

Bil.1

**Khamis
16 Januari 2014**



MALAYSIA

LAPORAN PROSIDING

MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA

Mengenai:

**Projek Pembinaan Kuala Lumpur International Airport 2
(KLIA 2)**

- Kementerian Pengangkutan

**PARLIMEN KETIGA BELAS
PENGGAL KEDUA**

**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA
BILIK MESYUARAT JAWATANKUASA I,
PARLIMEN MALAYSIA**

KHAMIS, 16 JANUARI 2014

AHLI-AHLI JAWATANKUASA

Hadir

YB. Datuk Nur Jazlan bin Mohamed - *Pengerusi*
YB. Dr. Tan Seng Giaw [Kepong] - *Timbalan Pengerusi*
YB. Dato' Abd. Aziz Sheikh Fadzir [Kulim-Bandar Baharu]
YB. Tuan Liang Teck Meng [Simpang Renggam]
YB. Datuk Chua Tee Yong [Labis]
YB. Puan Mas Ermieyati binti Samsudin [Masjid Tanah]
YB. Dato' Kamarul Baharin bin Abbas [Telok Kemang]
YB. Tuan William Leong Jee Keen [Selayang]
YB. Dato' Kamarudin bin Jaffar [Tumpat]
YB. Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]

Tidak Hadir [Dengan Maaf]

YB. Datuk Seri Reezal Merican [Kepala Batas]
YB. Datuk Madius bin Tangau [Tuaran]
YB. Tuan Haji Hasbi bin Haji Habibollah [Limbang]
YB. Datuk Wee Jeck Seng [Tanjong Piai]
YBhg. Datuk Roosme binti Hamzah - *Setiausaha*

URUS SETIA

Encik Che Seman Pa Chik [Setiausaha Bahagian Pengurusan Dewan]
Encik Amisyahrizan bin Amir Khan [Ketua Penolong Setiausaha
(Perundangan dan Prosiding)]
Encik Mohd Ikram bin Seri@Rahimi [Penolong Setiausaha Kanan (Perundangan dan Prosiding)]
Encik Nasrul Izani bin Ramli [Penolong Setiausaha Kanan (Perundangan dan Prosiding)]
Encik Ahmad Fauzi bin Mustafa [Pegawai Penyelidik, Parlimen]

HADIR BERSAMA

Jabatan Audit Negara

YBhg. Tan Sri Dato' Setia Ambrin bin Buang [Ketua Audit Negara]
YBhg. Datuk Haji Anwar bin Suri [Timbalan Ketua Audit Negara (Persekutuan)]

(samb/-)

HADIR BERSAMA (samb/-)**Jabatan Audit Negara**

Puan Hajah Saadatul Nafisah binti Bashir Ahmad [Pengarah Sektor Audit Kerajaan Persekutuan, Bahagian II]
Tuan Haji Abdul Rashid bin Yaakub [Pengarah Sektor Audit Kerajaan Persekutuan, Bahagian I]
Encik Raja Sunthara Kannan a/l Dato' Raja Gopal [Timbalan Pengarah Audit Persekutuan (Pertanian & Industri Asas Tani)]
Puan Jacinta Wong Ngouk Hua [Timbalan Pengarah Audit Persekutuan (Pengangkutan)]
Puan Nik Norwati Nik Harun [Penolong Pengarah Audit Persekutuan (Pengangkutan, Bahagian II)]
Encik Azrul Raimiee bin Ramli [Audit Khas dan Penyelidikan]
Encik Rosman bin Kamarudin [Ketua Penolong Pengarah Pengurusan (Bahagian Teknikal)]
Puan Fadilah Shah Binti Abdul Latif [Pegawai Penyelidik, Unit Undang-undang]

Kementerian Kewangan

Encik Megat Azleen bin Megat Ramli [Timbalan Setiausaha Bahagian Kawalan & Pemantauan]
Encik Dzulhilmi bin Dzulkarnain [Ketua Penolong Setiausaha Bahagian Kawalan & Pemantauan]

Jabatan Akauntan Negara

Puan Maslina Kamarudin [Ketua Penolong Pengarah]

Jabatan Perkhidmatan Awam [JPA]

Encik Mohd Azraie bin Harun [Ketua Penolong Pengarah Unit Integriti JPA]

Unit Perancang Ekonomi (UPE)

Encik Mohammed Zakkariya bin Mulkiaman
[Timbalan Pengarah II, Seksyen Infrastruktur dan Kemudahan Awam]

SAKSI-SAKSI**Kementerian Pengangkutan**

YBhg. Datuk Seri Long See Wool [Ketua Setiausaha]
YBhg. Dato' Yap Kin Sian [Timbalan Ketua Setiausaha (Operasi)]
YBhg. Dato' Esparan a/l Munusamy [Setiausaha Bahagian (Pembangunan)]
Encik Chua Kok Ching [Setiausaha Bahagian (Pentadbiran & Kewangan)]
Encik Wan Said Wan Chek [Timbalan Setiausaha Bahagian (Udara)]
Encik Ahmad Nizar bin Zolfakar [Pengarah Sektor Trafik Udara, Jabatan Penerbangan Awam]
Encik Che Bahrom Hamzah [Ketua Penolong Setiausaha (Penilaian dan Pemantauan Projek)]
Encik Samsuri Abdul Hamid [Penolong Setiausaha (Pelaksanaan Projek Udara dan Maritim)]
Encik Nik Massidee Nik Harun [Pegawai Khas KSU]
Encik Misrun bin Timin [Ketua Unit Parlimen dan Antarabangsa]
Encik Chee Wern Wye [KPSU (Perkhidmatan Lapangan Terbang)]
Encik Billy Valentine Jhir [KPSU (Parlimen dan Kabinet)]
Encik Omran Zakaria [Pengarah DCA KLIA]

LAPORAN PROSIDING**MESYUARAT JAWATANKUASA KIRA-KIRA WANG NEGARA
PARLIMEN KETIGA BELAS, PENGGAL PERTAMA****Billik Mesyuarat Jawatankuasa I, Parlimen Malaysia, Kuala Lumpur****Khamis, 16 Januari 2014****Mesyuarat dimulakan pada pukul 10.47 pagi***[Yang Berhormat Datuk Nur Jazlan bin Mohamed
mempengerusikan Mesyuarat]*

Tuan Pengerusi: Memandangkan Yang Berhormat Petaling Jaya Utara sudah sampai, kita boleh mulakan mesyuarat... *[Ketawa] [Disampuk] Of course*lah. *You asked for this*, yang saya hormati, Timbalan Pengerusi PAC serta Ahli Jawatankuasa. Yang saya hormati, Tan Sri Dato' Setia Ambrin, Ketua Audit Negara serta pasukannya daripada Jabatan Audit Negara. Selamat Tahun Baru, kita mulakan tugas kita kembali. Pada hari ini saya hendak memaklumkan sedikit mengenai perkembangan dalam mesyuarat PAC ini.

Jadi, pertama sekali saya hendak maklumkan mengenai laporan daripada mesyuarat kita yang lepas, ada lima laporan iaitu Projek Peningkatan *KK International Airport*. Kedua, Perbelanjaan bagi Hari Belia Negara. Ketiga, Kelemahan Pengurusan Hasil. Keempat, Pengurusan Perkhidmatan Kawalan Keselamatan di Sekolah dan kelima, Pengurusan Loji Insinerator.

Laporan ini telah siap dan saya rasa telah- sudah diedarkan atau belum lagi? Sudah diedarkan kepada semua Ahli Jawatankuasa PAC saya harap, saya minta tolong semak laporan tersebut. Ada banyak *spelling mistakes* juga dan ada juga- saya bukan hendak ini, ya. Saya pun hendak tahu juga lepas ini macam mana penterjemah kita atau perekod kita ini merekodkan prosiding kita, dan apa masalah yang dihadapi, dan apakah kaedah yang kita boleh gunakan untuk memperbaiki laporan audio yang kita telah rekodkan ini. Kadang-kadang kita cakap pun mesti cakap dengan jelas dan tidak *blur* untuk mereka menyiapkan laporan yang lebih baik.

Jadi saya minta Ahli Jawatankuasa semak laporan tersebut dan betulkan apa-apa kesilapan perkataan dan sebagainya dan juga kalau maksud yang saudara-saudara sekalian telah sebut, kalau tidak mengikut pada maksud tersebut, boleh kita betulkan juga. Saya rasa kita kena mengadakan satu mesyuarat khas, *housekeeping meeting* untuk hendak *finalized* laporan-laporan ini. Jadi, dengan harapannya selepas ini kita akan buat rumusan mengenai laporan tersebut.

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Jadi, untuk makluman mesyuarat sekalian, kita telah menetapkan beberapa tarikh untuk memanggil beberapa kementerian. Hari ini kita akan panggil Kementerian Pengangkutan untuk menerangkan mengenai projek pembinaan KLIA2.

Ini merupakan lanjutan kepada sesi soal jawab kita dengan Kementerian Pengangkutan berkenaan dengan *KK International Airport*. Pada 22 Januari nanti, kita akan memanggil FINAS yang telah mendapat satu penarafan tidak memuaskan dalam Laporan Audit Negara tahun 2012. Ini merupakan satu kesalahan yang serius yang perlu kita mendapatkan penjelasan daripada Kementerian Komunikasi dan Multimedia mengenai tahap prestasi pengurusan kewangan FINAS yang tidak memuaskan.

Pada 23 Januari- ini isu panas ya. Isu pembakaran. Pengurusan Loji Insinerator. Kita akan memanggil semua Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan untuk menyambung sesi taklimat yang mereka telah berikan pada bulan Disember yang lepas. Selepas itu pada 10 Februari kita akan memanggil Kementerian Pendidikan mengenai pengurusan perkhidmatan kawalan keselamatan di institusi sekolah dan institusi pendidikan dan juga kelemahan dalam pengurusan perolehan kapal penyelidikan dan latihan *RV Discovery* oleh Universiti Malaysia Terengganu. Jadi apa yang saya dimaklumkan, tarikh ini ditetapkan oleh Yang Amat Berhormat Menteri Pendidikan II sendiri yang telah bersetuju untuk datang untuk berdepan dengan PAC pada 10 Februari nanti.

Jadi itulah serba sedikit maklumat yang saya boleh berikan kepada Jawatankuasa PAC. Cuma pada hari ini sahaja pemanggilan Kementerian Pengangkutan untuk menjelaskan mengenai Projek KLIA2 ini adalah satu permintaan daripada Ahli PAC di luar daripada skop kita iaitu... [Disampuk] Tidak ada, tidak ada. Dengar dahulu, jangan pening-pening kepala. Di luar dari skop kita iaitu untuk meneliti Laporan Ketua Audit Negara. Kalau kita ada Laporan Ketua Audit Negara, laporan tersebut ada skop dan *references*. Jadi tidak adil juga kalau kita hendak panggil satu-satu kementerian tanpa menetapkan satu skop atau *reference* di mana mereka perlu menjawab kerana mereka perlu membuat persiapan juga. Saya tahu Datuk Seri Long, KSU kementerian telah menyediakan satu *presentation slide* untuk menjelaskan mengenai pembinaan. Semasa hari pertama pun dia sudah siap untuk menjelaskan mengenai proses projek pembinaan ini.

Jadi, apa yang saya rasa elok yang kita hendak fokus bagi menyenangkan prosiding kita ini adalah mengenai kenapa KLIA2 ini dibina. Kedua, adakah ia ada kesinambungan dengan perancangan KLIA yang asal, *master* pelan yang asal. Ketiga, mengenai pelantikan kontraktor, pelantikan konsultan. Keempat, mengenai projek pembinaan itu sendiri. Kenapa dalam laporan akhbar dan sebagainya dan juga kenyataan daripada MAHB, kos pembinaan KLIA2 ini yang asalnya pada satu *point*, berapa bilion pun saya tidak pasti sudah meningkat kepada hampir RM4 bilion. Jadi kita hendak dapatkan satu ketetapan ataupun penjelasan daripada kementerian sama ada perkara ini benar atau tidak.

Akan tetapi dalam hal ini, dalam Jawatankuasa PAC yang lepas pun saya telah menyatakan bahawa projek pembinaan yang dibuat oleh GLC kerajaan adalah tertakluk di bawah satu badan yang lain. Ini kerana MAHB ini merupakan syarikat yang disenaraikan di Bursa Saham Kuala Lumpur.

Jadi adakah kita mempunyai satu... [Disampuk] *We had argued on this before under Sime Darby issue.* Adakah kita mempunyai kelayakan? Kedua, kemampuan Jabatan Audit Negara untuk juga mengadakan audit. Ini kerana syarikat-syarikat GLC ini diaudit oleh firma audit antarabangsa. Ia juga ada dia punya jawatankuasa audit di peringkat *board of directors*. Ia juga ada Unit Audit Dalaman dalam syarikat tersebut sendiri. Jadi, kita juga perlu hati-hati tentang skop kita juga kerana saya takut kalau nanti ada apa-apa *backlash*. Ini kerana yang pentingnya di sini adalah sama ada pengurusan syarikat itu telah dilaksanakan dengan secara profesional, itu satu. Kedua, proses yang telah digunakan dalam membina lapangan terbang ini juga dibuat secara profesional dan ketiga adakah audit ataupun pemantauan yang dibuat kepada projek ini juga dibuat secara profesional oleh lembaga pengarah dan juga juruaudit antarabangsa dan juga juruaudit dalaman dalam syarikat itu sendiri.

Namun bagi saya ada ruang untuk kita mengambil bahagian dalam pemantauan ini kerana satu, wang kerajaan sendiri digunakan iaitu kerajaan melabur dalam Khazanah dan Khazanah membeli saham dalam MAHB dan juga memegang kepentingan-kepentingan utama dalam MAHB. Itu satu. Kedua, wakil Kementerian Pengangkutan sendiri duduk dalam *Board of Directors* MAHB itu sendiri. Jadi dia maklum mengenai perkembangan dalam pengurusan MAHB. Jadi kita pun ada hak juga untuk menanya kepada beliau adakah beliau yang saya anggap sebagai *controller officer*. Akan tetapi apabila syarikat ini diswastakan, jadi MoT pun ada wakil dalam *Board of Directors* MAHB ini maka dia juga bertindak sebagai *controlling officer* jugalah bagi memastikan bahawa kepentingan kerajaan dalam pengurusan MAHB ini dipelihara. Wakil MoF pun ada, bukan? Wakil MoF pun ada. Jadi maknanya ada dua. Satu, wakil MoF dan satu lagi wakil MoT.

Jadi kita juga hendak menanyakan kepada wakil-wakil ini sama ada mereka telah menjalankan tanggungjawab mereka dengan baik untuk mengelakkan daripada pembaziran atau ketirisan berlaku. Jadi saya rasa itu skop yang kita boleh fokuskan dalam prosiding kita pada hari ini. Ada apa-apa pandangan lain?

Seorang Ahli: [Bercakap tanpa menggunakan pembesar suara]

Tuan Pengerusi: Saya pernah menjadi Lembaga Pengarah Telekom dahulu. Sampai dua ke tiga tahun lepas, *ceiling* untuk apa-apa *procurement* dalam GLC telah dinaikkan kepada RM300 juta. Baru perlu mendapat kelulusan MoF. Jadi dalam kes ini, projek pembinaan ini memang sudah sebilion.

