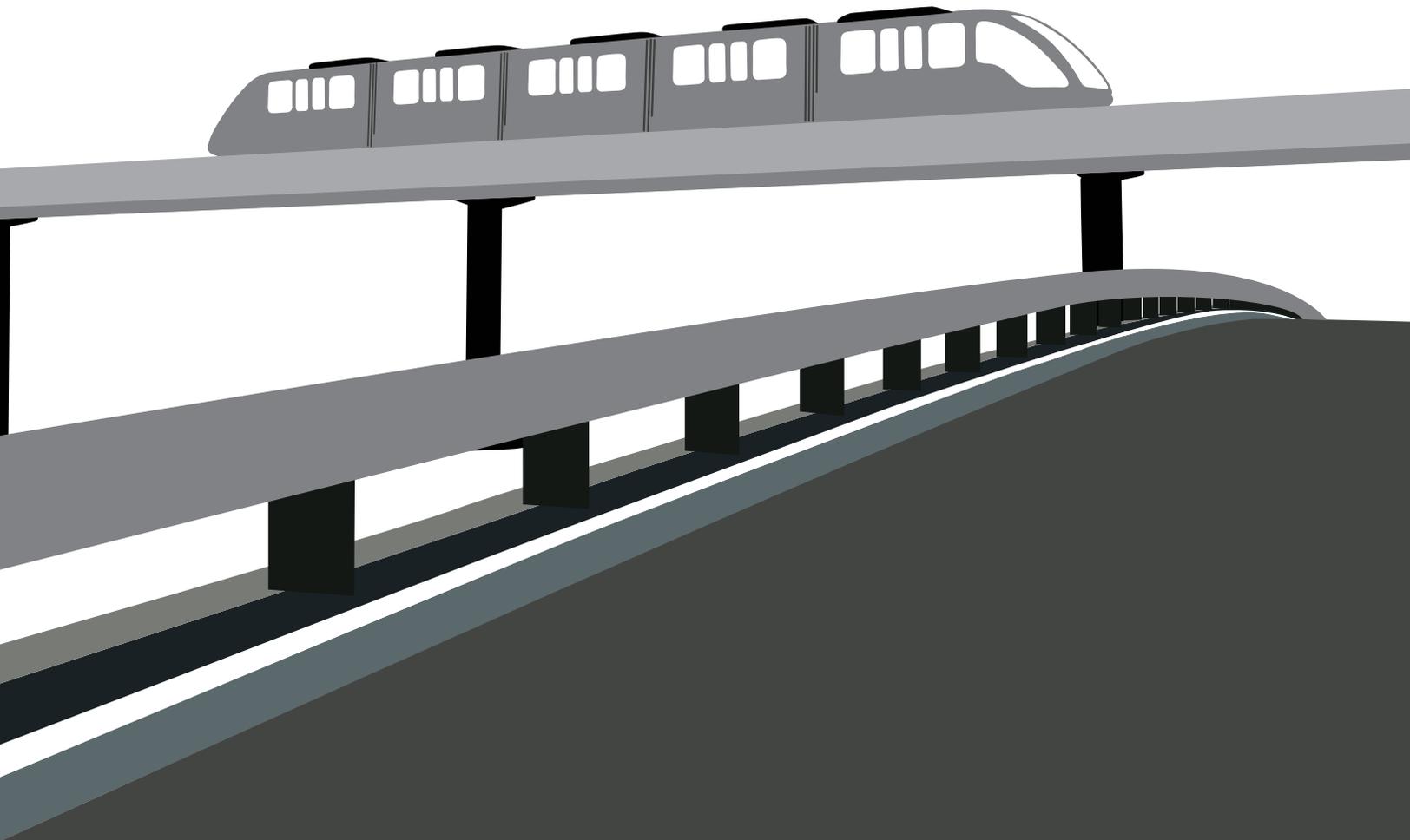


VISION

"To lead the transformation of land public transport to become the rakyat's mode of choice"

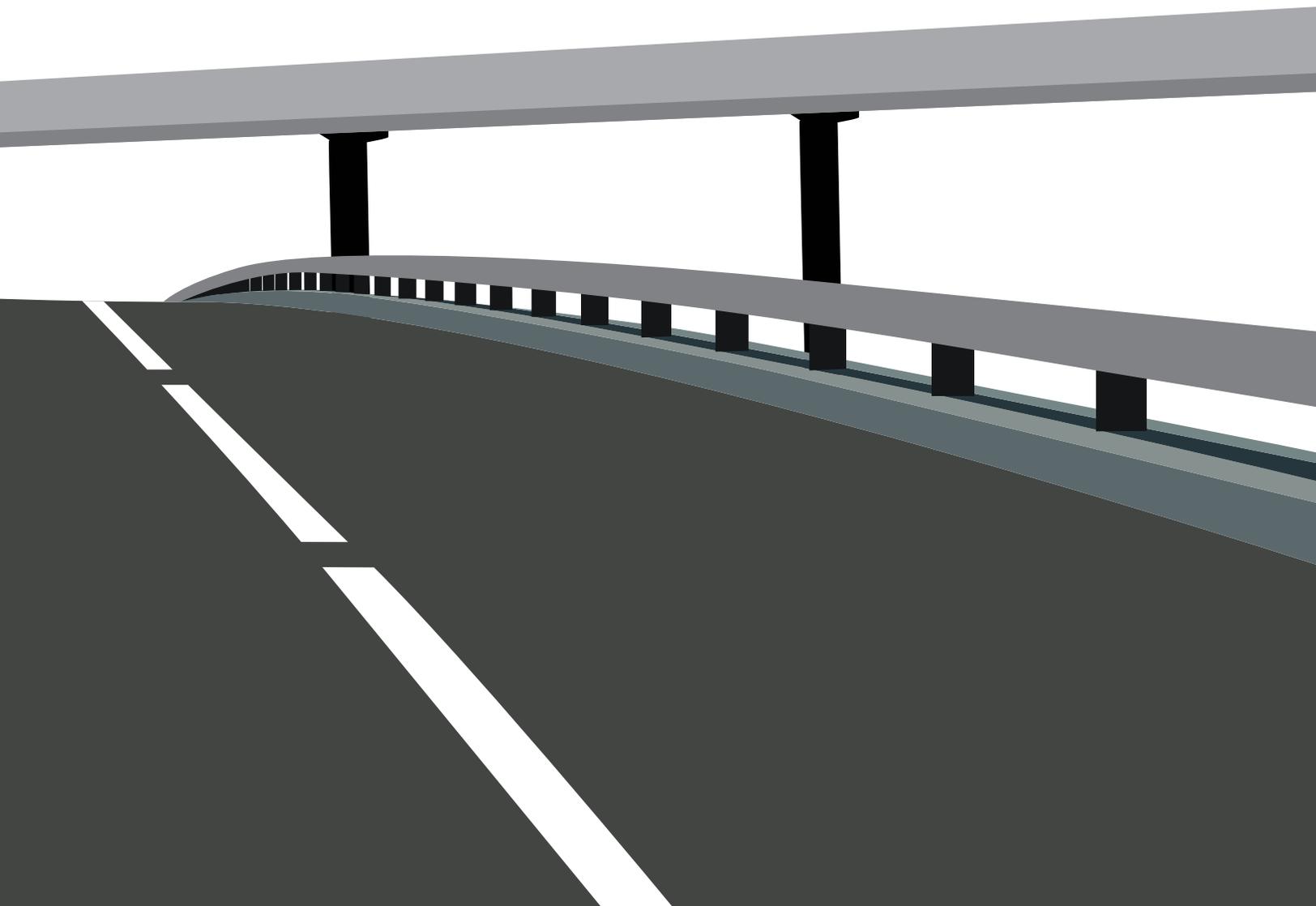
MISSION

"Ensuring a safe, reliable, responsive, accessible, efficient, planned, integrated, affordable, and sustainable land public transport system to enhance economic growth and quality of life"



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Keynote Message from the **PRIME MINISTER**

It is my pleasure and privilege to present the 2011 Annual Report of Suruhanjaya Pengangkutan Awam Darat (S.P.A.D.).

As Malaysia steadily embraces the global economy and begins to transform itself into a high-income nation, there is a dire need to set in place a comprehensive, reliable and well-executed public transport system that will serve as a sustainable catalyst to our economic ambitions. With this in mind, S.P.A.D. was conceived and tasked with addressing prevailing land transport issues, transforming the public transport network and repositioning the entire infrastructure to support the nation's progress.