Jadi, untuk saya, itu pun satu perkara saya hendak tahu jugalah sama ada perkara ini telah diangkat kepada MOF untuk kelulusan dan telah mendapat kelulusan dan juga telah dipantau dengan baik juga. Lagipun ada satu lagi arahan baru di sini juga yang juga ada impak kepada kes ini iaitu arahan kepada Jabatan Audit Negara untuk mengadakan audit kepada projek-projek yang lebih RM1 bilion, ya.

Tan Sri Dato' Setia Ambrin bin Buang [Ketua Audit Negara]: *[Bercakap tanpa menggunakan pembesar suara]*

■ 1100

Tuan Pengerusi: Saya pun tidak *clear* Tan Sri, pasal apa yang tidak..., *must audit- is RM1 billion above.*

Tan Sri Dato' Setia Ambrin bin Buang: Tadi, yang RM1 bilion itu kita punya *internal guideline* tetapi dalam *Budget Speech* Yang Amat Berhormat Perdana Menteri *specifically mentioned* semua projek kerajaan jumlah RM100 juta ke atas akan diaudit semasa projek dilaksanakan, bukan selepas tamat projek. Jadi maknanya, *what is the definition of* projek kerajaanlah? Adakah KLIA2 ini dianggap sebagai projek kerajaan? Oleh sebab ia dilaksanakan oleh MAHB kan.

Tuan Pengerusi: Jadi kalau diaudit itu maknanya Tan Sri, *is a full scope audit* ataupun ia hanya pada projek-projek sahaja?

Tan Sri Dato' Setia Ambrin bin Buang: Kita sebelum ini pun kita ada membuat pengauditan terhadap projek-projek besar ini, jadi kita akan *follow our normal SOP*, kita lihat dari segi skop dia, dari segi *fact* dia lah ya, prestasi dia *because this is under performance audit*. Kalau ada masalah kita akan cuba rungkai apa punca masalahnya dan juga kita lihat dari segi impak, *impact of the expenditure*.

Tuan Pengerusi: So, elok juga Tan Sri terangkan mengenai pertindihan di antara peranan audit profesional luar ini, misalnya firma antarabangsa dengan juga peranan audit dalam syarikat tersebut dengan audit prosedur biasa yang diadakan oleh Jabatan Audit Negara.

Tan Sri Dato' Setia Ambrin bin Buang: Saya ingat ada kekeliruan tentang tafsiran audit ini sebab audit ini ada berapa jenis seperti yang saya bincangkan dalam seminar kita hari itu. *Basically* tiga jenis audit, yang pertama ialah audit penyata kewangan maknanya *financial statement audit* untuk mengesahkan sama ada penyata kewangan itu memberikan gambaran yang sebenar mengikut lunas-lunas standard perakaunan yang diterima pakai. Jadi, dalam bab penyata kewangan, memang benarlah macam syarikat-syarikat termasuk syarikat publik ini, seperti MAHB. Mereka ini diaudit oleh firma swasta, penyata kewangan dan saya percaya MAHB pun saya percaya ada ia punya *Internal Audit*, itu di bawah arahan mereka punya *Audit Committee*.

Internal Audit melaporkan kepada *chairman of the Audit Committee* yang terdiri daripada ahli-ahli lembaga pengarah dan bukan pihak pengurusan.

Audit yang kedua ialah audit pematuhan atau *compliance audit*. *This is what we called* audit pengurusan kewangan. Ini yang kita kaitkan dengan indeks akauntabiliti itu, maknanya kita lihat dari segi aspek-aspek pengurusan kewangan, bagaimana dia menguruskan resit, bagaimana dia menguruskan bajet, bagaimana dia menguruskan *procurement*, bagaimana dia menguruskan pelaburan dan bagaimana dia menguruskan akaun amanah. *Things like that. So under-* ini kita buat secara objektif, memberikan markah dan bagi *star ratings*. Dia punya fokus itu *is compliance, compliance against existing financial regulations of the government, basically* yang banyak dikeluarkan oleh Kementerian Kewangan, *so called Treasury Instruction, Surat Pekeliling Perbendaharaan dan sebagainya.*

The third one, yang jenis kita bincang ini, hendak bincang tentang projek ini, *whenever* kita bincang projek atau program atau syarikat kita panggil audit prestasi. Jadi audit prestasi ini merupakan satu daripada aktiviti Jabatan Audit Negara yang selalunya mendapat publisiti meluas apabila dibentangkan di Dewan Rakyat ataupun di Dewan Undangan Negeri *because* kita lihat dari segi *performance* dan impak sesuatu program dan projek kerajaan. Inilah yang banyak menimbulkan, *I will just say..., whether it good or bad, depending on the situation*. Pengauditan prestasi ini dalam *parlance auditor* dipanggil, "*value for money audit*."

Jadi bagi MAHB, oleh sebab penyata kewangannya diaudit oleh firma swasta dan ada dia punya *governance structure* sendiri, jadi kami tidaklah dalam keadaan biasa mengaudit MAHB dan juga GLC sepertinya. Akan tetapi itu yang saya kata tadi, kalau kita bercakap tentang *performance* audit, projek-projek yang dilaksanakan oleh GLC semasa ini, pada saya kalau ada permintaan daripada kerajaan ataupun daripada PAC, kita wajar melakukan bagi pihak *but that type of audit is deferent from the yearly financial statement audit*. Itu sebab apabila orang tanya, kenapa Jabatan Audit Negara tidak audit Petronas? *My answer is, they already being audited by the international* punya ini.

So, there is no reason for us to come and do because to be fair to the auditor, auditing is a very- can I say tiresome process? [Ketawa] So, kadang-kadang *auditor* ini pun, banyak sangat dia kena audit pun dia marah juga, macam-macam audit masuk. *Treasury* pun ada buat, *I mean* Akauntan Negara pun ada buat audit dari segi pelaksanaan eSPKB. *Whereas Internal Audit of Ministry* pun buat mereka punya *own audit*, so banyak. Apa yang kita buat adalah mengikut lunas-lunas yang ditetapkan di dalam Perlembagaan Malaysia dan di bawah Akta Audit. Itu kedudukannya Yang Berhormat.

Tuan Pengerusi: Saya sendiri pun pernah menjadi Pengerusi Jawatankuasa Audit Telekom Malaysia selama empat tahun dan pada waktu itu masih lagi dalam proses penyesuaian diri di antara GLC kerana beberapa syarikat di bawah Khazanah Nasional telah dikeluarkan daripada pemantauan MoF secara langsung disebabkan oleh pembentukan jawatankuasa GLC Putrajaya. Itu yang saya hendak *clear* kan di sini, sama ada kita ada kelayakan untuk audit, itu satu. Kedua, apa audit yang kita hendak buat terhadap projek KLIA2 ini?

Tan Sri Dato' Setia Ambrin bin Buang: Sebagai tambahan Yang Berhormat, sebenarnya bagi GLC mengikut prosedur kita, sebelum kita hendak membuat pengauditan prestasi, kita akan gazet kan syarikat-syarikat selepas mendapat perkenan daripada Yang di-Pertuan Agong. *List* ini banyak, termasuk anak-anak syarikat Petronas sendiri. Jadi, terpulang kepada Ketua Audit Negara untuk menggunakan budi bicara dia, mana-mana syarikat yang dia hendak buat. Saya pun mestilah ada asas sebab saya pun ada kekangan daripada segi staf. Saya kena *balance* antara projek, antara program dan juga antara syarikat *and then we have a certain dateline*, kita kena beri keutamaan kepada penyata kewangan sebab apa, kena bentangkan di dalam dewan, dalam Parlimen dan sebagainya. Ini kita kena beri prioriti, itu sebahagiannya.

Dalam kes KLIA2 ini, saya lihat dua masalah utamanya ialah satu, *is delay* dan disebabkan *delay* kenaikan kos, *these are the two big issues*. So, lain-lain yang berkaitan dengan ini pada saya adalah *valid, you should ask*. Macam mana sebuah projek yang pada awalnya diuar-uarkan sebagai *low cost* menjadi *high cost* dan tukar nama pula...

Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]: [Bercakap tanpa menggunakan pembesar suara] Hibrid airport.

Tan Sri Dato' Setia Ambrin bin Buang: Hibrid... [Ketawa] Jadi...

Tuan Tony Pua Kiam Wee: ...From low cost airport, so it is now...

[Ahli-ahli berbincang sesama sendiri]

Tuan Pengerusi: Tidak, cuma...

■ 1110

Dato' Abd. Aziz Sheikh Fadzir [Kulim-Bandar Baharu]: Cuma Tan Sri. *Sorry Dato'*. Saya tengok *there are public companies* yang *government owned*. Then, ada *government company* yang *MoF owned*. Oleh sebab ini satu kita tengok Malaysia Airport Bhd. Akan tetapi kita juga dengar cerita macam-macam juga fasal Telekom. *A matter of procurement, the wastages, the way they managed their people*. TNB kita dengar *a classic story about the coal* dulu. *How it's a big story in Indonesia...*, masih? *Okay, I would say for quite sometime ago*. So, banyak *public-public company* yang besar ini- yang saya setuju dengan Dato' kata tadi. Mungkin MoF tidak sempat hendak *monitor directly, that's why they have got this so called, a body*.

Akan tetapi, *how do we make sure that this public company can also be scrutinized before another major blow* jadi macam ini. Ini sebab saya tengok mungkin kita tinggal TNB ini. *Even in the first place, agreement TNB dengan IPP contohnya- it should also be validated by another independent audit, example. Outside from TNB. So, maybe because TNB punya ayat sekarang ini, in example; they are forced by the government. We have to manage. Because at that time, agreement itu difficult to get the financing.*

Akan tetapi benda ini *continue*. So, *public* hendak benda macam itu *and public now somehow- because our chairman become a bit aggressive* ini, dia *demand extra from- when I go everywhere, everyone from TNB kah, Telekom kah, UDA kah, come and talk to me* yang cerita benda-benda macam ini. So, *how do we manage this situation ini? Or what kind of audit that we can do consistently?* Sekali kita pergi, kita balik pun tidak jadi.

Tan Sri Dato' Setia Ambrin bin Buang: Itu yang kita, Yang Berhormat, saya *mention* semasa seminar kita hari itu. *Actually, PAC ini kalau diambil example also from developed countries, they are a very powerful body.* Pada hemat saya, *anything where government has interest, whether it is done by GLC on GLCs, PAC ada hak hendak tanya. Hendak tanya before they made conclusions.*

Jadi, dalam hal ini apa definisi *interest, government interest?... Is it equity interest? Is it because they give loans? Is it because they give grants? Is it as if they give guarantees?* Macam projek KLIA2 ini, *financing. I don't know. I was made to understand, ia pakai bon. Sama ada bon itu is guaranteed by government, what rate all that- I think PAC has the legitimate right to ask questions. Because it has money implications kan? Sungguhpun mungkin government- they don't give direct allocation for KLIA2, but in other aspect, dari segi assistance. So, that's make it as a government project. Kalau tidak, it's not a government project. Betul tidak?*

Tuan Pengerusi: So, cuma satu sahaja Tan Sri. Dahulu isu ini telah dibincangkan dalam Lembaga Pengarah Telekom. Masalahnya, kalau ada apa-apa *perception* yang negatif, yang timbul daripada tindakan kita, PAC dan juga katakan ahli-ahli Jabatan Audit Negara diarah buat audit kepada sesebuah GLC yang disenaraikan di Bursa Saham Kuala Lumpur, ia ada dua kesan.

Satu, kesannya adalah *regulator* kepada syarikat-syarikat bursa saham ini seperti Suruhanjaya Sekuriti dan Bursa Saham. Kita mungkin *step on their shoes* jugalah. *That is one thing.* Kedua, *the negative perception. Mind also the share price or the shares itself. Because, when we go in, the shareholders will perceive there is something wrong. Therefore, ada effect on the share price.* So, kedua. Ketiga, bila kita tidak *specify*, tidak skop kan kita punya audit, PAC boleh tanya soalan. Saya setuju. PAC di negara lain, ia kadang-kadang tanya soalan tanpa Jabatan Audit Negara buat audit dahulu. *Just, general questions. So, that might have a lesser impact than if we did an audit on a project by the Jabatan Audit Negara.*

But, then again like I said, we can minimize the impact by specifying the audit that we want to do to actually give the perception that there is no wrongdoing here, in that sense. I am talking about the market; I am not talking about people perceptions. Because people also might not understand. Dalam mesyuarat ini pun kita baru hendak belajar mengenai apakah prosedur-prosedur Jabatan Audit Negara, prosedur bursa saham, prosedur Suruhanjaya Sekuriti, prosedur lembaga pengarah syarikat dan sebagainya. Jadi, saya hendak *clear* kan itu sahaja, mengenai apa yang kita hendak buat ini.

Jadi, saya hendak cadangkan hari ini kita *have an open session first* dengan KSU, kita tanya soalan apa yang kita hendak tanya. Kalau dia hendak jawab, kita tengok apa jawapannya dan selepas itu kita buat keputusan. Sama ada kita hendak dapatkan maklumat yang lebih ataupun kita hendak adakan satu audit prestasi kah apa kepada KLIA2 ini, kita minta Jabatan Audit Negara untuk mengadakan audit tersebut. Boleh tidak? Hal ini kerana apa kerja kita daripada sini pun, berlandaskan kepada *reference*. *Reference is the* laporan *from the* Ketua Audit Negara. *So, that is what I suggest today* lah.

Tuan Tony Pua Kiam Wee [Petaling Jaya Utara]: Tuan Pengerusi, *just a few points* to perlu rekod. Nombor satu, *not everything we've do have to* berdasarkan laporan daripada Audit. *That's number one. Actually in our-* kalau baca kita punya *the law on Parliament on the Committee*, kita punya *power* memang seluas di luar negeri. Hanya tidak diguna pakai. *We can summon anybody, government or non government related. If you read the law literally, we can even jail them if they don't come. That's what the law says* lah. *I know we don't use it and I am not asking for it to be used, okay?... [Ketawa]*

But, I am just saying that we do have wide powers. So, its whether we want to cuffed ourselves up. Itu nombor satu. Nombor dua, mengenai isu GLC yang disenaraikan di Bursa dan lain-lain *listed entities, listed bodies*. Peranan SC dengan Bursa Malaysia tidak sama dengan peranan PAC. SC dan Bursa Malaysia. Katakan saya sebuah syarikat. Saya beli daripada Datuk KJ. Kata saya beli dengan harga dua kali ganda. *It's my problem. SC would not come in and say, "Why you buy the things at double price?" No. That is up to the auditors, the financial auditors to do it. So, I can give my basis* lah.

Akan tetapi kerajaan punya perspektif tidak sama. *I think there is some overlapping. I am not saying there is no overlap but, I don't think the overlap is completelah. And we do have a different role to play. It's like for example- SC does not require open tenders. Whereas from a government perspective, we should have open tenders even in our GLCs...*

Tuan Pengerusi: *But, the Board will take full responsibility on any wrongdoings or any mistakes in making decisions not to have open tenders.*

Tuan Tony Pua Kiam Wee: *Sure but there is no law against- no open tenders.*

Tuan Pengerusi: *No, no, no. The directors are personally liable, okay.*

Tuan Tony Pua Kiam Wee: *Sure. But, there is no law against it. I can do it. But, whereas in government company, we would want it to be compulsory to have open tenders. So, it's a different perspective. Itu nombor satu.*

Nombor dua, share price. Share price is not our problemlah. It is a company's problem, it's not our problem. When there is big enough issue, jelaslah. Jangan kata remeh temeh- kompleks! Difference of hundred thousands award between company 'A' versus company 'B'. That one we can leave it to the discretion of the company but, kalau ada peningkatan besar seperti ini, dari RM1.7 bilion sehingga RM4 bilion, delay dua-tiga tahun, I think the public out there demands that we do an audit. I mean, this is a big caselah.

Dato' Kamarudin bin Jaffar [Tumpat]: *Kalau I interject that point? Tuan Pengerusi, saya rasa pandangan Yang Berhormat PJU ini- saya selari dengannya iaitu dari segi kalau saya minority shareholder MAHB, saya suka kalau ada siasatan yang positif. Bukan untuk menjatuhkan saham tetapi untuk mengetahui bagaimana wang syarikat itu dibelanjakan. Kalau saya minority shareholder. Oleh sebab itu, sekarang ini pun shareholder kena ada minority group dia. Kita bimbang big shareholders will exploit.*

Tuan Pengerusi: *Itu sebab SC ditubuhkan untuk hendak menjaga- bukan, bukan. SC itself ditubuhkan untuk menjaga kepentingan minoriti supaya mereka tidak dipijak dalam pengurusan syarikat.*

■ 1120

Ada dia punya peraturan-peraturannya. Ultimately the directors of the company are responsible and the Audit Committee of the company is also responsible.

Oleh sebab itu bila seorang pengerusi audit syarikat dalam bursa saham dia berhenti, dia akan dipanggil untuk memberi keterangan kepada SC kenapa dia berhenti. Dia tidak boleh berhenti dengan sendirinya. Jadi check and balance is there. All I am saying is, where is our role? That is all. I agree with doing this. If not, I would not agree to call the meeting. I'm just trying to scope it, so that- remember, we are suppose to be fair to all the stakeholders. We are not trying to victimize or trying to find fault with people. We are trying to get the full and fair information from the players involved, so that we can report back to the Parliament, report back to the people. That's our job. So I'm trying to be fair to everybody.

Dato' Abd. Aziz Sheikh Fadzir [Kulim-Bandar Baharu]: *Bagi saya macam kes KLIA ini or Telekom, they will also have their own AGM where all the shareholders- they also have the minority watch dog which is so-called representing minority...*

Tuan Tony Pua Kiam Wee: *But they don't have full access.*

Dato' Abd. Aziz Sheikh Fadzir: *They don't have full access?*

Tuan Tony Pua Kiam Wee: *They don't have full access.*

Tuan Pengerusi: *No, no, ada Audit Committee, yes.*

Tuan William Leong Jee Keen [Selayang]: *I think the roles are different. Whereas the Bursa is looking after public listed company or SC is looking at them, they looking at it from different acts under different scope. But for PAC it involved government funds or government guarantees, that is our scope. So I think the jurisdiction is there and I think we should proceed.*

Tuan Pengerusi: *That's why I just said just now, if it is on the project basis, yes, fine. That's number one. You know, we audit on that basis. Number two, what kind of audit do we do? That is the next question. Because I- represent directly implication into this matter which is not a simple matter. In this case, that has been established, there are government instrument either equity, loan, or guarantees being employed to fund this project. So, yes, we do have a right to look into it.*

Dato' Abd. Aziz Sheikh Fadzir: *That's why Mr. Chairman, I am also trying to understand. For example you see, they have their own audit committee, they have their own shareholders, they have their AGM, they got minority watch dog, they have Bursa Malaysia as a regulator and then they got Security Commission. So these are various. Rather than we ask, we 'coming directly', why can't the shareholders ask the company to do a special audit in example? Because, if it is so many things to do, I mean- I agree KLIA is become a very important thing. But I am talking about moving forward. So that from dari awal kita classified, we want to get the information, we want to know what is happening. With the limited recourses that Audit ada, where there are many other issues, where nobody look at it- if Audit don't look at it, no one look at it.*

Akan tetapi macam ini dia ada various people looking at it, how do we refine that, so that at the end of the day, public money invested through Khazanah, through MoF is protected but we do not have to waste so much time of Audit, plus we also do not have to waste so much time trying to be 'expert in every field' ini? How do we manage those things?

Tuan Tony Pua Kiam Wee: *I wish to come to my last point that I just want to add. Saya rasa kalau selepas perbincangan, perjumpaan dengan pihak yang datang dan saya rasa kalau diperlukan especially detail expertise and without taxing the resources of the Auditor General, if we demand, said, we have one of the audit firms do a special position review just like macam PKFZ? The only problem is kita tak ada bajetlah.*

Dato' Abd. Aziz Sheikh Fadzir: *Yang Berhormat, what I am trying to...*

Tuan Tony Pua Kiam Wee: *But I think that is in line with the scope that we do, but budget, we worry about it later. Kita minta dari Parlimen kah, dari siapakah, that one we do it later but I think that is the approach, perhaps we should take because kita pun tidak ada expertise semua.*

I cannot say that I am expert in everything. But I think having someone going in and do a special positions audit, it is useful.

Nombor dua, regarding the shareholders thing, shareholders calling for investigate, the problem now is exactly that shareholders is kerajaan. Kita yang pantau kerajaan.

Tuan Pengerusi: Ada shareholders lain ya.

Tuan Tony Pua Kiam Wee: The main shareholders is kerajaan. Even the CEO appointment extension depends on MOF.

Tuan Pengerusi: Yes I agree with you, but it is confirmed from AGM.

Tuan Tony Pua Kiam Wee: So kita yang menjadi pemantau bagi pihak kerajaan. So just to prevent that regulatory capture, we are there as a check and balance. We don't do everything. I am not saying we doing everything. I am just saying when big issues pop out.

Datuk Chua Tee Yong [Labis]: Tuan Pengerusi, Tan Sri, sebenarnya bila kita melihat kebanyakan isu-isu yang telah dibangkitkan, I think what Yang Berhormat Petaling Jaya Utara and Tuan Pengerusi is having, slightly certain views lah. One is worried that if we investigate thoroughly, it may affect in a way the share price and the existing regulators. Is there any way that we can come out with a set of guidelines, so that we can be consistent when we handle companies which are listed? So that we are not seen that certain companies we over step the boundary or that we have overlap with other regulatory.

Maybe Tan Sri can give us some guidelines or some assistance in this manner, so that bila kita melihat isu-isu yang telah dibangkitkan ini kita tidak melangkah lebih sehingga menyebabkan isu-isu seperti share price yang mungkin terjejaslah.

Tuan Pengerusi: Dua perkara ini. Satu is non-listed dengan listed GLS's. Dia ada bezanya.

Tan Sri Dato' Setia Ambrin bin Buang: Seperti saya kata tadi Yang Berhormat, kami di Jabatan Audit Negara bila buat performance audit, kita look at the aspect of value for money. So we are not looking at value for share. That is not our interest. Jadi value for money ini because on the theory or on the understanding, we are talking about the use of public money. So did the public get value or not? So we are here to help parties to get a better understanding whether indeed they have been value for money. So kalau kita hendak worried too much about share price itu, then it is outside the scope of our work. Even if you ask the private punya accounting companies atau auditor, I also not very sure whether they would like to base everything based on impact on share price. Maybe ada other consideration.

■ 1130

Saya cuma hendak komen tadi tentang cadangan daripada PJ Utara tentang judicial review tadi, Yang Berhormat ya?

Jadi ada perkembangan terbaru yang saya hendak maklumkan di sini. Saya baru dapat arahan daripada Kabinet. Kabinet itu maknanya kerajaanlah. Sebagai *shareholder* dalam MAHB, *to do an audit*. Okeylah, *it works*. So, ada arahan-arahan tertentu daripada Kabinet, aspek-aspek yang kami diminta untuk lihat dan KSU Kementerian Pengangkutan *is aware*. *So we have to work together with KSU to get to the bottom of it*.

From our perspective, PAC has all the right to ask whatever question. We will do our work and we don't mind sharing what we found but you have to give us space and time. This is not the first time we have been doing special audit. We called it special audit, for the government. If we remember beberapa tahun yang lepas, masalah siling bocor di bangunan di Putrajaya. So we were asked by the government to do a special audit. They give us additional money because we have to use a lot of engineers and all that. In this particular case, if you need me, I'll be asking for additional funds from the government so that we can do a proper audit based on whatever guidelines that we are using for performance audit...

Dato' Kamarudin bin Jaffar: Tuan Pengerusi, saya amat bersetuju dengan...

Tuan Pengerusi: Sudah hendak buat pun. Saya tidak tahu tidak cukup itu... [Ketawa]

Dato' Kamarudin bin Jaffar: Sikap kita terhadap saham. Ini adalah saham. Pada saya *at the end of the day, the true value of the share of the company must be based the true value of the company*. *So what are we going to do to disturb value of the share?* Kita hendak saham itu bernilai sebenar mengikut keadaan syarikat sebenar dan tujuan kita hendak menyelidik supaya keadaan sebenar syarikat itu kita dapat ketahui.

Tuan Pengerusi: Saya pun tidak hendak bawa isu ini sebenarnya. Isu ini ada berkenaan dengan monopoli industri yang berlaku dalam negara kita ini. Kalau kita tengok Khazanah sendiri pegang kepentingan kerajaan dalam banyak industri. Industri...

Dr. Tan Seng Giaw [Kepong]: Peruncit.

Tuan Pengerusi: Peruncit tidak ada. Industri *highway* melalui pegangan dalam PLUS dan sebagainya. Industri *airport* ini. Memang ini monopoli. Industri penerbangan, itu tidak monopoli sangatlah, oligopoli. Industri hospital pun oligopoli juga. Industri tenaga, itu sudah macam monopoli juga. Banyak industri. Jadi pegangan bersifat monopoli ini akhirnya juga ada kesan kepada harga barangan dan sebagainya. Oleh sebab itu saya memang setuju dengan cadangan untuk kita lebih aktif dalam mengaudit prestasi syarikat seperti ini kerana kedudukan istimewa mereka sebagai monopoli. Mereka menentukan banyak harga dalam negara kita ini. Selepas itu keputusan akan datangnya sama ada kita hendak menyuntik lebih banyak persaingan dalam industri ini dengan mengadakan lebih banyak *privatization* tetapi nanti timbul isu lain pulalah. Pembangkang akan cakap *privatization* tidak betul tetapi dari segi struktur ekonomi negara, apa yang peranan PAC yang perlu diperluas adalah untuk memastikan bahawa satu, pengurusan mantap.

Kedua, harga barangan untuk rakyat ini, harga perkhidmatan untuk rakyat ini diselaraskan, dapat dikawal supaya rakyat dapat manfaat daripada perkhidmatan yang di kontrol oleh syarikat milik kerajaan, GLC ini. Itu perkara yang saya rasa *the next step that we should look into our work whether we can achieve that objective at the end of the day* to memantau urusan syarikat dengan baik. Kedua, untuk menyuntik persaingan dan juga memberikan kos dan perkhidmatan yang lebih berpatutan kepada rakyat. Itu isu yang saya rasa akan datang yang boleh kita tackle.

This is a test case untuk saya. *This is the test case for PAC but we should handle it properly and fairly to all stakeholders and also at the end of the day, share price- yes I agree with you. This is a monopoly, then why you worried about the share price? But does have an impact and any losses in the share price is also a loss to the people. It might not be consistent loss all the time* tetapi *for that period of time, when the share price drops, it's also loss to the people. So it is another matter that we should also explain to the people.* Jadi kalau tidak ada apa lagi boleh saya cadangkan tadi mod yang kita akan pakai kita akan soal KSU, Datuk Long nanti akan masuk. Dia akan berikan taklimat dan kita akan soal dia secara terbuka. Selepas itu kita buat keputusan seterusnya selepas sesi soal jawab ini diselesaikan. Jadi boleh kita setuju begitu?

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

Tuan Pengerusi: *Yes, after they leave, we discuss again. Okay.* Tanpa mahu melengahkan masa lagi, minta KSU Pengangkutan Datuk Long untuk masuk ke dalam bilik. Terima kasih.

[Saksi-saksi dari Kementerian Pengangkutan mengambil tempat di dalam Bilik Mesyuarat]

Tuan Pengerusi: *PJU, KK International Airport, you ada minta laporan maklumat tambahan, sudah sedia dengan soalan?*

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

Tuan Pengerusi: *Ada apa-apa soalan minta maklumat tambahan?*

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

Tuan Pengerusi: *Adakah kita boleh tutup isu KKIA?*

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

Tuan Pengerusi: *No, because not to waste time. Before...*

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

Tuan Pengerusi: *No, no, not to waste time. Since he already here, maybe we can finish any further inquiries about KKIA and then we can move on to KLIA straight.*

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

Tuan Pengerusi: *You. That information was given weeks ago.*

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

Tuan Pengerusi: *No, because I don't want to call them again. Just in case that you know you have more inquiries.*

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

Tuan Pengerusi: *You don't have?*

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

Tuan Pengerusi: *Tuaran's question? Tuaran also not here today.*

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

[Ahli-ahli berbincang sesama sendiri]

11.38 pg.

Tuan Pengerusi: Yang Berbahagia Datuk Long dan juga pegawai dari kementerian. Saya mengalu-alukan kedatangan semula Datuk bersama kita pada hari ini untuk menyambung semula sesi soal jawab hari ini berkenaan dengan projek pembinaan *Kuala Lumpur International Airport* kedua iaitu KLIA2. Saya juga ingin maklumkan kepada Datuk kerana sesi hari ini adalah sesi yang *special*, di luar daripada laporan audit negara yang selalunya kita bincangkan. Jadi skop kepada sesi soal jawab pada hari ini saya rasa kita kena juga terangkan kepada Datuk apa yang kita hendak buat pada hari ini ialah untuk mengadakan satu sesi soal jawab yang secara *general*.

■ 1140

Datuk akan bentangkan *presentation* Datuk, dan kita akan tanya secara *general*. Akan tetapi dikhaskan kepada Projek Pembinaan KLIA 2 ini lah ya. Jadi, isu-isu yang saya rasa Datuk boleh fokuskan pandangan Datuk ataupun keterangan Datuk adalah mengenai kenapa KLIA 2 ini dibina. Datuk boleh fokuskan taklimat Datuk, keterangan ini kepada, apakah perancangan yang telah dibuat untuk KLIA 2 ini dengan menekankan kepada *integration* ataupun *reference to the original KLIA construction, KLIA development*. Ini kerana sahabat kita hendak pastikan sama ada ini adalah *extension* kepada KLIA kah atau pembinaan projek yang baru kah? Dulu dipanggil LCCT, sekarang dipanggil KLIA 2 ya. Jadi kita pun *confused* juga. Kalau asal ini patutnya dibina sebagai LCCT, sekarang sudah jadi macam *extension of KLIA* pula, KLIA 2 ya. Itu satu lagi isunya. Adakah ini satu *referring to the original plan and also integration between the current KLIA 2 plan and the original KLIA plan*.