S.P.A.D. made significant advancement in 2011 on the planning and regulation of the nation's land public transport. Good progress was achieved in the way of developing the National Land Public Transport Master Plan (NLPTMP) which sets out the macro policy framework for Land Public Transport (LPT) in Malaysia. The key building blocks that have been set in place all align with the government's promise to increase the modal share of public transport in the Klang Valley from 17% to 25% by the end of 2012. The solid foundations laid to date will ensure that the rakyat have access to a reliable, efficient, integrated and safe public transport system over the near-term.

I applaud the efforts of the team at S.P.A.D. for rolling out focused action plans and result-oriented goals with a people-centric focus. I call upon S.P.A.D. to make a real difference by striving as they move forward to set higher goals and deliver consistent and excellent results.

Malaysia's public transportation initiatives require transformational change and unprecedented cooperation between government agencies as well as strong public-private sector collaboration. I am confident that as all parties give their best these worthy efforts will transform the face of public transportation for the better with a true sense of permanence and enhanced mobility for the people.

There is much to do and our journey has only just begun. Even as the government pursues its ambition of making Malaysia a developed, harmonious, prosperous and high-income nation by 2020, I call upon S.P.A.D. and its partners to build upon the good foundations and accelerate towards achieving our goal. As all parties make good strides forward to fulfil their respective mandates, the government too will continue to be responsive to the rakyat's needs to bring change to their lives in areas that matter most to them. God-willing, I believe that together we can transform public transport in Malaysia to become a model of convenience, efficiency and reliability. Thank you.

DATO' SRI MOHD NAJIB TUN HAJI ABDUL RAZAK
Prime Minister of Malaysia



Message From The **CHAIRMAN**

TAN SRI DATO' SERI SYED HAMID SYED JAAFAR ALBAR

KEY DEVELOPMENTS IN 2011

Vital Support in Place

In line with S.P.A.D.'s mandate to address existing land transport issues, transform the public transport network and reposition the entire infrastructure to support Malaysia's economic ambitions, we continue to receive the necessary support from the government.

On 31 January 2011, we were given full authority to regulate land public transport in Peninsular Malaysia under the gazetted Land Public Transport Act 2010. In August 2011, S.P.A.D. was provided an additional RM30 million grant on top of the initial RM51 million launch grant provided by the government in 2010. We are utilising these funds in a transparent and concrete manner to lay down the building blocks for an effective land public transport system. From an initial

19 employees at our inception, we have grown our staff size and today the S.P.A.D. workforce comprises approximately 636 employees who are helping us implement our mandate in an effective manner.

Meticulous Planning Underway

Over the course of 2011, we made good headway in developing the integrated 20-year National Land Public Transport Master Plan (NLPTMP) and the Greater Kuala Lumpur/Klang Valley Land Public Transport Master Plan (GKL/KV LPTMP) which in turn are supported by six detailed Subsidiary Plans. These six GKL/KV LPTMP Subsidiary Plans are the Urban Rail Development Plan; the Bus Transformation Plan; the Taxi Transformation Plan; the Interchange and Integration Plan; the Land Use Plan and the Travel Demand Management Plan. All these plans continue to be refined via proactive collaboration as well as consultative workshops and discussions with the relevant stakeholders.

In tandem with these plans, we have also begun to put the essential components in place. For instance, S.P.A.D. made strong strides forward with regard to the nation's rail and Mass Rapid Transit (MRT) infrastructure in 2011. The year saw us undertaking initiatives to enhance the function and capabilities of the rolling stock and infrastructure of all rail systems and services in Malaysia.

On the MRT front, the Prime Minister approved the final railway scheme for the Greater Kuala Lumpur/Klang Valley MRT (GKL/KV MRT) Sungai Buloh-Kajang line in June 2011 while the Project Definition Documentation (PDD) for the same was completed in August 2011. The PDD will serve to guide us in the rollout of the implementation, operational and maintenance aspects of the massive 51 km-long KVMRT project.

DEAR STAKEHOLDERS,

I am pleased to report that over the course of 2011, Suruhanjaya Pengangkutan Awam Darat (S.P.A.D.) successfully set in place the building blocks to ensure the concrete transformation of Malaysia's land public transport network. The year 2011 saw the team at S.P.A.D. working relentlessly to lay down strong foundations for the nation's rail, bus, taxi and freight infrastructure as well as performing our regulatory functions. As a result of astute planning as well as intensified regulatory and enforcements efforts, the Malaysian public are today much closer to benefitting from an integrated land public transport system that is reliable, efficient, safe and affordable – one that goes hand-in-hand with our aspirations to become a high-income nation.

Message From The **CHAIRMAN**

Regulatory Framework Strengthened

To ensure solid foundations are laid for the transformation of the land public transport sector, we have been making good progress on the regulatory and policy fronts, particularly with regard to licensing activities.

In January 2011, S.P.A.D. began to handle all vehicle licensing issues that were previously undertaken by the Commercial Vehicle Licensing Board (CVLB) and Ministry of Tourism. Where before licenses were issued to individual taxis, buses and lorries, under the Land Public Transport Act 2010, all such licenses are to be changed to public transport operator licenses. As such, S.P.A.D. spent considerable time and resources designing the operator licenses (OL) framework to ensure it met stakeholder requirements as well as developed a new OL system to migrate the existing vehicle licenses to OLs.

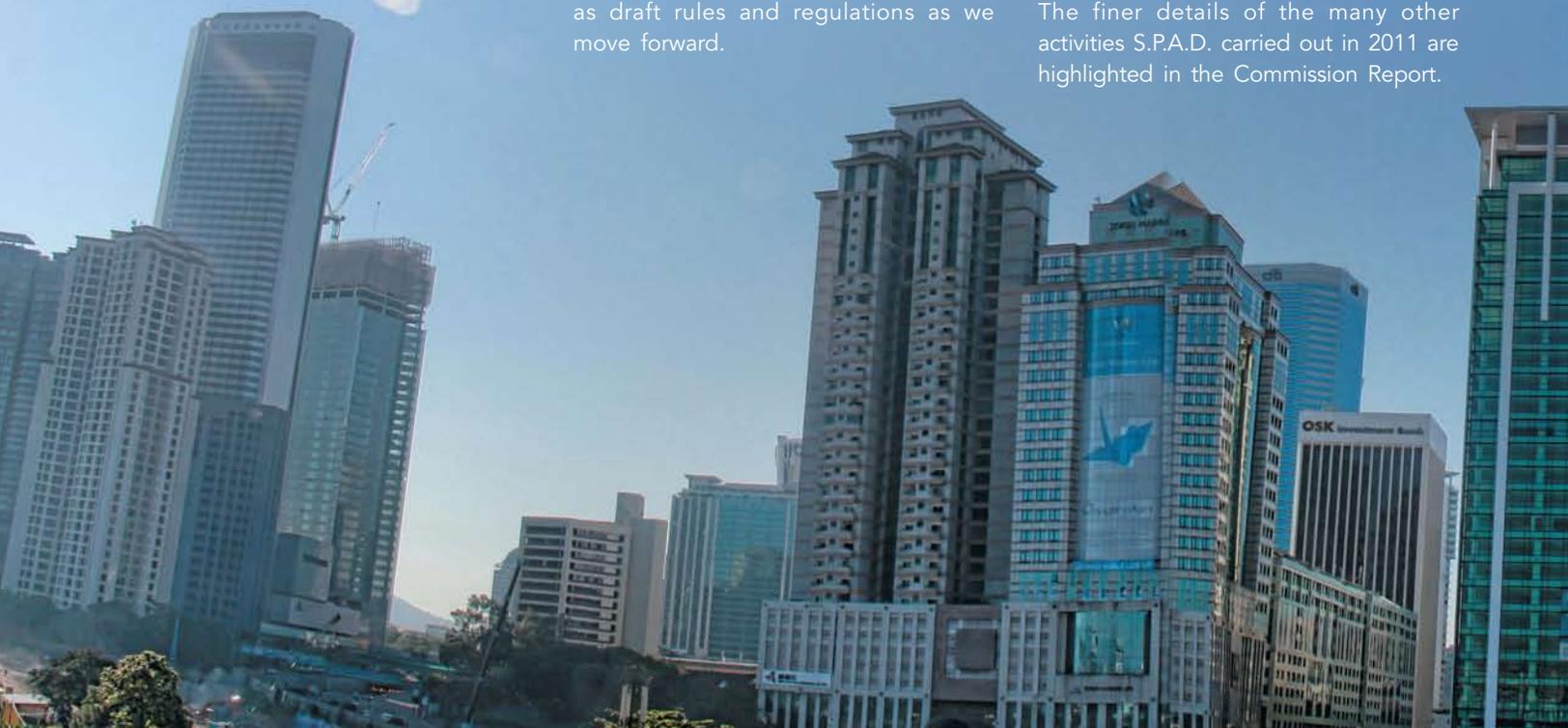
S.P.A.D.'s other licensing-related activities centred on improving the license application processes, taking over tourism vehicle applications from the Ministry of Tourism, as well as assessing and approving railway licenses. We continue to attend to the operational needs of licensing as well as draft rules and regulations as we move forward.