Ketiganya saya rasa Datuk boleh fokuskan juga kepada pelantikan kontraktor, pelantikan konsultan. Selepas itu kepada punca kewangan, *how is MAHB funding this project? Or if MAHB is not funding fully whether there are government instruments being used to finance this project, for example, direct loan, low interest loan, guarantees* dan sebagainya.

Selepas itu, kita pergi kepada isu utama ialah iaitu mengenai kelewatan projek inilah ya. Kenapa ia lewat dan sebagainya. Mungkin ada kelewatan dari segi cara kontrak ini diluluskan. Sama ada di tender ataupun tidak dipecahkan kepada pakej kah yang menimbulkan masalah kepada pelaksanaan projek ini. Juga kerana kelewatan ini kos pula meningkat. Kenyataan-kenyataan yang telah dibuat sama ada di surat khabar kah ataupun kenyataan daripada sumber-sumber tidak rasmi mengenai kos sudah meningkat daripada RM1 bilion lebih kepada hampir RM4 bilion. Jadi itu juga satu perkara yang, perkara-perkara ini merupakan perkara *public interest*. *It's already out there. Whether it is true from official sources or unofficial sources, people asking questions. And therefore we need to basically give them information, you know. Why if this is true and why has it happened?*

Selepas itu mungkin Datuk boleh lihat kepada- Datuk boleh menerangkan juga mengenai infra asas, *mirror image* untuk KLIA ini sama ada KLIA 2 ini menggunakan infrastruktur asas yang telah dibina awal dahulu untuk memberikan perkhidmatan kepada KLIA yang original. Itu juga merupakan satu perkara yang kita hendak tahu sama ada KLIA 2 ini dibina *is almost exclusively as a stand alone airport or does it tab on the original KLIA development*.

Selepas itu, satu perkara yang saya hendak juga diterangkan di sini Datuk, kita juga mengalami satu kekeliruan juga mengenai peranan kementerian-kementerian dalam satu lembaga pengarah syarikat. Saya tahu ada wakil MoF, ada wakil MoT dalam syarikat, ya. Apakah peranan mereka dalam *reporting structure*, pelaporan? Maklumat dalam MAHB, kami faham, kami di PAC faham bahawa MAHB ini merupakan syarikat yang disenaraikan di Bursa Saham Kuala Lumpur. Ia ada *regulatory* sendiri iaitu Suruhanjaya Sekuriti yang menjaga hak minoriti. Ia juga ada bursa saham yang mengawal urusan kewangan syarikat. Jadi apakah peranan kerajaan, wakil-wakil kerajaan dalam Lembaga Pengarah ini untuk hendak memastikan kepentingan kerajaan. Sudah tentu ada sebab kenapa ada wakil kerajaan dalam lembaga pengarah syarikat. Apakah peranan wakil-wakil kerajaan dalam lembaga pengarah ini untuk memastikan bahawa pengurusan dalam syarikat-syarikat GLC yang disenaraikan ini, yang mempunyai *regulatory* sendiri, apakah peranan wakil-wakil kerajaan dalam lembaga pengarah tersebut?

Saya faham, akhirnya *the Board of Directors are liable personally for any wrongdoing in these companies. They will be a punishing by the regulators. And I know that you sit on the board of KLIA 2 also so you will be personally liable if there are any shareholders that sue the company. But since you are there as by virtue of your position as the wakil MoT, therefore what is your role in basically reporting back on the management of the company when it pertains to government interest.*

Jadi saya rasa Datuk, itu merupakan satu *guideline* lah di mana sesi ini akan dijalankan. Saya jemput Datuk untuk memulakan taklimat ini. Terima kasih.

11.48 pg.

Datuk Seri Long See Wool [Ketua Setiausaha, Kementerian Pengangkutan]: Terima kasih. Selamat pagi, selamat tahun baru, salam sejahtera, salam 1Malaysia. Yang Berhormat Datuk Nur Jazlan bin Mohamed, Pengerusi PAC, Yang Berhormat Dr. Tan Seng Giaw, Naib Pengerusi PAC, Ahli-ahli PAC yang saya hormati, Yang Berbahagia Tan Sri Dato' Setia Ambrin bin Buang, Ketua Audit Negara serta pegawai-pegawai dari Jabatan Audit Negara dan wakil-wakil dari semua agensi kerajaan yang terlibat dalam sesi ini.

Saya mengucapkan terima kasih kepada PAC kerana saya menganggap ini satu peluang bagi Kementerian Pengangkutan untuk menjelaskan beberapa perkara, *many issues that have been giving today, the opportunity to clarify. And I hope I have done justice to that to clarify as much as possible. Of course,* mungkin ada isu-isu ataupun soalan spesifik yang saya tidak dapat jawab di sini tetapi saya akan memberi jawapan kalau dibenarkan secara bertulis kemudiannya.

I have prepared slide presentation which covers quite a number of issues yang telah pun dibangkitkan oleh Yang Berhormat Tuan Pengerusi tadi. But there could be some issues that are out of the coverage which I will try to cover as much as possible. Now in the first place, if you go back to the original master plan of KLIA, if I can recall correctly because its been quite some time ago that the government decided to build a replacement for our original airport back in Subang. Before that happened, there were very detailed analysis of the need for Kuala Lumpur as a gateway to Malaysia whether we could stay in Subang and upgrade the facilities in Subang or we move to a new site. Detailed analysis was done; we could stay in Subang if we can build a second runway in Subang. But to build a second runway in Subang, we will have that point in time to require huge piece of land from Rubber Research Institute of Malaysia which was quite strongly objected by the RRI. But that was not the issue.

■ 1150

If you can look at Subang today, Subang was built way back in the 1960 when the surrounding area, the land used in surrounding area was not that intense but the development came after that and encroach closer and closer into the airport. So, to build the second runway and the additional facilities will cause a lot of disruption to the land use in the area but more importantly is what after next? Can we build the third runway? It was not possible. Therefore, we went around scouting for a site. There were about five or six site identified in the north and south and we decided to go to Sepang. When we went to Sepang, one of the broader considerations was to move the growth of the Klang Valley south of Kuala Lumpur. I think if we look at KLIA today, the development around moving south from the North-South Highway to their quite intense development and their new township and that was before Putrajaya as such.

The issue in selecting a site was aeronautical factors. We have the main range on the eastern site; we have the Strait of Malacca. On the other side, there are not much of orientations that you can do. You have to follow certain alignment. So that when the aircraft takeoff, it does not head toward the main range or when they takeoff, it does not head toward Strait of Malacca, within minutes you are in the Indonesian territory. So, we have to align the runway according to a configuration that we can operate very comfortably taking into account the flight path, the flight plan dan sebagainya.

It was huge site, 10 by 10 hectares and that was done because there is no way after this to identify another site. It is very expensive. So, it took huge piece of land. The master plan have done taking to account that the airport can be expanded even beyond 100 million passenger a year with a configuration of five runways all together.

There is a challenge when you want to build an airport, to take into account long term requirements because the decision on runway configuration, the separation and more importantly the efficiency operation, having a five runways which not many airport today have that. So, there could be long term planning consideration that we have to take into account that for the short term you may have to compromise on operation. I mean, if you just do it for just two runways, you might compromise position of the additional runway that coming later. Now that was the challenge we have. If I may now go to- because this will answer the earlier question of the master plan, how this LCCT or what we call it? KLIA2, it decided of configure compare to the original master plan.

Yang Berhormat, if I may just go to the slide very quickly, so that I can take you through. Now, this is just statement that this terminal is built for low cost carrier operation. It is for 45 million passengers per annum. It is a huge terminal. If we look at KLIA at the main terminal building and the satellite that was design only for 25 million passengers with the comfort level of about 54 meter square for each passenger. Now, this terminal is 45 million passengers. It is a mega, it is huge terminal. Not many terminals in the world today handle 45 million passengers.

Secondly, we have to take into account to develop it to be a low cost hub in the region for which we in that position today, we have to provide facilities that cater for all stakeholders requirement, more so passengers. Next please.

Now, site selection is the one- now what you are looking at today, it is the original...

Tuan Liang Teck Meng [Simpang Renggam]: *Can I...*

Tuan Pengerusi: *Datuk, you hendak habiskan dahulu atau kita boleh interject?*

Datuk Seri Long See Wool: *I thought if it is to maintain the team, I can answer the question now.*

Tuan Liang Teck Meng: *What is the definition...*

Datuk Seri Long See Wool: *Sorry?*

Tuan Liang Teck Meng: Saya hendak tanya tentang definisi sebab saya rasa keliru sedikit. Apa bezanya antara LCCT dengan *airport* biasa? Apabila kita kata *low cost terminal* berbanding dengan *airport* biasa, terminal biasa atau pun dengan *low cost with aerobridges and enhanced passenger convenience*. Apa yang ada dengan *airport* biasa dan apa yang tidak ada dengan LCCT? Kalau boleh, minta Datuk beri penjelasan sedikit.

Datuk Seri Long See Wool: *I think this is a question asked for everybody. When we build KLIA, the low cost model was not the characteristic of envision. The low cost travel came about much later. Now, when you name a terminal even within the aviation community, there are difficulties in term of definition and such. When we called it LCCT, LCCT means Low Cost Carrier Terminal, for low cost carrier but it does not mean that the terminal is low cost. That is one explanation I want to give.*

Now, secondly is the requirement of low cost carrier. The low cost carriers want a very fast turn around, number one. IE that is when the passenger walk into the terminal building, how fast can the passenger actually go on board the aircraft because low cost terminal turn around. They want to do it within 20 minutes to 25 minutes compare to the legacy carrier which parked the aircraft much longer. It is all related to the model operation and the cost involved. Dia ini low cost, dia hendak turn around. So, as long as you provide a very fast turn around within the comfort zone, so that they can fully utilize the aircraft. That is what they want.

Facility is another thing. Of course if it is below a certain volume of passenger, it can be a single level operation, uncomplicated because you do not have to have a very sophisticated baggage handling system but once the terminal size grow beyond a certain level, you cannot avoid- for instance, having automatic sorting system. Which I will also elaborate as we go along, as to why an automatic baggage handling system has to be installed for a size of terminal of 45 million passenger. Otherwise, the heart of the system which is baggage handling system cannot cope with the complication of the operation.

Today, you must also realize the low cost carrier, also they still want to call a low cost carrier but the services they offered today have changed. Dahulu ia tidak ada seat yang lebih selesa, ia tidak hendak pakai lounge dan sebagainya but today the low cost as you can see the advertisement, they are talking about flat seat. So, they have moved the way from the original low cost model into- I would not call it hybrid yet but their offering have differed but of course when they offer for everything that is above the baseline offer, dia kenakan caj on even the check in. If you want them do the check in, they charge you but if you do your own check in, you do it yourself.

So, in designing a terminal building, there is where the challenges are. You can look at AirAsia as one of the model but you also can see Malindo today, their offering is slightly different and AirAsia also has moved from the original one seat system dahulu, seat pun, it is up to you.

The reason why they did not want to give you the seat number is that because you will definitely rushed and that is what they want. You get onto the aircraft as quickly as possible but today they said "Okay, you hendak seat ini, you hendak di depan atau dekat mana, you bayar."

■ 1200

So, you can see the model moves, right? Now, in this terminal for instance, we never expected AirAsia to say they want lounge. Now, they want lounge. That is why we still called it a low cost 'carrier' terminal; we never say this is a low cost terminal. At the end of the day, the airport operator will have to decide what kind of terminal you want to offer to the passengers. Now, on one hand, you have the airlines who wants to move the passengers very fast, but on the other hand, the airlines operator also want to provide a lot of shops, because there is where the commercial revenue comes from.

So, you will find that this terminal for instance, the commercial space provided is about 20% of the total floor area. You will have much more shops than you see in the main terminal building and you must also understand, the main terminal building basically was designed by the famous Japanese architect. I think Tan Sri Ambrin Buang would recall, Kisho Kurokawa, Japanese design, Japanese Airport, there are limited commercial spaces. That is why in KLIA Terminal Main Building, you do not see a square like you see in Heathrow in Amsterdam where they put all the shops. So, for commercial reasons, that is why MAHB put a lot of shops along the walkaways dan sebagainya. But, in this building, there will be a lot of squares. Have I answered your question? Thank you.

So, now if we look at the master plan, this is the original master plan. If you look at the right hand side of what you see, we have the Runway 1, Runway 2 and one satellite which is the one on top. The second satellite, the land is there, the earthwork was done to a substantial extent. If there is time for us to build, we will build that. Space 'C', the third configuration was on this side at the point of the master plan and Runway 4 and Runway 5. You can see Runway 4 is a straight line, but the Runway 4 is mainly used for departure, because you cannot...

Tuan Pengerusi: *As a matter of...*

Datuk Seri Long See Wool: *Sorry.*

Tuan Pengerusi: *As a matter of just to orientate ourselves, the main terminal sekarang ini in this original master plan is mana Datuk?.... [Merujuk kepada paparan slaid]*

Datuk Seri Long See Wool: *There. That is the main terminal building.*

Tuan Pengerusi: *That is the main terminal building, ya?*

Datuk Seri Long See Wool: *The first satellite is one on the top.*

Tuan Pengerusi: *So, Bunga Raya is where..., the VIP Lounge.*

Datuk Seri Long See Wool: *Oh! Bunga Raya is at the side of the main terminal building.*

Tuan Pengerusi: *So, it is like a mirror to a thing in design?*

Datuk Seri Long See Wool: *Now, okay. If I may explain this configuration- now you build the main terminal building as you can see now, the first satellite, that is 25 million passengers. When you build the second satellite, they will push your capacity up to about 35 million or 40 millions or more. It depends on how much of floor space you want to provide on per passenger basis. Now, the moment this is done, what you do is, you build a mirror image on the other side of another main terminal building and another two satellite. Now, the connectivity of this would be through a TTS system (Track Transit System).*

As you see today, the main terminal building is linked to the satellite by the TTS. So, when the second satellite come out, there will also be a link from the satellite to the next satellite and from that satellite back to the terminal building. There will be a loop, that link the entire this side. Now, you develop the other side, so the same thing will happen and you might have at that time, do a TTS, to link all the four satellites. That is a long-term planning of the airport. Okay? Can I move to the next slide? Please.

Now, subsequently in 2009, MAHB commissioned a consultant to review the master plan. This was the review that was done to the master plan. You could see the runway has changed slightly. Now, if we were to build the third runway in this case, on the original master plan, as we can see from here, the runway is sited quite close to the second runway. That one is the challenge, because today Runway 1 and Runaway 2 can operate quite independently, because of the separation of runway. So, now you have the third runway very close to the second runway. The capacity of the third runway is dependent on the second runway and the second runway capacity will also be affected by the third runway. There was one consideration by the consultant, say that this might not be the best configuration that you want to have.