Effective Enforcement Continues

Enforcement is part and parcel of S.P.A.D.'s overall mandate. While our efforts to date are slowly earning us support from the public, we must continue to ensure that these efforts are not undermined by those who are bent on abusing the system. Upon the Land Public Transport Act 2010 coming into force, several new initiatives have been introduced to curb public transport offenses. These include penalties for fraud as well as powers for S.P.A.D. enforcement officers to arrest offenders and set up roadblocks. The penalties for offences too have been increased.

S.P.A.D. enforcement officers have begun to go down to the ground to inspect public transport and freight vehicles to ensure that they are safe and possess valid licenses and documents. These officers also include in their routine operations the inspection of drivers, conductors and co-drivers as well as checks on travel tickets to clamp down on touting and soliciting. Today, S.P.A.D.'s enforcement officers are successfully working in a coordinated manner with enforcement officers from other agencies to ensure safer and more conducive travel on public transport.

The finer details of the many other activities S.P.A.D. carried out in 2011 are highlighted in the Commission Report.



MOVING FORWARD INTO 2012

While we have made some good inroads in the relatively short time S.P.A.D. has been around, there is still much work to be done. Particularly so when we have been set the task of ensuring the government's promise to increase the modal share of public transport in the Klang Valley from 17% to 25% by the end of 2012, is kept.

To this end, we have identified critical areas in which measurable results can be achieved within the next few years. In a workshop involving S.P.A.D.'s Members of the Commission, the S.P.A.D. House was created and numerous priority projects identified. Of these priority projects, we have identified 52 to be implemented over the course of 2012. These projects have two primary aims. Firstly, they aim to improve the range, reliability and quality of the land public transport system throughout Peninsular Malaysia. Secondly, they aim to improve the public's perception of the land public transport sector as a whole so that public transport is accepted as the first choice of travel, rather than as a last resort.

2012's initiatives call for continuous improvements to be made to the land public transport network in several strategic areas. These initiatives include the delivery of new six-car trains to KTM Komuter; the provision of new four-car monorails for the KL Monorail Fleet Expansion Project; the expansion of the Ampang and Kelana Jaya lines to Putra Heights; the bus stop improvement plan; and the taxi improvement plan, among other ambitious plans. Once these building blocks, among others, are set in place, Malaysia's land public transport network will be well and truly transformed. Then we will truly be able to accelerate towards our economic ambitions.

ACKNOWLEDGEMENTS

On behalf of the Members of Commission, I wish to convey my utmost gratitude to our stakeholders, all land public transport operators as well as all related government and enforcement agencies for their steadfast support and commitment to helping us get off to a

strong start. Our collaborative efforts will go a long way in helping improve the nation's land public transport system.

My sincere thanks also go to S.P.A.D.'s dedicated management and staff for all their hard work and sacrifices. It has not been an easy journey but their worthy support and excellent team spirit has made it all the more smooth. Last but not least, my heartfelt gratitude goes to my fellow Members of Commission for their expert insights and wise counsel.

I trust that all our stakeholders will continue to lend S.P.A.D. their steadfast support as we spearhead the long-term reforms in land-based passenger and goods transportation. We have the opportunity to make a positive impact on our nation's future and I am confident that we will accomplish our vision and mission according to plan.

Thank you.

TAN SRI DATO' SERI SYED HAMID SYED JAAFAR ALBAR

CHAIRMAN

SURUHANJAYA PENGANGKUTAN AWAM DARAT (S.P.A.D.)



Members of the **COMMISSION**



**TAN SRI DATO' SERI SYED
HAMID SYED JAAFAR ALBAR**
CHAIRMAN



- [1] MOHD NUR ISMAL MOHAMED KAMAL **CHIEF EXECUTIVE OFFICER**
- [2] DATO' DR. MAHANI ZAINAL ABIDIN
- [3] DATO' KHALID AHMAD
- [4] DATO' SIOW KIM LUN
- [5] DATO' DR. MOHD IRWAN SERIGAR ABDULLAH
- [6] DATUK HIMMAT SINGH RALLA SINGH
- [7] PROF. DR. AHMAD FARHAN MOHD SADULLAH
- [8] DATUK WAN AHMAD SHIHAB ISMAIL WAN ISMAIL

Members of Commission **MEETINGS**

During the financial year ended 31 December 2011, twelve (12) Commission Meetings, seven (7) Special Commission Meetings and three (3) Audit Committee Meetings were held. The Members of Commission (MOC) closed the year with a Strategic Retreat held in December.

No.	Date	Session
1.	21 st January	MOC Meeting - 1/2011
2.	22 nd March	MOC Special Meeting on Pengasingan
3.	24 th February	MOC Meeting - 2/2011
4.	4 th April	MOC Meeting - 3/2011
5.	26 th April	MOC Meeting - 4/2011
6.	27 th April	Audit Committee Meeting
7.	27 th April	Session on Urban Rail Development Plan
8.	19 th May	MOC Special Meeting on High Speed Rail
9.	27 th June	MOC Meeting - 5/2011
10.	25 th July	Audit Committee Meeting – 2/2011
11.	28 th July	MOC Meeting - 6/2011
12.	08 th August	MOC Special Meeting on High Speed Rail – 2/2011
13.	18 th August	MOC Meeting -7/2011
14.	24 th August	MOC Strategic Meeting
15.	13 th September	MOC Special Meeting on High Speed Rail – 3/2011
16.	22 nd September	MOC Meeting -8/2011
17.	29 th September	MOC Meeting -9/2011
18.	13 th October	MOC Special Meeting on Licensing Policy
19.	27 th October	MOC Meeting -10/2011
20.	09 th November	MOC Special Meeting on State Roll Out Plan
21.	16 th November	Audit Committee Meeting – 3/2011
22.	16 th November	MOC Meeting -11/2011
23.	9 th December	MOC Meeting -12/2011
24.	9 th -11 th December	S.P.A.D. Strategic Retreat

Commission REPORT

2011 – A Year of Laying Strong Foundations

A STRONG FOCUS ON PLANNING

As Malaysia accelerates towards becoming a high-income nation over the next eight years, the demand for the mobility of people and goods will increase. As such, it is imperative that a reliable and efficient land public transport system be put in place. S.P.A.D.'s mandate is to tackle existing land transport woes as well as revolutionise the existing public transport network and infrastructure to ensure higher public mobility and an increased yield in the transportation of goods and services. To this end, 2011 saw the organisation undertaking widespread planning activities on several fronts.

Planning at the National-level

To support the anticipated higher demand for mobility, the provision of an efficient land public transport (LPT) system has been identified as one of the fundamental building blocks to help sustain the economic growth of the nation. S.P.A.D. has been tasked with leading Malaysia's LPT transformation.

To facilitate this transformation, S.P.A.D. is developing the National Land Public Transport Master Plan (NLPTMP) which sets out the macro policy framework and addresses LPT issues in Malaysia. The NLPTMP serves as a 20-year blueprint which consolidates all aspects of LPT service development and delivery under a coherent policy direction. It is defined by four major transformation thrusts, namely, collaborative planning and guidance; regulatory framework; service quality and excellence; and infrastructure and capacity. This NLPTMP is further cascaded down to regional authorities who are tasked with implementing the development of the Regional LPTMPs and Sectoral LPTMPs.

Long-term Planning

2011 saw S.P.A.D. making good headway in developing the Greater Kuala Lumpur/Klang Valley Land Public Transport Master Plan (GKL/KV LPTMP). This 20-year blueprint focuses on the transformation of the land public transport system in relation to local needs and aspirations. It also aligns with the local plans drawn up for Kuala Lumpur, Selangor and Putrajaya.

Under the GKL/KV LPTMP, the policy instruments, modal proposals and transformation plans are outlined while the implementation schedule, funding sources and performance monitoring requirements are spelt out. It also focuses on raising the modal share of public transport usage in the GKL/KV area through sustainable and effective land public transport usage. Six GKV/KL Subsidiary Plans, namely the Urban Rail Development Plan, Bus Transformation Plan, Taxi Transformation Plan, Interchange and Integration Plan, Travel Demand Management Plan and Land Use Plan lend further support to the overall GKL/KV LPTMP.

All the above mentioned plans continue to be refined via proactive collaboration as well as consultative workshops and discussions with the relevant stakeholders.



Commission REPORT



REDEFINING THE REGULATORY LANDSCAPE

S.P.A.D. functions as a regulator of Malaysia's land public transport system through monitoring and supervising the standards and performance of operators as well as undertaking licensing activities. In 2011, the organisation set out to improve the regulatory landscape by focusing its efforts on a variety of activities that included updating operator data, developing a new operator licensing system and improving existing processes.

Transfer of Authority

On 31 January 2011, all functions of the Commercial Vehicles Licencing Board (CVLB) and tourism vehicle licensing functions of the Ministry of Tourism came under the purview of S.P.A.D. As such the licensing of commercial and tourism vehicles in Peninsular Malaysia is now handled by S.P.A.D.

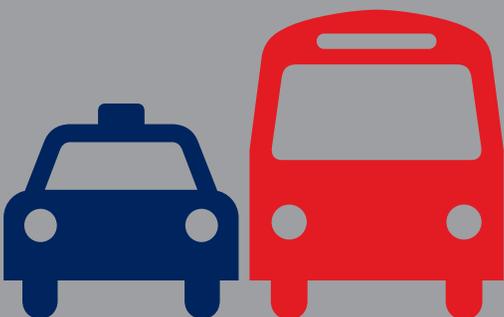
Vehicle Re-registration / License Migration

Under the Commercial Vehicles Licensing Board (Amendment) Act 2010, S.P.A.D. was tasked with implementing a re-registration of all commercial vehicle licences previously issued by the CVLB. Under this re-registration exercise, S.P.A.D. made good progress in identifying and eliminating dormant or errant operators as well as updated and further developed the database of commercial and public service vehicle drivers. All of this will enable the migration to a new operator-based licensing regime in a smoother manner.

Effective 1 January 2012, the licensing regime for commercial vehicles has changed from a one-vehicle-one-license regime to a new one-operator-one-license system. The exercise involves all commercial and public service vehicle license holders in Peninsular Malaysia as well as holders of letters of approval and conditional approval letters in the Peninsula. The exercise is expected to run until 31 December 2012 and will enable S.P.A.D. to more effectively regulate the industry and enforce laws, rules and regulations pertaining to land public transport. As of 1 January 2012, S.P.A.D. also began processing new tourism vehicle applications and renewals as well as variations of service.

Operator License Framework

In line with the changes in the licensing regime, S.P.A.D. has also been developing a new operator license (OL) framework. Outlining the concept of the one-operator-one-license regime and the details of the related policies, the OL framework supports the objectives of enhancing transparency, accountability and quality of service across the public land transport network. Under this concept, operators need only have one license which will enable them to use



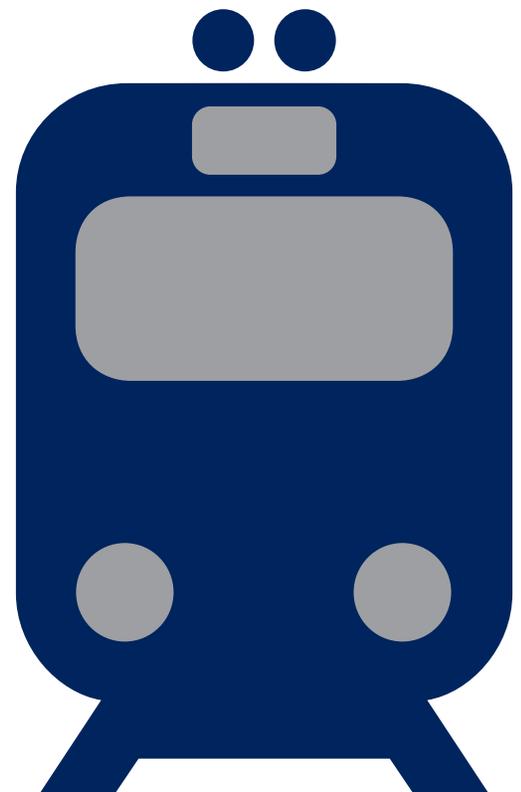


any vehicle in their fleet for designated routes, rather than a license for each vehicle in their fleet. The new system will make law enforcement more effective as action will be taken against the licensee rather than the offending vehicle.

2011 saw S.P.A.D. spending a substantial amount of time and resources to design the OL framework to ensure it met stakeholder requirements. At the same time, a new system to migrate the existing vehicle licenses to OLs was developed. To date approximately 70 full-time S.P.A.D. employees have been assigned to implement the migration exercise which will take 6 months to complete. It is envisaged that some 400,000 licensed vehicles will be migrated to 90,000 OLs by the project's end. Over the course of the year, S.P.A.D. undertook various other licensing-related activities, established an OL implementation plan for new operators and made sound progress on drafting of new subsidiary legislations.

Performance Management hub System

To ensure the regulations surrounding land public transport services are complied with, a Performance Management hub System (PMhS) transmitting live data from operators is being set up. This will enable S.P.A.D. to monitor service standard and regulatory compliance, including those relating to safety and security. The PMhS will also serve as a data management centre that will facilitate inter-agency information exchange and allow for the relay of live data including updated information on bus times and routes to land public transport consumers. Initially covering the GKL/KV area, the hub will be extended throughout the country over the long-term. It is being rolled out in stages and will be fully functional for the GKL/KV area in 2013.



Commission REPORT



ENSURING EFFECTIVE OPERATIONAL ENFORCEMENT

Under the Land Public Transport Act 2010, enforcement forms a large portion of S.P.A.D.'s mandate. Over the course of 2011, S.P.A.D. undertook activities aimed not only at curbing operational abuses of the land public transport system but also served to create awareness of the new laws that are now in place.

Vested Authority Delivers Results

Since 28 January 2011, S.P.A.D. enforcement officers have gone down to the ground to inspect the roadworthiness and documentation of public transport and freight vehicles. These officers also have the power vested in them to inspect drivers, conductors and co-drivers, check travel tickets, deter touting and soliciting, as well as set up roadblocks and arrest offenders. Today, S.P.A.D.'s enforcement teams are collaborating with teams from other agencies such as the Road Transport Department (JPJ), Kuala Lumpur City Hall (DBKL), and the Royal Malaysian Police (PDRM) to ensure safer travel on public transport.

In 2011, some 48 inter-agency joint operations were carried out. These efforts met with good success with several cases brought to court and successfully prosecuted. Of a total of 147,665 vehicles inspected, 1,965 cases were raised. From this, a total of 268 cases were prosecuted with fines amounting to RM156,500. The cases were for various offences under Section 22(3), Section 57(3), Section 82(3) and Section 205(1) of the Land Public Transport Act 2010.

Under the new legislation, the penalties for offences have also been increased. For instance, for breaches of licensing conditions, the maximum fine of RM5,000 and one-year imprisonment has been raised to a maximum of RM500,000 and two-years imprisonment.

Ensuring Smooth Bus Operations

The year under review also saw S.P.A.D. being tasked with leading the Operational Readiness Task Force (ORTF) comprising the Ministry of Transport, JPJ, DBKL, PDRM and the Public Private Partnership Unit (UKAS). The ORTF was to ensure smooth transition of bus operations from the temporary bus terminal in Bukit Jalil to the new Integrated Transport Terminal-Bandar Tasik Selatan (ITT-BTS). Several operators were reluctant to shift their operations to the new facility as they claimed that the charges imposed for express buses at ITT-BTS were too high in comparison to the charges at Bukit Jalil and Puduraya. The exercise was



successfully carried out in line with the target date for the ITT-BTS opening. S.P.A.D. enforcement offices were also set up at both the new ITT-BTS and revamped Puduraya which is now known as Pudu Sentral to reaffirm S.P.A.D.'s role as a land public transport regulator.

Continuous Training for Effective Enforcement

S.P.A.D.'s enforcement officers continuously undergo training to ensure their effectiveness. In 2011, three training sessions were conducted involving 145 enforcement personnel. The training covered courses such as an introduction to the S.P.A.D. Act 2010 and the LPT Act 2010, drill exercises and unarmed combat, as well as procedures pertaining to prosecution, investigative reporting, traffic control and anti-terrorism, among others.

Audits and Investigations

S.P.A.D.'s Rail Division has been tasked with conducting periodic audits approximately every four months on each rail operator. These audits cover the maintenance of rolling stock, tracks and signalling, depot conditions and level crossings. With regard to accident investigations, in accordance with Section 154 (1) of the Land Public Transport Act, S.P.A.D. is tasked with holding an inquiry on any matter of a general nature which relates to the administration of the Act. In 2011, S.P.A.D.'s Rail Division successfully conducted three inquiries into the Electric Train Service derailment, the Keretapi Tanah Melayu Berhad (KTMB) Komuter service disruption, and the Malacca monorail service disruption.



Commission REPORT



OTHER KEY INITIATIVES

Over the course of the financial year, S.P.A.D. and other parties made strong inroads on several other key initiatives to bolster the nation's land public transport infrastructure.