Now, imagine if the third runway is built here, the taxiing distance. If you were to be on the outside of the terminal building, it is a huge taxiing distance linking, because if depending on the wind direction and the traffic at the point in time, when the aircraft landed the other side, parked. Imagine it is a low cost; a move to the third runway is going to be a very long distance. So, those were the considerations that were taken into account and of course the other challenge was the ERL track would need to be realigned and we might have to put it underground. That will affect the entire present railway platform. Those were the challenges that we had. That is why based on the review that you can look at the next slide.

Dato' Abd. Aziz Sheikh Fadzir: *Datuk, before that Datuk. May I ask you?*

Datuk Seri Long See Wool: *Yes.*

Dato' Abd. Aziz Sheikh Fadzir: *So, when this master plan where it already incorporate 1,2,3,4,5, when they were considering putting three, four there. Those issues that you mentioned just now, was it an issue could have been mentioned then or it was when they designed it they thought, those issue that you said was not an issue?*

Datuk Seri Long See Wool: *I did not get it. You mean the original design?*

Dato' Abd. Aziz Sheikh Fadzir: *Ya.*

Datuk Seri Long See Wool: *That is why you see, all airports they review the master plan based on requirements. So, there was a review done and proposed that you make changes.*

Dato' Abd. Aziz Sheikh Fadzir: *Technically, when we designed this, we knew it was for 100 millions passengers.*

Datuk Seri Long See Wool: *Yes.*

Dato' Abd. Aziz Sheikh Fadzir: *Right? Two, we designed for five runways. Then, it was already agreed. So, 3,4,5 was actually designed with 100 million in mind. So, I am pretty sure when we do the ERL, we do the train, didn't we think at that time or those guys never put a thought on that. Then, suddenly the new smart guy comes in...*

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

Dato' Abd. Aziz Sheikh Fadzir: *...And felt that, "Oh! This 3 does not work, 4 does not work. The whole system needs to be changed again". Is that what you are trying to say, Datuk?*

Datuk Seri Long See Wool: *What I am trying to say is that at the point of planning at that time, the concentration was on the first phase, where the two runways could operate very efficiently. So, the master plan covers beyond the first phase. It goes up to 100 million. Those are the proposals, which they were very conscious at that time.*

Dato' Abd. Aziz Sheikh Fadzir: *It was designed for 100 million in the first place. It was only designed for phase one.*

Datuk Seri Long See Wool: *The implementation and such.*

Dato' Abd. Aziz Sheikh Fadzir: *2,3,4,5 was just to show public that it is meant for 100 million. Is that?*

Datuk Seri Long See Wool: *No, no... [Ketawa] What we are saying, within this side...*

Dato' Abd. Aziz Sheikh Fadzir: *What I am trying to say, we cannot be looking at 20 years now and then whoever sit at your place, I want to say that 20 years ago, this guy was just designing it to make it beautiful. Then, 20 years then, or it did not work. The new design that we do now, will not work again too. I am trying to say that, because this was five runways put in 20 years ago. And today you are saying that, Oh! Three because of the technical, the limitation do not work again". I am very worried on that.*

Datuk Seri Long See Wool: *I think you should not worry, because in 20 years time, technology might change. Then, you might have to reconfigure. You can plan your best now. You look at Heathrow today, because of the land, because of their problem of- they have to live within that. So, they make changes. Terminal 5 was never anticipated. But, the challenge for Heathrow for instance when...*

Dato' Abd. Aziz Sheikh Fadzir: *Never anticipated- it is okay. This is anticipated for 100 million passengers. Change also okay. Reconfigure also okay, but wrong area for runway is worrying. Today you say, because of Runway 3, now the limitations of Runway 2 and Runway 3 were closed. So, it is no more viable, maybe safety wise not good.*

■ 1210

I was just wondering the smart architect or Japanese architect who designed the KLIA, then where it is a pride of a nation..., how can we miss that? The very basic...

Datuk Seri Long See Wool: *Okay, I must...*

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

Datuk Seri Long See Wool: *It is not a simple answer to that. What I am saying is that, if say, we want to build the fourth runway for instance, it is not necessary it will be on the same place. There might be a change to that. It depends on the dynamic at the point in time. You have to match the facilities to the requirement at the point in time. I am not saying that they were wrong or they were not perfected in that, but that was a design that they gave to us.*

Dato' Abd. Aziz Sheikh Fadzir: *It is you mentioned- (A) is the train that suddenly now you need to go underground. Two, the runway position, it affects the runway too. These are basic, bukan?*

Dato' Abd. Aziz Sheikh Fadzir *Sebelum menjawab itu.*

Datuk Seri Long See Wool: *The facts of the matter is it will affect.*

Tuan Tony Pua Kiam Wee: *Tuan Pengerusi, we want to do a question now or later? I actually got a lot of follow up to that. I do not know whether to wait for questioning or...*

Tuan Pengerusi: *Tidak apalah Datuk, this will be a very long session. So I think you better have a say first and then we ask question. At least your train of thought is not disrupted by our question.*

Datuk Seri Long See Wool: *Alright, alright. I just go through this, actually the next slide. Now, if you look at this, the terminal building is there, so you sandwich the facilities between the two runways, so that you can see, we can achieve very efficiently of the operation for the airlines. The most important is how airlines can avoid long taxi way distance which is a cost to them. Okay?*

Now, if you talk about ground Yang Berhormat, when we selected KLIA, we know it is a bit soil. So the ground does not change. There are airport today as you know, even like in the case of Thailand, they built it on the paddy field., it is on a paddy field. Now, you also have airport where you have no choice in the case of Hong Kong and Kansai, they reclaim the entire area.

So, the important consideration is actually aeronautical. You can treat the soil. Of course, we see bad soil in particular, we tried to avoid but if you have no choice but to achieve operation efficiency, if you need to build it there, you will still build it there. The only thing to you will be it might take a longer time or it will cost you more.

Next- now, this is the one that you can see now, actual picture taken. Do not worry about the runway right to the bottom there. That is not there yet but because it is was superimpose on the original master plan. Next, please. Now, when we started the original design or MAB started the original design, there were several factors, and one of the factor that they took into account...

Datuk Chua Tee Yong [Labis]: *Sorry Tuan Pengerusi. I just want to clarify something. Can we just go to slide, the first one where we say KLIA original master plan, okay?*

Datuk Seri Long See Wool: *Ya.*

Datuk Chua Tee Yong: *In the next slide was option for LCCT location. I just want to clarify. So at the end of the day, how do these two tie? That is mean that LCCT subsequently part in the KLIA original master plan or was it the separate one or...? I just want to clarify this part because I got confused.*

Datuk Seri Long See Wool: *Okay. LCCT is like a dedicated terminal for low cost carrier.*

Datuk Chua Tee Yong: *So, is it related to the first KLIA original master plan or this one is a separated totally graph?*

Tuan Tony Pua Kiam Wee: *Datuk, mungkin saya boleh bantu. I think that question is they do not understand the back.*

Datuk Seri Long See Wool: *Ya.*

Tuan Tony Pua Kiam Wee: *So, it is a simple thing that I can answer. Can I just perhaps have the original one, the earlier slide...*

Datuk Seri Long See Wool: *Original.*

Tuan Tony Pua Kiam Wee: *Earlier slide – consultant.*

Beberapa Ahli: *Consultant.*

Tuan Tony Pua Kiam Wee: *Ya. Okay, this is the original master plan in 1992 where the mirror on the left, that is where the extra capacity is. Next slide - okay, this is where the LCCT could have been based on the original master plan.*

Datuk Seri Long See Wool: *Ya, it could built there.*

Tuan Tony Pua Kiam Wee: *But not used.*

Datuk Seri Long See Wool: *But we did not do it.*

Tuan Tony Pua Kiam Wee: *Did not do it. The one that used is... [Merujuk kepada slaid pembentangan] Not this one, another one.*

Datuk Seri Long See Wool: *This is modified.*

Tuan Tony Pua Kiam Wee: *This is modified. There is another one, right?... [Merujuk kepada slaid pembentangan] Ya, this is the one - used is the south of the original, south of the main terminal.*

Datuk Chua Tee Yong: *Totally the other side.*

Tuan Tony Pua Kiam Wee: *That means not on the left side of the main side...*

Datuk Seri Long See Wool: *Not there.*

Tuan Tony Pua Kiam Wee: *Ya, not there but move down here.*

Datuk Seri Long See Wool: *South of it.*

Tuan Pengerusi: *No, just to clarify the...*

Datuk Seri Long See Wool: *That one- with the green and the white at the bottom.*

Tuan Pengerusi: *So just to clarify, Datuk. The mirror option is still there?*

Tuan Tony Pua Kiam Wee: *The land is still there.*

Tuan Pengerusi: *The land is still there lah to expand the normal airport?*

Datuk Seri Long See Wool: *So the land in the future...*

Tuan Pengerusi: *Normal airport for expansion is still there lah?*

Datuk Chua Tee Yong: *Ya, the mirror image.*

Tuan Pengerusi: *The mirror is not touch lah? The only thing that is being touched is a runway five lah?*

Datuk Seri Long See Wool: *So, it is just a shift of runway.*

Tuan Pengerusi: *Ya.*

Datuk Seri Long See Wool: *Within the support...*

Tuan Pengerusi: *So you signify runway five in this picture lah.*

Datuk Seri Long See Wool: *No, the Runway 5 is not featured in here. We did not put the Runway 5 in the...*

Tuan Pengerusi: *No, no. The original plan is runway five which actually...*

Datuk Seri Long See Wool: *But it does not mean that you cannot do it. You can still do it. If the needs and the requirement at the time... You see, runway five is basically something that they told at the master plan, if you reach a peak, you need a lot of the departures. They built that one just for the aircraft to takeoff but not for landing because if you land, you actually landing heading towards the terminal complex.*

But whether at the end of the day when you reach the point in time whether you want to configure the runway in that manner, it is something that the future will have to decide.

Tuan Pengerusi: *It is just making vertically?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *[Ketawa] So, they do not need runway...*

Datuk Seri Long See Wool: *We see here is slightly different from the situation in Europe where the wind conditions are very strong. We can see some of the runway is slightly off, not running in parallel with other runway. But, that is mainly to cater for change in wind condition. They use that particular runway for the purpose in cross wind. Okay?*

When this was started off, it was with the slightly lower volume of passengers- as you can see very simple, to building with the fingers out to cater for certain number of aircraft parking. But subsequently, I will explain to you as why there was a change on the master plan. Based on these, the cost was within RM2 billion. Okay?

Tuan Pengerusi: *The original terminal is RM2 billion?*

Datuk Seri Long See Wool: *The original complex, the entire work...*

Tuan Pengerusi: *Wow!... [Disampuk] I thought it is the existing LCCT cost RM2 billion.*

Datuk Seri Long See Wool: *The original, I mean the original, because you would come to the cost why it ballooned, to used the term I borrowed from the media... [Disampuk] Okay.*

So, there was an increase in scope due to a number of requirements. One was regulatory. This is basically international standard where all new airports- they do not imposing on the old one. The old one if you can, is a total separation of arrival-departure international-domestic which means that was translated into more floors space. It is because of safety and security reason.

This acquires recommendation which we would like to conform to, otherwise if anything happen, they blames us for not following the standard requirement by IQ. The next one is suppose that airline requirement and also the public requirement and we move to the next slide, please.

Now, in terms of airline requirement, the airline came back and told Malaysia Airport, please build the terminal building based on their forecast that would cater for 45 million passengers. So there was a tremendous increase in terms of capacity if you would translate it into the volume passengers that are acquired.

And the number of gate was also increased from the original of less than- much, much less, I think it is about 40 plus to 68 contact and they do not want any remote stand as such. They want all the stands to be at the terminal building and this is related to their turn around time again. If you were to parked the aircraft remote, meaning that you have to bus the passengers, which that would take time. So, these are the requirement.

■ 1220

They also ask for the comfort level, taking into account present LCCT to be enhanced in term of the floor area per passenger and of course, more importantly that they want automatic vacation link system as a post original manual or semi automatic and in term of runway also they do not have aircraft that require a four kilometer runway but they said that in quite certain term this there may have to purchase big a aircraft to that purpose and insisted that a four kilometer runway we build.

Now taking into account, this requirement because you build the airport for the use of the airline, you don't build an airport does not suit the requirement of airline. So Malaysia Airport took all those things into account. Of course in the next box in the right hand side regulatory requirement, the first one I will explain. The second once is to avoid passenger walking on the apron as much as a possible because of security and safety reason.

The next one is important is that control tower instead of apron tower. We have to build a new tower because of line of side that they have traffic controller. We actually has to see the runway right until the end. This is quite also be used as backup to present control tower and we have to build dedicated service route and we also need to modernize air traffic control system to ensure that capacity of the runway and taxi way system can be totally utilized.

Tuan Pengerusi: *Just to clarify one thing, Minister of Transport make announcement saying that control tower from Subang is going to be moved to KLIA, is this the...*

Datuk Seri Long See Wool: *Okay let me...*

Tuan Pengerusi: *...The second control tower?*

Datuk Seri Long See Wool: *Let me explain that. In Subang is air traffic control centre for the entire peninsular and integrated with one in Kota Kinabalu and Kuching, is air traffic control centre. Whereas the control tower at KLIA basically a terminal control for air space within the vicinity the airport, where else one in Subang is entire peninsular punya trafik, floor which we need to build a new one in KLIA, which is separate contract all together that amount to upgrading of that air traffic control system, nothing to do at KLIA.*

Tuan Pengerusi: *Separate contract.*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *Okay, thank you.*

Datuk Seri Long See Wool: *Aerobridges, if you have any question you can ask, I will answer later because is a public request. The other consideration was that as the terminal becomes bigger and because of commercial reason, we try to obtain as much commercial revenue as possible. So that we can keep the aeronautical charges which certain level, therefore the forth space for commercial area increase to about 20%.*

There was also a need because the size airport for integrated transport hub for railway as well as public transport and movement of traffic between the main terminal building and the KLIA2, so there is transportation hub build and there are hotels and of course a last one is a green certification which is something out of own initiative.

Tuan Pengerusi: *Datuk can I just ask simple question maybe it sound little bit silly, but these airport build for low income passenger?*

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

Tuan Pengerusi: *No, no- their pattern of, their customer of low cost airline.*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *...Therefore they should be lower income people right?*

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

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

Datuk Seri Long See Wool: *I know million ... [Ketawa]*

Tuan Pengerusi: *Yalah. No, no what I mean is the justification for bigger commercial area is it derived from shop or it is derived from makan minum punya facilities...*

Datuk Seri Long See Wool: *...Mixture, makan minum, beverage pun ada, kedai-kedai, designer shop pun ada.*

Tuan Pengerusi: *That means is an additional facility which is away from normal airline punya requirement jugalah.*

Datuk Seri Long See Wool: *Ya, is basically commercial for those want to buy, want to shop, want to eat and drink, for the entire airport.*

Tuan Pengerusi: *And they were justified by consultant?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *They justified it?*

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

Tuan Pengerusi: *No. No I worry about one thing. We designed this airport basically based on one customer punya requirement which is AirAsia.*

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

Tuan Pengerusi: *The whole, just know you explaining...*

Datuk Seri Long See Wool: *Because you can see what happen is actually airlines today have a choice. Even if low cost carrier for instance, if you look at Tiger, they operate for Singapore, they never used our LCCT. They used a main terminal building, is their choice. For instance AirAsia in their operation to Singapore, for those Singapore at that point in time sekarang sudah tutup, had a LCCT, AirAsia never used the LCCT, and they used main terminal building.*

Their consideration is against operational because they are trying to capture international traffic that arrived in Singapore in the terminal building.