Rail Sector Strengthened

Malaysia's rail sector is an integral part of the nation's frontline public transport system. Under the Urban Rail Development Plan (URDP) which focuses on the development of the rail sector within the GKL/KV area, existing rail improvement opportunities and potential new corridors (broadly 2.5km wide) are to be identified through an integrated planning process with other modes. S.P.A.D. has been tasked with addressing capacity constraint and maximising the existing infrastructure assets to improve rail services and coverage.

S.P.A.D. has also been tasked with implementing initiatives under the National Key Result Area for Urban Public Transport (UPT NKRA) which aims to increase public transport usage from 17% to 25% by 2012. In the year under review, good progress was made on rail-related initiatives under the UPT NKRA. The year's rail achievements included the rollout of 35 additional four-car sets on the Kelana Jaya LRT Line system which increased the daily passenger capacity from 254,745 passengers in 2010 to 258,156 passengers in 2011. Overall, there was an 18% increase in the Kelana Jaya LRT Line ridership with approximately 10.4 million more passengers using the LRT over a 12-month period.

Mass Rapid Transit Project

In 2011, good progress was also made on the Sungai Buloh-Kajang stretch of the GKL/KV Mass Rapid Transit (GKL/KV MRT) Project. One of the nation's key rail initiatives and the single largest infrastructure project in the country, the GKL/KV MRT project will form the backbone of the public transport system in the GKL/KV area, the nation's most urbanised region. It aims to exponentially improve the coverage of rail-based public transport in the GKL/KV area and enable a 50% public transport modal share to be achieved by 2025.

June 2011 saw the final railway scheme for the GKL/KV MRT being approved while Project Definition Documentation (PDD) was outlined two months later. This multi-billion ringgit project will cover a 51 km-long stretch (41.5 km of this on elevated land and 9.5 km of this underground). It will comprise 31 stations (24 elevated and 7 underground), 3 provisional stations and 16 locations with Park & Ride facilities. When completed, the line is expected to serve a catchment of about 1.2 million people living in densely populated areas with a ridership of 442,000 passengers per day. The PDD will help guide stakeholders on the implementation, operational and maintenance aspects of the GKL/KV MRT project.





High Speed Rail Project

Ultra-fast travel in the southern part of Peninsular Malaysia may take off once the High Speed Rail (HSR) project comes online. Under the HSR concept, travel speeds of 250 km/hour and upwards (comparable to flights) are achievable. Typically connecting large cities and megacities, the HSR concept is most commonly found in Western Europe and certain Asian countries. It has reduced the need for costly air travel, helped boost economic growth and provided an environmentally sound way to commute.

Under the government's National Key Economic Area (NKEA) mandate for the GKL/KV area, a lab was set up to discuss the possibility of a HSR link between Kuala Lumpur and Singapore. S.P.A.D. proposed and then undertook the HSR Phase 1A Feasibility Study which sought to assess the viability, risks and benefits of a HSR project. The outcome was presented to the Economic Council on 17 October 2011 upon which the approval and direction was given to implement a more detailed HSR feasibility study in 2012.

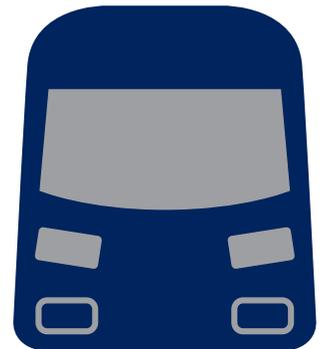
Malaysia–Singapore Rapid Transit System

In 2010, the Malaysia–Singapore Joint Ministerial Committee for Iskandar Malaysia agreed to carry out a Joint Engineering Study to determine the technical parameters for a Rapid Transit System (RTS) between the two countries. Under the RTS project, a convenient, cost effective and integrated system with related transport services in Johor Bahru, Malaysia and Woodlands, Singapore will be developed as will Customs, Immigration and Quarantine facilities in both countries.

June 2011 saw S.P.A.D. and the Land Transport Authority (LTA) of Singapore chairing a Transportation Link Work Group Technical Sub-group to prepare the terms of reference of the Joint Engineering Study. A RTS Link Joint Engineering Study was tendered out by S.P.A.D. and LTA on 18 November 2011 and was subsequently awarded to a consortium comprising Aecom Perunding Sdn Bhd, Aecom Singapore Pte Ltd, and SA Architects Sdn Bhd.

Other Rail-related Activities

Over the course of 2011, S.P.A.D. also focused its efforts on developing plans to strengthen the function and capabilities of the rolling stock and infrastructure of all rail systems and services in Malaysia. Come 2012, there will be upgrades to rolling stock with 38 sets of new six-car-set commuter trains for KTMB, 12 sets of new four-car-monorails for the KL Monorail fleet and additional rolling stock for the LRT Kelana Jaya Line. Upgrades to infrastructure such as the extension of the Kelana Jaya and Ampang LRT lines to Putra Heights, signalling and communication systems, monorail stations, tracks and maintenance facilities too are in the pipeline.



Commission REPORT



Improvements to the Bus System

The nation's Bus Transformation Plan (BTP) calls for improvements to be made to the stage bus system even as passenger needs and other modes evolve. For instance, as more passenger rail lines in the GKL/KV are developed, there will be a greater need for more feeder or short distance services. With the advent of new rail systems and the Bus Rapid Transit initiatives it is essential that the bus and rail networks complement each other.

Bus Rapid Transit Initiative

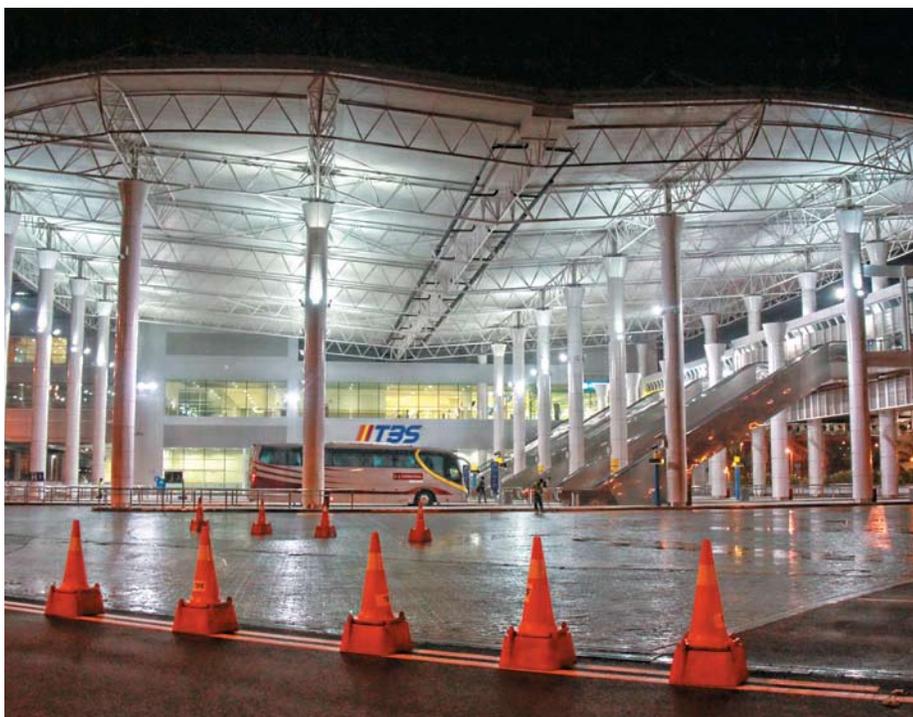
Under the UPT NKRA, a new set of Bus Rapid Transit (BRT) initiatives will see bus travel modernised and expanded. The findings of a BRT feasibility study conducted between March and October 2011 affirmed the feasibility of implementing a BRT project in the GKL/KV area with 12 proposed BRT corridors being identified. The first BRT corridor identified to be launched in 2012 is the Kuala Lumpur – Klang route which will move along the Federal Highway.

UPT NKRA Bus Initiatives

Under the UPT NKRA's bus-related initiatives, an additional 470 RapidKL buses were introduced in 2011 to increase the frequency of buses across the Klang Valley. By the year's end, some 4.04 million more passengers had used the RapidKL bus service in comparison to the preceding year. In 2011, the UPT NKRA achieved its target of upgrading 468 bus stops while 306 new bus stops underwent planning and design. Being one of the first contact points for bus passengers, the condition of bus stops is crucial to encourage the use of public transport. For added passenger convenience, bus information and schedules for passenger were added to the refurbished bus stops.

In March 2011, the ITT-BTS (also known as Terminal Bersepadu Selatan) became fully operational. The ITT BTS is doing much to de-congest Kuala Lumpur city by diverting 500 southbound express buses away from the central business district. The year also saw the long-awaited revamp of the Pudu Sentral terminal (formerly known as Puduraya Terminal), its first ever major revamp since it was opened to the public in 1976. The ultra-modern world-class facility opened up to the public in April 2011.

Three more Bus Expressway Transit (BET) routes on top of the existing five were developed in 2011 to shorten bus journey times. These included BET 6 (Bukit Beruntung–Pasar Seni), BET 7 (Sri Nilam–KLCC) and BET 8 (Semenyih Sentral–Pasar Seni). The BET 9 route covering Bandar Tasik to Puteri-Pasar Seni was launched in January 2012.





Taxi Transformation Underway

The Taxi Transformation Plan (TTP) calls for improvements to be made to the quality of service of city taxis. As taxis provide flexible door-to-door connectivity, they serve a niche market where the demand and expectations of a better travel experience are much higher. S.P.A.D. is currently developing the Taxi Transformation Plan by identifying best practices as well as a series of initiatives such as the regulatory framework, vehicle standards, driver standards, integration and branding, network reliability and congestion, partnership and performance management.

Rollout of Integrated Travel Initiatives

Another of S.P.A.D.'s mandates is to introduce integrated smart ticketing whereby one electronic ticket can be used across all modes of public transport. Such a system under the "1Ticket, 1Seamless Journey" concept is critical to reduce commuter boarding time and provide a seamless travel experience.

Over 2011, strong foundations continued to be laid for the rollout of integrated, seamless travel. As a result, bus passengers today are able to enjoy a seamless journey via the New Bus Ticketing System introduced by Syarikat Prasarana Nasional Berhad (Prasarana) across all RapidKL buses. LRT passengers

too are today benefitting from seamless travel following the implementation of the RapidKL Automated Fare Collection (AFC) Integrated Ticketing System at the LRT Kelana Jaya and Ampang lines in November 2011. The new AFC system allows travel by a single ticket to all RapidKL LRT destinations. On top of this, all KTM stations are now equipped with Touch & Go readers enabling KTM Komuter passengers to purchase or reload their Touch & Go cards at 38 Komuter stations in the Klang Valley. The construction of over 6,900 parking bays for Park and Ride use will further facilitate ease of travel as will the integration of the Masjid Jamek and Titiwangsa stations.



Commission REPORT



STAKEHOLDER ENGAGEMENT ACTIVITIES

Given the number of stakeholders involved in the land public transport landscape, S.P.A.D. spends a considerable amount of time engaging with the different parties to ensure the smooth rollout of its initiatives.

Inter-agency Collaboration

In 2011, S.P.A.D. continued to work with federal and state government agencies, taking the lead in standardising public transport plans and policies while developing close working relationships with them.

To ensure the smooth implementation of plans, a consultative working group of government agencies was formed to gather feedback and ideas on the NLPTP and NLPTMP. Member agencies included the Highway Planning Unit, JPJ, Jabatan Perancangan Bandar dan Desa, Kementerian Kemajuan Luar Bandar dan Wilayah, Kementerian Wilayah Persekutuan dan Kesejahteraan Bandar, Majlis Amanah Rakyat and the Ministry of Finance.

In October 2011 S.P.A.D. ran a brainstorm session on the National Planning Toolkit which seeks to provide guidance to states to develop their own LTPMPs using a common methodology. The session involved Jabatan Perancangan Bandar dan Desa Negeri Selangor as well as the Petaling Jaya, Shah Alam, Ampang Jaya, Kajang and Klang city/municipal councils.

Over the first half of 2011, S.P.A.D. conducted a number of engagement sessions to garner feedback on the GKL/KV LPTMP. The various stakeholders included the Ministry of Transport, DBKL, Unit Perancang Ekonomi Selangor, Economic Planning Unit, Ministry of Housing and Local Government, Ministry of Federal Territory, MIROS, PEMANDU, KTMB, Prasarana, as well as taxi associations, bus operators and developers.

As part of its purview for the MRT Project, S.P.A.D. continues to coordinate planning and rollout activities with multiple federal and local agencies over several platforms. In addition, lines of communication continue to be developed with major stakeholders such as Prasarana, MRT Corp, MMC-Gamuda JV as well as other government-owned or linked companies. The support and cooperation of all these stakeholders is vital to ensuring the rollout of an integrated and seamless rail system and infrastructure.



Engaging with the Rakyat

If S.P.A.D. is to successfully transform land public transport into the rakyat's preferred method of travel, public engagement is of utmost importance.

Following the approval of the MRT Project in February 2011, S.P.A.D. immediately went down to the ground to engage the public. Via a series of displays at eight major locations, feedback on the proposed station locations, alignment, facilities and features of the proposed systems was obtained. Engagement activities were also organised with stakeholder groups along the entire 51 km of the proposed alignment through town hall meetings, presentations, dialogues and an MRT Open Day. These efforts were complemented by the MRT website which made comprehensive information

available to stakeholders. On 8 July 2011, the MRT project was officially launched by the Prime Minister with the project's final alignment, station locations, Park and Ride facilities and other features publically displayed.

In conjunction with the launch of the Land Public Transport Act 2010, S.P.A.D. implemented a series of training sessions and dialogue sessions on this Act and the S.P.A.D. Act with members of the public as well as judicial and other government officials.

To ensure all land public transport initiatives are rolled out in an efficient and transparent manner, a complaint management unit called ADUAN has been established. Where before there existed a complex complaints structure through which the public had to navigate through to lodge a complaint, today ADUAN is the sole authority for all complaints involving

land public transport and commercial vehicles nationwide. The public can now channel any complaints to S.P.A.D. via the 24-hour ADUAN call centre or through e-mail, postal mail, text messaging or over-the-counter means. In November 2011, social media platforms were added to the ADUAN complaints mechanism.

The ADUAN initiative has led to a 60% increase in cases received, primarily due to the ease of using this one-stop channel. Case response times too have improved dramatically from 14 working days to 3 working days, while case closure has been revised downwards to within 30 working days. In the fourth quarter of 2011, a Customer Relationship Management System – ISPAAA (Integrated Sistem Pemantauan Aduan Agensi Awam) – was introduced to better manage complaints and enhance case closure times.

Commission REPORT

Fostering Ties with Operators

The operators within the land public transport landscape are integral to the smooth running of the network and S.P.A.D. continues to actively engage with them to build goodwill, trust and cooperation.

In 2011, a RM150 million taxi and bus fund was launched to provide financial assistance to bus and taxi operators as well as enhance the quality of their service. In July 2011, as part of the operator re-registration exercise that S.P.A.D. was tasked with, nationwide road shows were conducted to brief operators and provide them a forum to engage with S.P.A.D. Through these sessions the benefits of the new OL system were highlighted while operators were educated on the migration process.

Over 2011, S.P.A.D. also engaged with major freight land transport associations in an effort to forge closer ties with them. S.P.A.D. was also involved in the working group for trade facilitation as well as a panel that discusses issues relating to the country's supply chain logistics. S.P.A.D.'s efforts also saw it working closely with JPJ and the Ministry of Transport on issues relating to land goods vehicles, the OL and related regulations.

Employee Engagement Activities

Employee engagement is a priority at S.P.A.D. given the rapid manner in which headcount is being added to the organisation's workforce. These engagement activities ensure that S.P.A.D. keeps its workforce abreast of the latest initiatives and regulations. They are also platforms to keep employee morale high by ensuring employees feel they

are valued members of S.P.A.D. that are making a tangible impact on the rakyat and nation. Platforms like teh tarik sessions and informal discussion sessions to solicit feedback on possible improvements to internal processes and projects have certainly helped build synergy, teamwork and camaraderie amongst S.P.A.D.'s workforce. Induction and attachment programmes with operator companies too are enabling S.P.A.D. employees to gain first-hand knowledge and valuable on-the-ground exposure.

S.P.A.D.'s employee engagement efforts include holding sports and social events regularly to promote a healthy work-life balance and strengthen employee pride in being part of the S.P.A.D. family. The activities to date have included fortnightly badminton and futsal sessions as well as quarterly futsal and bowling tournaments. To celebrate the worthy efforts of S.P.A.D.'s loyal employees, the year 2011 ended with an annual dinner at Holiday Villa Subang.



THE WAY FORWARD

To help the organisation accelerate forward towards establishing an effective, integrated land public transport system that will help Malaysia achieve its economic ambitions, S.P.A.D. has been focusing its efforts on developing concrete, forward-looking strategies. Given the finite resources and time to get things done, the S.P.A.D. House structure was developed to provide specific areas of immediate focus that will generate results within the next few years. The S.P.A.D. House was conceived at the end of 2010 in a special collaboration workshop by the Members of Commission.