Tuan Pengerusi: *Datuk, that- I wanted to ask question later but now since you are on the subject is like this. My point is, at the end of the day, our building this new terminal is according to AirAsia requirement that is number one. Number two if you look at the development of our neighboring country airport, for example Singapore is expanding, they going to be providing a more integrated because ours is little bit caca marba, you know we change our planning and whatever to accommodate low cost, I mean the new terminal, AirAsia requirement to make it the biggest airport in the world. But it doesn't mean the people would not find it more pleasant to use Singapore is a hub and then the short hub to Malaysia. Is not beyond- my understanding they used Bangkok, which is a bigger hinterland market, you know- to Penang.*

So I am just saying that, you know even the Lion Air the father, one of the earlier, pioneers of low cost travel, they never had so much government support in developing their hub, their home as we has given AirAsia and if they are driving these development and their driving up by their requirement, by their need and therefore driving up by the cost because we have to build all these facilities for them. Without us looking at, you know our competitive location or competitiveness compare to the other airport in these regions, without looking at the connection to Europe, Australia, to you know Far East. I'm just afraid that, you know us designing airport which is too big.

My issue before was the first design, was design in modular way. One main terminal, two satellite, mirror and then build a building and then two satellite, is just Hong Kong International Airport, than you have the ERL come right and between you go in, you want go to the first terminal you turn right, you want go second terminal you turn left, right? Anyway I just came back from Kansai, so I see Kansai Airport not a good airport, I agree.

Datuk Seri Long See Wool: *Is a linear...*

Tuan Pengerusi: *Is 20 years ago. But my point is, at the end of the day, I'm just want you to answer this question, did we build this airport basically driven by AirAsia requirement without doing a second check on our competitive, or about the competitors are doing on the impact in the bigger picture where their connection are going to be and also is it government policy to basically help AirAsia as a company or low cost travel or low cost hub as a whole? That I think to get in the question to be an answer.*

Datuk Seri Long See Wool: *It is relevant question but it is a tough question to answer.*

Tuan pengerusi: *Because reason is 20 years later that will be another Dato' KSU will answering this question to another bunch of PAC Members will be blaming us, sitting on here if you don't ask that question, you don't answer that question.*

■ 1230

Datuk Seri Long See Wool: *Okay, now. You see the low cost travel. I mean it started in Europe. We cannot deny that they have generated travel demand to the public. Whether you are rich person or you are the one that just can afford to travel because there is a low cost there. We can see this trend will continue for the long, long time. And today the biggest low cost hub or the low cost travel in the Asia Pacific region is actually Kuala Lumpur.*

We see the challenge if we do not build facilities to meet the requirement of airlines; we will lose that competitive edge. And since we are doing very well in the low cost travel, why don't we support the low cost travel. This is not only to AirAsia because there are other low cost airlines that operate in the region. Even like the Malindo Air that describes them as low cost.

You could see that for the last how many years since the LCCT was built, the growth of the LCCT has been very-very high in substantial. With the exception of last year, you find that the full service terminal building handle more passenger than the low cost. I will give you the statistic later. But that you must also stick on your account because Malindo Air today is in target to operate in the main terminal building. When the new building is already they might decide to switch to the other side.

So, we see the potential of the KLIA2. They will take us at least 15 to 20 years in terms of its actual capacity. In fact if you were to look at AirAsia, there are talking about 2020, they will reach RM45 millions. But the MAHB forecast, it's actually more conservative than that. So, we are not actually over sizing. Statistic...

Tuan Pengerusi: *Tony Fernandez also likes to talk a lot also.*

Datuk Seri Long See Wool: *Ya, ya. The dynamic and change innovation.*

Tuan Tony Pua Kiam Wee: *I think perhaps before we bring the AAE, we let the...*

Tuan Pengerusi: *Datuk, I just want you to come back to your point just now. The next point which is- remember 1992, we plan KLIA 100 millions passengers and the building were built. Full of confidence you know. At that time, our neighbor's only Singapore was a main competitor. There is no other competitor. Now, suddenly Suvarnabhumi open up and then Indonesia are looking for a new airport site which I think they will take a year's lah. But, what I am saying is our competitors also, Singapore also grown. Despite having small country, but people use it as a hub. And they prefer to go to Singapore even though it cost more. There is impact on what our competitors are doing to our planning. I agree with you. Yes, we should plan for the future.*

Akan tetapi, I do not also want the KLIA which is originally plan 20 years ago, to also go to waste because of these all, the focus on KLIA2. I would look at it as why did not we maximize KLIA1? Why did we listen so much to AirAsia?

When Singapore doesn't listen to AirAsia, they say you take it or leave it. If you want, you take our hub. Suvarnabhumi - AirAsia finally moved to Don Muang not because they don't want to stay in Suvarnabhumi. Suvarnabhumi is just so congested that is why they moved to Don Muang. Indonesia – AirAsia went to Indonesia said, you want to be our hub there, now quiet because there's also support from the government.

Back to my main question just now, because of this support for a company or the industry, the implications are we spend so much money on KLIA2 tetapi we anak tirikan KLIA1. And then it becomes a waste in our planning in a past.

Datuk Seri Long See Wool: *I, if I may answer.*

Dato' Abd. Aziz Sheikh Fadzir: *Datuk. Datuk. Just get on a little bit. Then, at the end of the day, my worries is that travelers doesn't get the benefit because you know, you can't reduce the airport tax because you got certain- to pacify AirAsia, to make them happy, you have to built this. And then, they will use us- oh we can't fly because MAHB does not want to reduce the airport tax. So here we are building something for some people, trying to help them. They come back and turn it around. You know, why they are not competitive because our cost is high. That what acquiring what Datuk Chairman is saying...*

Tuan Pengerusi: *Tadi runaway pun, I was just amazed that you said AirAsia hendak fly A380 bigger aircraft, therefore you build a four kilometer runaways instead of two but whereas, we already have two highways to cater for the big planes. So, that one is an extra cost just because of their request. I don't see any other airlines being involved in the discussion in this planning of this airport except AirAsia. Tidak ada yang lain-lain.*

Tuan Tony Pua Kiam Wee: *Datuk, how long are you more? I am itching to ask questions but...*

Datuk Seri Long See Wool: *No, it's all up to you all.*

Tuan Tony Pua Kiam Wee: *How long has you got more for the official presentation?*

Datuk Seri Long See Wool: *No, it's quite short. The slide is quite short.*

Tuan Tony Pua Kiam Wee: *Can we makes it short?*

Datuk Seri Long See Wool: *...More to the questions and answers.*

Tuan Tony Pua Kiam Wee: *Because in this case, I actually want to rebut my Chairman, not Datuk but never mind, I will wait for Datuk to finish it first.*

Datuk Seri Long See Wool: *Can you please revives here? [Ketawa] No, I think there is a balance because of so much concentration on KLIA2 to publicity. We are not saying that we are not going to upgrade the main terminal building. It's in the back line. In fact, we are changing the sorting system. The satellite has been designed and plans there already.*

It's a question of when do we launch it? We are not- because we are very mindful of the competitions between the full service and the low cost.

What the government has to avoid which we cannot deny is that we don't want any airlines whether they are in the full service category or the low cost to complaint that the authority of the government is doing something that favor one against the other because in the air services agreement that we signed with all countries, there is a very-very strong clause. Just like the one that we just sign in UK. It's fair competition. Now, if they can pick up something that we designed something, we price the certain product, just to enhance to competitive age of a particular airline as against others, we can be challenged. We are very mindful of that. I think we have our MYCC against. Also if there are full service carrier that lodge a complaint about what we have done, then we can be pulled up. I think we are very mindful of the global requirement of been fair and equals to everybody.

Tuan Liang Teck Meng: *Okay Datuk. Can you answer me some of this question? When you say based on airlines request, alright it's based on the present airlines request that is why you try to accommodate all this facilities. Or can you tell me the figure if there is increase in terms of numbers of airlines after the KLIA2?*

Datuk Seri Long See Wool: *If you talk about LCCT, there are numbers- you see, the present LCCT is so congested. That's factor number one. Factor number two is that some of the low cost carrier as you can see did not want to use the present LCCT. But we are confident that they will move to the KLIA2 because of the capacity there is available. So, we do not only plan for AirAsia. We take into an account all the regional carriers requirements in terms of the operation into the KLIA.*

So, we try as much as track and balance because- but there are of course public perception as if we are dedicated this particular facilities just for AirAsia. But, I must admit that the AirAsia is a biggest user of it. It is a biggest base carrier in Malaysia that uses this terminal building. We are very aware of presently, we monitor the yearly increase in actually traffic volume and last year as I mention to you, the increase in the main terminal building in terms of volume must much - much higher than the LCCT. But things can also changed when the LCCT open. They could be full service carrier, I am just saying, that would like to operate from LCCT - KLIA2 and we cannot say no.

Tuan Pengerusi: *That is my question Datuk.*

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

Tuan Pengerusi: *No, no. That is my question just now. So, what happens to KLIA1?*

Datuk Seri Long See Wool: *Now, you see once you provided the capacity, whether they operate or not...*

■ 1240

Tuan Pengerusi: *Anak tiri- that was my point. That is why PAC 20 years ago, we did not ask this question. PAC 2014 asks this question. So that PAC 2024 does not ask the same question and blame PAC 2014 for not asking this question. Why the hell did you anak tiri the KLIA1 until it is no longer attractive for airlines, even full service airlines to be in KLIA1. They go to KLIA2. Selepas itu, we are still paying for the cost of KLIA1. MAHB will charge back the cost to the fees they charge at the airport.*

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

Datuk Seri Long See Wool: *Can I now go back? I can now switch on the mike again. You see, MAHB although we term it as a monopoly with the exception of JB which is separate punya ini but they are governed by the certain rules. For instance, like passenger service charge, they cannot simply come and ask for an increase. There is KPI and bench marking. Number one, they will have to look at the competitors around the region, what prices are there?*

Secondly, they have to fulfill certain requirement before the government allows an adjustment. That is regulated charge which can only be adjusted by Warta Kerajaan. So, bukannya dia boleh dapat sebegitu sahaja. Hari ini datang minta dua ringgit, kita beri. That is why you can see the increase it's actually very much regulated. Which of course they complained. They say, "You give us one Dollar that is translated to into a lot of money" but before we give that one Dollar, there are safety net that we have. If you look at the domestic charges today, actually the level of airport and services they will provide and the level of the charges is actually very low. We can control to a large stand, the domestic tariff but international tariff, we have to leave a certain international standards.

Tuan Pengerusi: *You will have a challenge. That one I can say because at the end of the day MAHB itself has to fulfill their financial performance as a listed company, anyway. I do not know how long we can impose it. It is just like Tenaga Nasional. People understand and people say, "Government controls it, why can not government control the price?" But then, there are also have other pressures and because of this cost, ballooning up cost of the KLIA2 and depending on how long you can amortized the cost into the future. That will determine the rate that you charge anyway. So, I am just saying that. There will come a time when the financial pressures on MAHB itself will cause the fees to rise. The government can not control very much of that especially when you have this extra cost. That is why, we are looking at this matter because to us that extra few billion, whatever as rumors have been said, Yang Berhormat Petaling Jaya Utara knows more.*

These will actually impact back into the pressure performance of the MAHB and therefore will impact back on the government when they said- the government also needs to look into MAHB interest, in that sense.

Datuk Seri Long See Wool: *If I may, allow me to explain it this way. It all depends on how we explain this to the public. Admittedly today, under the operating agreement, with or without KLIA2, in fact this year we are suppose to, under the operating agreement, look at adjustment of passenger service charge. Now, if you come together with KLIA2, people will say "Oh! Because of KLIA2 your cost has gone up, that is why you adjusting". This is not true. Based on the operating agreement, this year we are supposed to adjust. I am just giving an example but whether at the end of the day the government looks at the KPI, look at the regional airport. Is it timely for us to allow an adjustment in rates?*

Now, we do not allow adjustment in rates because there is formula available, than the government- because if it is justified under the formula, if the government does not want to allow it, government can also say no but then government will have to come what we call marks. Meaning, government will have to pay a certain amount. Which again, I must tell you if we do that, air transport. We are using public money to do it... It because at the end of the day they will say that it is a travel for affordable, for the government servant, for the businessman and people who can travel as tourist.

So, why do you want the government or even the operator, the shareholder is saying why should we subsidize travel? Out of all these passenger as you can see, substantially international for which half are actually foreigners. So, why should we subsidize? That is the question I think and I hope all Members of the PAC aware of the challenges we face. If I can go back to the slide, Tuan Pengerusi?

Tuan Pengerusi: *Ya. Every other country, we have got to pay a levy to...*

Datuk Seri Long See Wool: *Sorry?*

Tuan Pengerusi: *...In every other airport in this region, we have to pay a levy to the country...*

Datuk Seri Long See Wool: *That is why, I – if you buy a ticket to London today, you check the passenger service charge and the airport charge that you pay to Heathrow is a huge amount. I am talking if I am not mistaken is about RM800, Heathrow. They become a huge component of a ticket price. Whereas, if we look at Malaysia side, you will see that the passenger service charge, that is the only component. In New Delhi and Singapore today, there is another charge we called it – I can not remember but it is used, that one is allowed but... as matter practice. It is to collect money for development of the airport, which we do not do.*

Tuan Pengerusi: *But we may do it in the future because of increase in cost.*

Datuk Seri Long See Wool: *Yes, I think...*

Tuan Pengerusi: *...In UK the airport authority, the VA is totally privatized. Government does not own share in it anymore. So, that is why the price is going up but in Malaysia...*

Tuan Tony Pua Kiam Wee: ...Go to London.

Tuan Pengerusi: Ya lah but look...

Tuan Tony Pua Kiam Wee: Their demand is elastic...

Dato' Abd. Aziz Sheikh Fadzir: I was about to says the same thing.

■ 1250

If you start looking into that, people go to London, what would the reason people come to Malaysia? If every centre we want to make money or because we need to run the airport profitably. We build a Rolls Royce and then we can't charge people Rolls Royce. So, what I'm saying is Datuk, if we don't charge passengers, we should look at other operating revenue. You say you paid 20% for commercial, maybe you should paid 40%. You get more passengers, you make money on other commercial. Why look at passengers? Because airports are not supposed to make money from passengers.

To bring passengers in, other operating revenue should be there. Don't charge people. Otherwise no Malaysia- you will not get tourists to come. Okay, you would say that, "Sure, people would come", but they only come once. They will never come back. We want to make Malaysia to be attractive, so the entry must be good. You want to charge airlines for landing rights. You want to charge passengers to pay the revenue. If we continue looking at that model, I'm worried all the tourism dollar that we spend, we spend billion of dollars for promotion. So, why not we subsidize people to come directly here rather than just trying to market it. At the end of the day, you don't bring people in because you are expensive. So, I don't know whether the operating revenue model is right or not.