Over the course of 2011, considerable time was spent and resource setting undertaken to set the S.P.A.D. House in order. On 13 August 2011, a S.P.A.D. House Initiative Workshop was conducted to internalise the Pillars and Foundations of the S.P.A.D. House with all employees as well as to address the related limitations in delivering the Pillars and Foundations. This was followed by a S.P.A.D. Business Interaction Model Workshop on 25 August 2011. This workshop served

to refine the S.P.A.D. business model by establishing the intricate ecosystem of relationships between the various internal and external stakeholders. On 21 October 2011, the 2012 Focus Alignment Workshop was conducted to communicate 2012's focus and priority initiatives and align these to specific capabilities, roles and responsibilities. All these activities culminated in a strategic retreat in December 2011 whereby S.P.A.D.'s Management Team and the Members of Commission were able to establish the way forward for the organisation.

In 2012, S.P.A.D. will commence the implementation of 52 priority projects. These cover safety, effective enforcement, master plan development, industry restructuring and capacity building, stakeholder engagement, as well as effective communications to ensure better public acceptance of Malaysia's land public transport system. All of these aim to ensure that land public transport becomes the rakyat's travel mode of choice.



FINANCIAL STATEMENTS



26	Certificate of the Auditor General on the Financial Statements of the Suruhanjaya Pengangkutan Awam Darat
27	Statement by the Chairman and a Commission Member
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**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENT OF THE
SURUHANJAYA PENGANGKUTAN AWAM DARAT
FOR THE YEAR ENDED 31 DECEMBER 2011**

The Financial Statements of the Suruhanjaya Pengangkutan Awam Darat for the year ended 31 December 2011 have been audited by my representative. These Financial Statements are the responsibility of the management. My responsibility is to audit and to express an opinion on these Financial Statements.

The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved standards on auditing. Those standards require an audit be planned and performed to obtain reasonable assurance that the Financial Statements are free of material misstatement. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessment of the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of the Financial Statements. I believe that the audit has been carried out provide a reasonable basis for my opinion.

In my opinion, the Financial Statements give a true and fair view of the state of financial affairs of the Suruhanjaya Pengangkutan Awam Darat as at 31 December 2011 and the result of its operations and its cash flow for the year ended based on the approved accounting standards.

A handwritten signature in black ink, appearing to read 'Ong Swee Leng'.

(ONG SWEE LENG)
ON BEHALF OF AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
2 AUGUST 2012



STATEMENT BY THE CHAIRMAN AND A COMMISSION MEMBER

We, Tan Sri Dato' Seri Syed Hamid bin Syed Jaafar Albar and Encik Mohd Nur Ismal bin Mohamed Kamal, being the Chairman and a member of the SURUHANJAYA PENGANGKUTAN AWAM DARAT (S.P.A.D.) do, hereby state that, in the opinion of the Commission, the accompanying Financial Statements which includes the Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement, with the notes to the Financial Statements, have been prepared to reflect a true and fair view of the state of affairs of the Suruhanjaya Pengangkutan Awam Darat as at 31 December 2011 and of the results of its operations and changes in financial position for the year ended on that date.

On behalf of the Suruhanjaya Pengangkutan Awam Darat



.....
TAN SRI DATO' SERI SYED HAMID BIN SYED JAAFAR ALBAR
Chairman

Date: 26 April 2012



.....
ENCIK MOHD NUR ISMAL BIN MOHAMED KAMAL
Chief Executive Officer

Date: 26 April 2012

STATUTORY DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE SURUHANJAYA PENGANGKUTAN AWAM DARAT

I, Roha binti Morat, the officer primarily responsible for the financial management and accounting records of SURUHANJAYA PENGANGKUTAN AWAM DARAT, do solemnly and sincerely declare that the Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement in the following financial state of affairs with notes to the Financial Statements therein, are to the best of my knowledge and belief to be correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on

Subscribed and solemnly)
delacted by the above named)
in Kuala Lumpur)



26 April 2012

.....
ROHA BINTI MORAT



Before me:

.....
COMMISSIONER FOR OATHS



No.136-1C, Tkt. Satu
Jln Tun Sambanthan
Brickfields, 50470 Kuala Lumpur

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	2011 RM	2010 RM
PROPERTY, FITTINGS AND EQUIPMENT	3	2,973,440	461,030
CURRENT ASSETS			
Other receivables	4	804,136	256,910
Accrued interest		371,360	25,276
Accrued interest for My Rapid Transit (MRT) land acquisition fund		1,320,248	–
Deposits and bank balances	5	184,578,856	44,994,681
Deposits and bank balances for MRT land acquisition fund		599,875,918	–
Total current assets		786,950,518	45,276,867
CURRENT LIABILITIES			
Other payables	6	3,380,792	953,519
Total current liabilities		3,380,792	953,519
NET CURRENT ASSETS		783,569,726	44,323,348
		786,543,166	44,784,378
FINANCED BY:			
Operational expenditure fund	7	40,361,290	44,784,378
Developmental expenditure fund	8	144,985,729	–
Fund for MRT land acquisition	9	601,196,147	–
		786,543,166	44,784,378

The accompanying notes form an integral part of these financial statements.

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM	2010 RM
INCOME			
Federal Government's grant:			
Operational grant	7	30,000,000	51,000,000
Amortisation of development expenditure grant	8	9,641,331	–
Collections	10	8,450,682	–
Interest income		1,802,106	275,229
Other Income		59,798	–
		49,953,917	51,275,229
EXPENDITURE			
Operational Expenditure:			
Personnel expenses	11	25,714,445	3,337,811
Administration expenses	12	9,547,386	1,713,022
Professional fees	13	9,308,686	1,325,023
Depreciation	3	158,771	26,809
Other expenses		6,386	88,186
		44,735,674	6,490,851
Development expenditure:			
Professional services and others		9,487,153	–
Depreciation	3	154,178	–
		9,641,331	–
		54,377,005	6,490,851
(DEFICIT) / SURPLUS FROM OPERATING BEFORE TAXATION		(4,423,088)	44,784,378
Taxation	14	–	–
NET OPERATING (DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION		(4,423,088)	44,784,378

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 RM	2010 RM
Cash flow from operating activities			
Operating (Deficit) / Surplus before taxation		(4,423,088)	44,784,378
Adjustments for:			
Interest income		(1,802,106)	(275,229)
Depreciation	3	312,949	26,809
Unamortised development expenditure grant		144,985,729	–
		<hr/>	<hr/>
Operating surplus before changes in working capital		139,073,484	44,535,958
Additions /(Reductions) in working capital			
Other receivables		(547,226)	(256,910)
Accrued interest		(346,084)	(25,276)
Accrued interest for MRT fund		(1,320,248)	–
Other payables		2,427,273	953,519
Fund for MRT land acquisition		601,196,147	–
		<hr/>	<hr/>
Net cash generated from operating activities		740,483,346	45,207,291
Cash flows from investing activities			
Purchase of fixed assets	3	(2,825,359)	(487,839)
Interest received		1,802,106	275,229
		<hr/>	<hr/>
Net cash used in investing activities		(1,023,253)	(212,610)
Net increase in cash and cash equivalents		739,460,093	44,994,681
Cash and cash equivalents at the beginning of the year		44,994,681	–
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		784,454,774	44,994,681
		<hr/>	<hr/>
Cash and cash equivalents at year end			
Consist of:			
Fixed deposits on MRT land acquisition fund		599,875,918	–
Fixed deposit		183,410,000	44,000,000
Bank balances		1,168,856	994,681
		<hr/>	<hr/>
		784,454,774	44,994,681
		<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Operational Expenditure Fund RM	Developmental Expenditure Fund RM	MRT Land Acquisition Fund RM	Total RM
2011					
As at 1 January 2011		44,784,378	–	–	44,784,378
Net operating (deficit) / surplus for the financial year	7 & 8	(4,423,088)	144,985,729	601,196,147	741,758,788
As at 31 December 2011		40,361,290	144,985,729	601,196,147	786,543,166
2010					
As at 3 Jun 2010		–	–	–	–
Net operating surplus for the financial year	7	44,784,378	–	–	44,784,378
As at 31 December 2010		44,784,378	–	–	44,784,378

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. A. GENERAL INFORMATION

The Suruhanjaya Pengangkutan Awam Darat ("S.P.A.D." or "Commission") was established with the enforcement of Suruhanjaya Pengangkutan Awam Darat Act 2010 (Act 714) on 3 June 2010. The Members of the Commission were appointed by the Prime Minister. The Members of Commission consists of the Chairman, Chief Executive Officer, not more than five representatives of the Government and not less than three but not more than five other members.