Datuk Seri Long See Wool: *We have a very detail analysis of this. I think the first principle is, is the level of charges at the airport prohibitive? Which we believe today it is a very, very small component of overall travel. Passengers doest not even realize that. When you buy a ticket, it is included in the ticket. That amount if we compare to the fare, it is very small. I'm talking about average which is the practice internationally. We are mindful of the fact that it might affect, but our analysis have shown historically, not only us. A lot of airports in the region in the world that charge has minimal effect on the passengers choice of travel. That is the findings that we have.*

Dato' Abd. Aziz Sheikh Fadzir: *I completely disagree with you. Completely disagree. If we talk to the travel agents, they are in a very difficulty to promote Langkawi against Phuket, against Bali. For RM10 will influence people instead of going to Bali, come to Malaysia. Instead of going to Phuket, come to Thailand. Instead of going to Bangkok, come to Kuala Lumpur. I mean, unless we want to justify our decision, I don't know, but...*

Datuk Seri Long See Wool: No Yang Berhormat.

Dato' Abd. Aziz Sheikh Fadzir: ...It is very sensitive to get.

Datuk Seri Long See Wool: *I understand. I see your point of view, but our argument with tourism has always been on the same issue. If the tourist product, people don't come to Kuala Lumpur, come to Malaysia because of KLIA. They come to Malaysia because of the attraction of Kuala Lumpur and other tourist destination. Because of RM25 for instance, they don't- that does not affect their choice. The choice is how attractive is Kuala Lumpur or Malaysia as a tourist destination. There has always been this argument. I accept your view to a large extent, but there are other views that we take into account.*

Dato' Abd. Aziz Sheikh Fadzir: *My only appeal to you Sir is, take passengers as the last person we want to charge. Find a revenue model for the airport. I'm talking about direct charge like this tax. Find other revenue that we can lure people to spend. Let's out of box rather than saying we must charge this and that. If you can find that model.*

Datuk Seri Long See Wool: *Ya Yang Berhormat. I understand Yang Berhormat. That is why we want more commercial space. That is why we- if you bother to take a comparison of letting and parking charges, ours is the lowest in the region. Lowest. If you look at the aerobridge charges, nobody charge RM80 per aerobridge in this part of the world. Now, if you look at the other component, the air navigation facility charge which is a charge imposed on airlines flying into our airspace, we are the lowest and nobody in this part of the world is lower than us. But, it raises another issue. Should we subsidize air travel which the government also has to consider. I think we are striking a balance between all these conflicting requirements and considerations.*

Tuan Pengerusi: *Because, it goes back to the price of the concession that you award to MAHB. If government can get more for that concession, it's more money for the government. This is a zero sum game. If you subsidize here, somebody has to pay for it. As what Kulim was saying, revenue model that maximizes income for the government. So, I can see that it is good to explain it that way, but somebody picking up the bill and the tax payers doesn't realize eventually they pick up the bill, because the concession that we give to MAHB might not be maximizing the government potential revenue.*

Datuk Seri Long See Wool: *So Yang Berhormat, if I may just lead you to the other question which have raised earlier. So far as KLIA2 is concern. Although under the operating agreement, all development expenditures, the government should assist or come in. But, KLIA2 is fully funded by MAHB. Not only they funded their component, they also funded the government component which is the access road and the air traffic control system. There is no government guarantee on the sukuk that they obtained it from the financial institution.*

Tuan Pengerusi: *This is for building of KLIA2?*

Datuk Seri Long See Wool: *Ya. The government component is about 632 million retail also funded.*

Tuan Pengerusi: *MAHB funding fully government punya...*

Datuk Seri Long See Wool: *Government punya facilities pun.*

Tuan Pengerusi: *Government punya facilities pun? They are funding fully, they are raising sukuk which is securitize against their assets?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *Securitize against the company?*

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

Tuan Pengerusi: *No government guarantee at all?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *So, that's also another point that we have to make– if there is no government...*

Tuan Tony Pua Kiam Wee: *Government guarantee, not original KLIA.*

Tuan Pengerusi: *Ya, but we are talking about KLIA2. No, no KLIA2. KLIA2 is fully funded by MAHB ya?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *Just want to make it clear. Okay, never mind.*

Datuk Seri Long See Wool: *Okay Yang Berhormat, can I?*

Datuk Chua Tee Yong: *Datuk...*

Datuk Seri Long See Wool: *It's taking me a long time to move from this slide.*

Datuk Chua Tee Yong: *Just one more on this slide. Just a quick one. I notice it's written here. I'm not against AirAsia. Just want to ask a question. It's written here, AirAsia head office and AirAsia staff multilevel parking. So, if there is any other airlines coming in, so do you have to build a new head office for them or there is already access?*

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

Datuk Chua Tee Yong: *There is space there lah?*

Datuk Seri Long See Wool: *There is.*

Datuk Chua Tee Yong: *There is ya? Okay.*

Datuk Seri Long See Wool: *There is. So, this actually built by them. Their money, but of course in terms of the infra, the roads and all that, indirectly we will have to provide. So, there will be more facilities, there'll be more infra involved. Okay, if I may move to the next slide Sir.*

Now, I'm going back to the cost again which is the question you ask, how the price has moved from a certain level to today of 4 billion. Now, this is just to show you the footprint of the original concept, than to what we're implementing today. You can see the brown one... [Merujuk kepada paparan slaid] In terms of footprint, it is much, much bigger. That in a way explains the cost of the project. Next please.

Now, we also have- because of the separation requirement and because of package handling system and because it is 45 million passengers terminal. We could not retain the two levels that we originally wanted to build. So, it is a much bigger and much taller building than the original was. We will need to have the GSE area because these are ground handling equipments, service equipments. So, you have to move into that. Next.

Now, the question of delays. Which is very much discussed and very much in the media. The time frame, I use the word 'time frame' has moved from the original date followed by certain announcement of the date to the final date of 30th April 2014. Which is actually 2nd May 2014 is supposed to be operational.

■ 1300

Now you look at the grey column... [Merujuk kepada paparan slaid] There was a shift in date, from April 2012, October 2012 and April 2013. But there are reasons for it.

Reason number one is although MAHB is a company listed under Kuala Lumpur Stock Exchange, they have to follow government requirements in terms of tender. So, it was an open tender that was decided. Open tender, there are certain requirements you have to follow and because of the number of participation to the tender, the evaluation takes a slightly longer time. So, that is one reason for there was a shift in date.

Secondly, there was also a design enhancement, in terms of the runway longer, in terms of the size of the building, the number of gates that we need to do to cater for 45 million. Because of that, as Yang Berhormat pointing earlier, we have to find other sources of revenue. There were an increase of the commercial space and all these translated to the time that are required for the contractors to adjust the scope and adjust the timeline.

Dato' Abd. Aziz Sheikh Fadzir: Can I ask you Datuk? First, we have 2009 model design and then after that, we have another design. So, before we tender, that design is not also finalized is it? There is another design on top of that...

Tuan Tony Pua Kiam Wee: Actually, there is pre 2009 design.

Dato' Abd. Aziz Sheikh Fadzir: Okay, that is one. Settle.

Tuan Tony Pua Kiam Wee: Then, there was a new 2009 design.

Dato' Abd. Aziz Sheikh Fadzir: Ya.

Tuan Tony Pua Kiam Wee: For 15 million... [Disampuk] Oh, no, 25 million. And then there is current design.

Dato' Abd. Aziz Sheikh Fadzir: So what was saying is that when we do the final design for 45 million, so all the extensions, all that, Datuk said also not incorporated again during the tender, during the constructions? We adjust again, is it?

Datuk Seri Long See Wool: *There is a mixture. There is a mixture, not entirely. There are some contractual orders still stay. What we need to do is to adjust our scope. But there are some tenders which we realize the scope, we immediately- MAHB. I always use the word 'we', salah. MAHB adjusted the tender to accommodate for the latest. But giving an example, at the baggage handling system which was tendered, was supposed to be not fully automatic. So it's a midway adjustment. When you adjust midway, there are a lot of implications not only in contract but actually part of the building need to be hacked.*

So those were to accommodate changes. So when you accommodate changes, you have to give what we call, if the contract has been awarded, is the extension of time. So once extension of time is given, we cannot tell or say the contractor has delayed, because the time frame of the project will have to be adjusted.

Tuan Pengerusi: *Datuk, who...*

Datuk Seri Long See Wool: *The orange box is...*

Tuan Pengerusi: *Who requested that change?*

Datuk Seri Long See Wool: *Sorry?*

Tuan Pengerusi: *Who requested the change from manual to automated baggage handling?*

Datuk Seri Long See Wool: *It was the airline request. It was also the needs that the operator sees, MAHB. So they will have to adjust. Number one is because of the size of the terminal and the volume of passengers.*

Tuan Tony Pua Kiam Wee: *I read...*

Datuk Seri Long See Wool: *So that is a conscious decision, a decision by the MAHB. So, that one will have to be taken into account to adjust the time frame of the project.*

Tuan Tony Pua Kiam Wee: *I read from the media when this issue was first raised, this baggage thing, AirAsia denied that they actually insisted on the automatic baggage handling. After meeting with MAHB and the MOT, they considered to MAHB insisting on doing the automated. So it wasn't the specific request by AirAsia. That was what the media response to us.*

Datuk Seri Long See Wool: *You mean to say they still want a semi automated or a...*

Tuan Tony Pua Kiam Wee: *They, they... I am trying to recall the actual response by AirAsia. They basically denied that they were the party insisting on the automated, but after meeting with the MOT and the MAHB, they considered to the request by MAHB to have the automated.*

Datuk Seri Long See Wool: *They are Yang Berhormat. There are records to very clearly show...*

Tuan Tony Pua Kiam Wee: *I don't know who is right or who is wrong.*

Datuk Seri Long See Wool: *They are...*

Tuan Pengerusi: *The secretary...*

Datuk Seri Long See Wool: *The question is...*

Tuan Pengerusi: *The KSU in the ministry is the official report lah.*

Tuan Tony Pua Kiam Wee: *But they are party for it. So...*

Datuk Seri Long See Wool: *I am speaking as the KSU, not the- there is a conflict.. [Ketawa] There are records, and this one have a very-very clear that we even have to knock buildings.*

Tuan Pengerusi: *So that's why there are request from the airlines and then also from your side, you realize that they are request first.*

Datuk Seri Long See Wool: *You see, when... I use the terms airline. What the airline was thinking that, the baggage handling system is fully automatic is very expensive. If we install automatic system, there are going to be charges for it. So they resisted. They said, "Why can't you do it right now?" But there is no way we can do it right now. So what we did was, we try to do a semi automated system. But eventually both sides realize it doesn't work because what is a point of doing designing and implementing the system eventually it doesn't work. It will be bad for the operator and bad for the airlines, because there will be delays. Eventually, siapa yang kena? Semua-semua kena.*

Tuan Pengerusi: *Akan tetapi dia juga minta, dia kata dia boleh dapat 45 million passengers. [Ketawa]*

Datuk Seri Long See Wool: *Itu susah saya mahu... [Ketawa]*

Tuan Tony Pua Kiam Wee: *Given on 45 million passengers...*

Tuan Pengerusi: *Are you talking about 45...*

Datuk Seri Long See Wool: *If someone can tell us, a building size handles 45 million passengers can go on manual, we will go on a manual.*

Tuan Tony Pua Kiam Wee: *I think its not about manual lah, I think they were – its between the semi automatic and automatic. I am also not... I have no clue which one is better. I am just pointing out the fact that AirAsia in the media have denied that they were the one insisting for it to be fully automatic. I think they were happy to live with the semi automatic but they were persuaded by MAHB to accept the automatic. That's one.*

Number two, on the 45 million passengers. According to their statement, which I follow closely, I'm sure Datuk as well, they are never asked for less than 45, it was always 45. So the first design that came out with the, I think 25 million, was never what they wanted in the first place. So the blueprint that came out, the first blueprint in 2009 design that came out didn't meet their original requirement. So they always ask for modify.

What I understood was, the first one, the based plan was actually presented to the Cabinet in 2007, and that was supposed to cater 45 million. So your 45 million shrink down to 25 then expended back up to 45. I could be wrong, please correct me if I'm wrong because this is what I read from statements.

Datuk Seri Long See Wool: *We don't- you see, when the airport operator plan for it, they don't plug figures out of the sky. They rely, number one, on the original forecast which IATA do it or even IQ do it. They also relied on airlines actually giving feedback especially those airlines that operate into your airport. Then, they do their own analysis and came out with the size. It is...*

Dato' Abd. Aziz Sheikh Fadzir: *You are saying Datuk, you don't believe in 2009 despite 2007, AirAsia thought it can reach 45 million? You never believe that in 2009 that they would reach 45 million? You still believe that only 25 million. It's that just the thinking by MAB?*

Datuk Seri Long See Wool: *No. If you have been airport reporter, if you- the problem if you oversized, you pay a penalty. If you undersized, you also pay a penalty. So, it's a balance. I would not say that MAB fully subscribe to the airlines requirement, airlines forecast. Or they went very conservative. So it is something that they actually again and again analyze. So if you built 45...*

Dato' Abd. Aziz Sheikh Fadzir: *So you were very conservative.*

Datuk Seri Long See Wool: *If we built 45 today, so what happen is that if you were conservative like MAB said, we were only reach the maximum volume of the terminal building in 2025 for instance, I'm giving, I'm just quoting a figure. But if the figure is actual performance like AirAsia said 2020 they reach it, so what you have to do is, before 2020 where the passenger volume for the first two, three or four years were to moving so high, so maybe before 2020 they would have to look at the expansion.*

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So what you have to do is before 2020, passenger volume for the first, two, three, four years are moving so high. So maybe before 2020, they will have to look at the expansion but what I trying to avoid is to build so big that is will be empty for a long time. I think that is the challenge they have to face. So they have decided earlier they were conservative, the figures were good. So they talk again, they adjusted the figure. So when you adjusted the figure, imagine you move from 25 million to 45 million, the entire size of terminal change...

Tuan Pengerusi: *My question is about in design the airport, whether you design one short big or you modular air. That was why I said, if we don't need to build it now, and then you can modularize it. Then therefore, the cost of building the expansion can be postponed later and you only have to deal with the cost of first module but now, you build the entire airport one-short which is actually the size of two satellite terminal.*

Datuk Seri Long See Wool: Yang Berhormat, I also want to share with you because you find that all the airport today, their built capacity well ahead of demand. I just give an example like Singapore today, I think their handling about 50 over million. What they are doing now on the terminal four, push them up to 75 million or 80 million between the next two years. Dubai. Now Beijing, today their traffic volume is 75 million. They are building an entirely new airport already. They selected the site and done the master plan. In that case, as Hong Kong as well. Even the one a bit slow would be actually Bangkok, even Jakarta...

Tuan Pengerusi: Now they have hinterland, big hinterland. Beijing atau Hong Kong. Hong Kong hinterland is Guangdong but we do not have that kind of hinterland that all these other countries had. Bangkok has a big hinterland- Indo China...