On 31 January 2011, the Land Public Transport Act 2010 was fully enforced and in line with the enforcement, the S.P.A.D. becomes fully operational and took over the function of the Commercial Vehicle Licensing Board (CVLB), the Department of Railways (DOR) and the vehicle licensing functions of the Ministry of Tourism as Peninsula Malaysia is concerned. With the dissolution of CVLB (in Peninsula Malaysia), all power, rights, privileges, liabilities, obligations and responsibility of the CVLB and DOR were passed over to S.P.A.D.

B. PRESENTATION OF FINANCIAL STATEMENT

The financial statement for the year ended 31 December 2011 has been approved by the Members of Commission on 26 April 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission adopted the following accounting policies:

(a) Basis

The Financial Statements have been prepared according to the 'Private Entity Reporting Standards (PERS)' which is approved by MASB and generally accepted in Malaysia.

(b) Income recognition

(i) Interest income

Interest income is recognised in the income statement upon being accrued, taking into account the effective revenue of the said asset.

(ii) Grant Contribution – Federal Government's Grant

The operational and development grants are recognised when the approved right to receive payment is validated and will be obtained for that financial year.

Development grants are recognised in the income statement corresponds to the development expenditure incurred in that financial year. The unamortised development grants will be shown in the balance sheet as deferred grants.

The unamortised grant related to purchase of assets is recognised in the income statement over the life of the depreciable assets equivalent to the depreciation charged on the assets.

(iii) Collections

Income from license fees are recognised on receipt basis while income from issuing of compounds are accounted for on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Fittings and Equipment

Property, fittings and equipment are stated at cost less accumulated depreciation.

Depreciation for property and equipment is calculated on a straight line basis over their estimated useful lives.

The annual rates of depreciation adopted are as follows:

Computer equipment	33.33%
Furniture & fittings	20%
Office equipment	20%
Motor vehicle	20%

(d) Receivables

Receivables are stated at cost less provision for expected realisable value. Bad debt is written off when identified. Estimation is made for doubtful debts based on the review of the total outstanding amount at the end of the financial year.

(e) Cash and cash equivalents

Cash and cash equivalents consist of deposits with bank and cash on hand.

(f) Payables

Payables are stated at cost in which it is the fair value of the consideration to be paid in the future for goods and services acquired.

(g) Employee benefits

(i) Short-term employee benefits

Wages, salaries and bonuses are recognised as expenses in the year in which services are rendered by employees by the Commission. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, eligible employers in Malaysia are compulsory to make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in the income statement. Obligations on contributions plans are recognised as current expenditure in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. PROPERTY, FITTINGS AND EQUIPMENT

	Computer Equipment RM	Furniture & Fittings RM	Office Equipment RM	Motor Vehicles RM	Work in Progress RM	Total RM
2011						
Cost						
At the beginning of the year	19,716	393,730	74,393	–	–	487,839
Additions	79,600	108,753	313,371	1,634,996	688,639	2,825,359
At the end of the year	99,316	502,483	387,764	1,634,996	688,639	3,313,198
Accumulated depreciation						
At the beginning of the year	3,548	19,687	3,574	–	–	26,809
Charge for the year	17,957	97,752	43,062	154,178	–	312,949
At the end of the year	21,505	117,439	46,636	154,178	–	339,758
Net Book Value						
At the end of the year	77,811	385,044	341,128	1,480,818	688,639	2,973,440
2010						
Cost						
At the beginning of the year	–	–	–	–	–	–
Additions	19,716	393,730	74,393	–	–	487,839
At the end of the year	19,716	393,730	74,393	–	–	487,839
Accumulated depreciation						
At the beginning of the year	–	–	–	–	–	–
Charge for the year	3,548	19,687	3,574	–	–	26,809
At the end of the year	3,548	19,687	3,574	–	–	26,809
Net Book Value						
At the end of the year	16,168	374,043	70,819	–	–	461,030

Motor vehicles purchased during the year were financed using the Developmental Expenditure Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. OTHER RECEIVABLES

	2011 RM	2010 RM
Deposits	207,238	213,342
Advances and prepayments	84,254	43,568
Receivables – Collection	414,335	–
Other receivables	98,309	–
	804,136	256,910

5. OTHER RECEIVABLES

	2011 RM	2010 RM
Cash and bank balances	1,168,856	994,681
Placements	183,410,000	44,000,000
	184,578,856	44,994,681

6. OTHER PAYABLES

	2011 RM	2010 RM
Other payables	780,901	872,793
Accrued expenses	2,599,891	80,726
	3,380,792	953,519

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. OPERATIONAL EXPENDITURE FUND

	2011 RM	2010 RM
Balance as at 1 January	44,784,378	–
Addition:		
Federal Government's contribution	30,000,000	51,000,000
Collections	8,450,682	–
Interest income	1,802,106	275,229
Other Income	59,798	–
	<u>85,096,964</u>	<u>51,275,229</u>
Less:		
Operating expenses	<u>44,735,674</u>	<u>6,490,851</u>
Balance as at 31 December	<u>40,361,290</u>	<u>44,784,378</u>

8. DEVELOPMENTAL EXPENDITURE FUND

	2011 RM	2010 RM
Balance as at 1 January	–	–
Addition:		
Federal Government's contribution	154,627,060	–
	<u>154,627,060</u>	<u>–</u>
Less:		
Amortisation of development expenditure fund	<u>9,641,331</u>	<u>–</u>
Balance as at 31 December	<u>144,985,729</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. MRT LAND ACQUISITION FUND

	2011 RM	2010 RM
Balance as at 1 January	–	–
Addition:		
Federal Government's fund	651,144,892	–
Interest income	1,489,921	–
	<u>652,634,813</u>	
Less:		
Payment of compensation to landowners	51,438,666	–
Balance as at 31 December	<u>601,196,147</u>	<u>–</u>

S.P.A.D. was entrusted by the Federal Government for the payment of compensation on land acquisition for MRT Klang Valley project alignment Sungai Buloh to Kajang and has received fund of RM651.14 million for that purpose.

10. COLLECTION

Collections refer to income received from processing licenses for the commercial vehicles, rail and tourism vehicles and compounds.

	2011 RM	2010 RM
License fees and compounds	<u>8,450,682</u>	<u>–</u>

11. PERSONNEL EXPENSES

	2011 RM	2010 RM
Allowances and expenses for Members of Commission	680,696	405,402
Salaries/Wages	20,953,634	2,321,978
Statutory contribution	1,562,815	357,470
Staff allowances	1,264,115	110,384
Staff benefits	1,146,710	113,536
Miscellaneous	106,475	29,041
	<u>25,714,445</u>	<u>3,337,811</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. ADMINISTRATION EXPENSES

	2011 RM	2010 RM
Office rental	2,107,426	563,621
Office renovation	340,218	293,709
Office expenses	1,828,541	10,393
Office equipment rental	180,818	–
Printing & stationery	807,185	134,701
Computer expenses	334,197	53,534
Travelling	2,567,815	199,234
Entertainment	20,124	39,718
Advertising and promotion	1,361,062	413,441
Other expenses	–	4,672
	9,547,386	1,713,023

13. PROFESSIONAL FEES

Professional fees were made up of the followings:

	2011 RM	2010 RM
Professional fees for advisory & execution services	2,662,240	1,205,888
Professional fees – National Land Transport Framework	2,847,898	–
Professional fees – Support Services	254,730	114,750
Professional fees – MRT feasibility study	2,085,880	–
Other professional fees	1,448,838	–
Audit fees	9,100	4,385
	9,308,686	1,325,023

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TAXATION

S.P.A.D. is exempted from income tax in accordance with the exemption letter acquired from Ministry of Finance under subsection 127 (3A) of the Income Tax Act 1967. All income except for dividends is exempted from income tax for a period of 10 years beginning from assesment year 2010.

15. PERSONNEL EXPENSES

	2011 RM	2010 RM
Approved and contracted for	<u>4,461,128</u>	<u>5,838,139</u>

16. TAXATION

On 30 November 2011, the High Court has granted the plaintiff (a transport operator) a sum of RM11,957,390.00 as compensation. The Attorney General, on behalf of S.P.A.D. (defendant) then filed; firstly, an appeal to the Court of Appeal (COA) on 22 December 2010 of which the date of hearing has been fixed on 30 July 2012 and secondly, a stay of execution (payment of compensation) to the High Court on 9 March 2011.

On 27 July 2011 the High Court allowed the application of stay of execution by the defendant. The plaintiff then appealed to the High Court against its decision to allow defendant the stay of execution. The plaintiff then appealed to the High Court against its decision to allow the defendant the stay of execution. The date of hearing of the plaintiff's application has been fixed by the High Court on 20 June 2012.

17. COMPARATIVE FIGURES

The comparative figures for financial year 2011 refer to transactions from the establishment of S.P.A.D. on 3 June 2010 to 31 December 2010.

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