Tuan Tony Pua Kiam Wee: I have slightly different...

Datuk Seri Long See Wool: Yang Berhormat, if I may- in fact I would say that although you look at Bangkok and even Jakarta, talking about the population sizes and hinterland- but we are not very far from them.

Tuan Tony Pua Kiam Wee: I would like...

Datuk Seri Long See Wool: In terms the value of growth, we are actually higher than them.

Tuan Pengerusi: Population wise...

Tuan Tony Pua Kiam Wee: I have slightly different opinion with Tuan Pengerusi, I think actually 45 million is fine- overall looking at the number. I don't see a problem. My problem is, why was it shrunk down, cap to the same price and then, enlarge backup then the price blown up? Because when it was first announced in 2007, it was up to 45, and it was RM1.7 billion. Then it stayed at about RM2 billion, but the trial shrunk down to 25 and then when it raise up again to 45 million then the price went up to RM3.6 to RM4 billion. That is my problem, not the size of 45 million...

Tuan Pengerusi: Good question.

Tuan Tony Pua Kiam Wee: The original site, the one presented to Kabinet I believe in 2007- July or December.

Tuan Pengerusi: It was MAHB.

Datuk Seri Long See Wool: If I may...

Tuan Pengerusi: Is the question now...

Datuk Seri Long See Wool: At the end of the day, we over size or we undersize. Based on the question, did we build the airport on per meter basis more expensive than the market price, or in term per passenger punya cost, are we over price? We have figures to the effect to show that, per meter square construction cost is cheap...

Tuan Pengerusi: Compare to?

Datuk Seri Long See Wool: *If you compare to some of the airport. But this comparison you have to be careful- when it is built; what kind of soil condition; what level of finishes; and all those factors come in, in fact that's why I really reluctant to give the figure. If you take the figure, you go outside and find some information- I, habislah I kena... [Ketawa]*

So I have to qualify that but what we are saying is, the per meter punya construction cost is very competitive. In fact, we have done airport comparison but today I reluctant to show the slide because the slide can be used against me at the later date because there are many qualifications to it, but what we are saying is that, today cost, if we look at this cost here, it is much more lower than a lot of other airport, even lower than KLIA 1...

Dato' Abd. Aziz Sheikh Fadzir: *How did MAHB or Minister presented to the Kabinet? Presented to Kabinet, luar Kabinet to believe ikut contract in 2007- 45 million airport for RM1.7 billion. Are you saying that the QS did a wrong calculation again? Because it was presented to Kabinet ...*

Datuk Seri Long See Wool: *No, it was a question on sizing...*

Dato' Abd. Aziz Sheikh Fadzir: *No. No.*

Datuk Seri Long See Wool: *You say at the time. Okay, anybody can say that- today I can build an airport in Ipoh for 350 million, but when you actually go to the ground, there is lot of differences. What AirAsia was saying that they could do the airport?... I think they counted the figure of- I cannot remember... [Disampuk] About 1.3, but they did not actually going to build it. If they going to build it, the infrastructure cost itself- the road links itself, all have been taking into account. Did they take into account they control the tower...*

Dato' Abd. Aziz Sheikh Fadzir: *Forget about them itu. This is the Ministry of Transport, presented to Kabinet in 2007, asking for RM1.7 billion to do it for 45 million passengers. Forget about others. We are not responsible. So who does Kabinet listen to? Are you saying that Kabinet also- when Ministry of Transport presented RM1.7 billion, "Oh! May not be true because they have not going down to check the cost?"*

Datuk Seri Long See Wool: *Yang Berhormat, we did tell the government, if we were to build this, that time we were based on LCCT remember, slightly improvement our LCCT, this is the price. But as we hit the ground as you see, we have to take so may other factors into consideration...*

Dato' Abd. Aziz Sheikh Fadzir: *You go back...*

Datuk Seri Long See Wool: *We have not really done the soil analysis...*

Dato' Abd. Aziz Sheikh Fadzir: *...Go back to Kabinet and get the approval?*

Datuk Seri Long See Wool: *Kabinet was informed from time-to-time about the cost.*

Dato' Abd. Aziz Sheikh Fadzir: *Even the different between RM1.7 billion to the new figure?*

Datuk Seri Long See Wool: *Ya. Until today, they know about that 4 billion dollar that...*

Tuan Tony Pua Kiam Wee: *I think that 4 billion dollar was informed later after the...*

Tuan Pengerusi: *Nanti ada Minister pula kena accuse of cheating the Kabinet...[Ketawa]*

Tuan Tony Pua Kiam Wee: *Let me just give a bit of the details- MAHB presentation to Finance Ministry on the 6 of July 2007. In the presentation, they said that this is the original Blueprint KLIA-north side. That's the good side because efficient operations since apron were well connected to either- Runway 1, or Runway 2, okay. Ample land available for future expansion, good access by a parameter highway and propose site compliment KLIA as an integrated hub for low cost carrier and legacy airlines and it complies with KLIA Master Plan, the original 1992. So this was the factors for that site then, and a year later they flip...*

Datuk Seri Long See Wool: *We are going back to site issue but I thought I have already explain to you why there was a site.*

Tuan Tony Pua Kiam Wee: *No.*

Datuk Seri Long See Wool: *We can build at the site, the original site but at the end of the day doesn't know- who pay the penalty? The airline...*

Tuan Tony Pua Kiam Wee: *I am not- my question, I want you to finish the presentation first before I ask the question. We talk about the runway.*

Datuk Seri Long See Wool: *Because you see, this is not a project, it is a multi billion dollar project. It is huge. We want to be as correct as possible. The site thing itself is very important...*

Tuan Tony Pua Kiam Wee: *You spoke about runway...*

Datuk Seri Long See Wool: *You are asking me to say, the master plan was wrong, the people must..., actually I cannot say that because at that point in time...*

Tuan Tony Pua Kiam Wee: *If you cannot say that, then why we agree to move?*

Datuk Seri Long See Wool: *Move what?*

Tuan Tony Pua Kiam Wee: *I am reading from the original master plan, runway spacing- it fully took into account those factor that you mentioned just now. The distance that need to kept apart, the runway capacity, matter operation, runway occupancy time...*

Datuk Seri Long See Wool: *Okay Yang Berhormat. If I just ask you a question, the original separation between those runways, the space between runways was much, much smaller. But with the smaller, you cannot size the terminal building to 45 millions.*

The moment you sized 45 millions, you move your runway further. Are you saying that we were wrong in deciding that after taking into account? I can stick to the original, built the two fingers but you cannot get your ...

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Tuan Tony Pua Kiam Wee: *If you go back to the two images that you had, you yourself mentioned that you have changes surround that.*

Datuk Seri Long See Wool: *That is what I am saying that, please understand that we do not change for the sake of changing. Why we do that for? Is it because we want to increase the price of the contract? We want to borrow more money from the bank?*

Dato' Abd. Aziz Sheikh Fadzir: *I have to leave early but the whole thing from this airport ini, my biggest doubt is you are listening to a wrong people. You are presenting to Cabinet based on a wrong premise. Somehow from KK, here and I was in Penang yesterday, flying from Penang to JB, the airport people was telling me, we have got a new tourism product at the airport, during raining we put baldi there. So, this is a newly completed airport. Leakage everywhere, during the raining it was flooded bawah there. So what I am saying Datuk, my gut feeling is or my doubt is, I think we got a scrap consultant to advise the government. So, unless for future, I think we have to be open. We cannot rely on this KLIA consultant directly because you and I maybe we share the same. We do not know the details. We have to depend on this consultant.*

For the first presentation of the master plan, it is only 1992 completely change the runway do not work anymore, go to a presentation into 2007 to a Cabinet, figure was completely wrong. Start the construction in 2012, another design during the construction, amend again within one year. Within one year, amend again. At the end of the day, today, we have got a very expensive airport and you are just saying the future revenue, we have got to treat the first airport like the first wife, second airport cannot be treated very well, passengers is going to pay for the airport tax. So, we are not helping the travelers at the end of the day. We are not reaching our benefits. That is my feeling, Datuk, my opinion of all what happened. Unfortunately, I have to leave early. Thank you.

Tuan Pengerusi: *Back to the point I make dalam KK International Airport, I said, "Did you take the consultant because of the brand name or because of the actual capability of people there?". Because KLIACS was good 20 years with Jamlus. Now, the staff might not be so good but their mistake can cause this sort of confusion and then when it is publicize in the media, people immediately think, "Hah! See. The cause of blown up because of kickback or something". Actually, it is more towards what you are explain: changes of design, unexpected causes and everything. So that is a lot of consensus today.*

Tuan Tony Pua Kiam Wee: *I mean, if you look at the original plan, the first two maps that you have, is actually quite from a layman point of view.*

We will need advice from consultant perhaps. From layman points of view, the separation was suspicious as mentioned in this report to coop with traveling up and down, the segregation is there. Number two is the other aspect from the runway is that, why are we in the rush to build Runway 3? If we have build the terminal at the original master plan side, they could share runway 1 and runway 2. Whereas if you build it south than we are forced to build a third runway because otherwise this south terminal would be too far from the runway 1. And we looked at the volume of passengers, Singapore today has 66 millions passengers as suppose to us running, they are using two runways. Heathrow bad example but is a gauge, they have 70 million passengers, they have two runways.

Why are we in such a hurry when today our traffic is left about 40 million to build the third runway? And we are building it in an area specified plenty of problems, soil problem. They are actually specified in the master plan how possibility anything between 7 metres, 12 metres of soft soil that you need to put together and the time takes to compress to become firm before it can be operating. They are very specific in this study whereas the side of KLIA-North was said to be suitable because there is very little of such problem and hence there is much lesser needs for soil topping up. That is where about of the cost of the construction came about.

I got an official answer at the earlier date. I don't know what the latest sum now where it is nearly 800 million spent just on- the soil are to tambak tanah. Nearly 800 million just to put soil on the airport. Surely cost is the factor to where you build the airport. It is not just about airport operating, the aeronautics of it. I am sure there are plenty locations we can adjust the aeronautics but cost surely must be a factor in where you placed an airport.

Datuk Seri Long See Wool: *Yang Berhormat, I try to explain but if you still think that the earlier information that you received is the truth nothing but the truth, there is nothing I can do to change the opinion.*

Tuan Tony Pua Kiam Wee: *I heard your answers...*

Datuk Seri Long See Wool: *But all I am saying is that, there are many aeronautical reasons for us to do that and which if we are building a house, I do not see why we want to build a house at the location which is much more difficult to build but there are reason to it. I have attempted my best to give the explanation to you but Yang Berhormat, if you- I can even put in writing if you want later on as why that site was selected which have briefly put in the report which I...*

Tuan Tony Pua Kiam Wee: *I thought you are...*

Datuk Seri Long See Wool: *Of course I cannot speak on behalf of the company. The companies are subject to be audited by the shareholders. If this thing has gone to public many*

times, I supposed the shareholders must have look at the reason and done their own study. If it cause so much money, I do not think the shareholders will just keep quiet.

Tuan Tony Pua Kiam Wee: Fine enough. I mean if Datuk does not have anything else to add, I just want to point out that the answer given just now, runway. Runs counter to what it is actually written in the blueprint. That is all I highlighting.

The blueprint is actually states they took in the consideration the distance between the runways, the number of flights up and down, the peak load that they can handle, the segregation of mix used of...

Datuk Seri Long See Wool: I will definitely carry this back because I just want to know what report that you are referring to.

Tuan Tony Pua Kiam Wee: This is 1992's blueprint- KL International Airport Master Plan.

Datuk Seri Long See Wool: Okay. I will question and asked them why it differ from that so much but they have given a lot of justifications. Because this was, you see once it was raised ...

Tuan Pengerusi: Kejap Datuk.

Datuk Seri Long See Wool: Sorry Yang Berhormat.

Tuan Pengerusi: Yang Berhormat Masjid Tanah, Yang Berhormat Kepong, you are staying ya? Not going?

Dr. Tan Seng Giaw: I am going to ask question.

Tuan Pengerusi: Okay, because our quorum now is at the barest minimum sudah ini... [Ketawa] So, I just want to ensure that the current members have time to stay. You have to go?... [Bertanya kepada seorang Ahli Jawatankuasa]

If... [Disampuk] I know our quorum is affected because it is three, Chairman plus three. Do you have anymore question or are taking a long time or... [Bertanya kepada Yang Berhormat Petaling Jaya Utara] [Ketawa] So, we are in pass here, Datuk.

Datuk Seri Long See Wool: No, it is your call, is your call.

Tuan Pengerusi: It is not my call, it is quorum call. [Ketawa] [Disampuk] It is suitable if we treat the numbers at the pendaftaran as a quorum? Okay.

Tuan Tony Pua Kiam Wee: Control tower. I understand that the control tower, the additional control tower was an oversight because when the original venue, the location was shifted to KLIA west. It wasn't thought that the current control tower, the existing control tower cannot see all the runways of the new side whereas if it have been in the original location, the same control tower can see both side... [Disampuk]

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Seorang Ahli: [Bercakap tanpa menggunakan pembesar suara]

Tuan Tony Pua Kiam Wee: *Correct, 360. So, that was supposedly, that was made known to be an oversight, enhance we have to build a new control tower and even then, the side of the control tower have to be shifted once or twice before it was completed. It makes it a bit odd for our one airport to have two control tower and there is no any modern airports out there today that have two control towers.*

While the arguments presented by the MAHB against the Labu KLIA Airport then, was that Labu is too close to KLIA and having two control towers may cause mix-up. So, it is what I read, correct or wrong?

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

Tuan Pengerusi: *...With you... [Ketawa]*

Datuk Seri Long See Wool: *I give you an example. If it is within- what we called a terminal control area at airport? But even today, you look at the KLIA and Subang because of the same alignment, they are not far apart. Priority is given to KLIA. Therefore, Subang capacity is an away affected because macam in the sky, it is just like on the road. You have to junction and the aircraft that can hold before they turn and they descend. There is a pattern that is what we called the seat- and for take off and landing. Now, if you site an airport very near to existing airport, there will be penalty you need to pay. Control towers is different thing, it is just a tower that provide the air traffic services.*

So, what you have mention earlier, the information received may not be very correct. If you really sited Airport Labu, is actually simply too close to KLIA or you can still operate but you have to pay a lot of penalties. During peak hour you might not be able to allow certain aircraft to take off. You will realize that in recent years during a Merdeka celebration. There are not really many of this flying of aircraft because even you are flying in the Merdeka Square there, sometimes we will have to reschedule our flight for take off. Anything can happen, that is the safety requirement that we have to observe. So, it is true that if Labu is sited, it is very near. In term of control tower, you must realize that the moment the alignment move and change, is a line of side.

Now, there is an alternative for the air traffic controller. For example, to used CCTV system but that is never a preferred thing for them to do. That is a last alternative. So, for the air traffic controller, when they want to site the aircraft, it is a safety issue. It is not MAHB decision. MAHB has no authority. The authority for air traffic control is The Department of Civil Aviation. So, when they decided that the line of side, they cannot see the aircraft so we will have to build something for that purpose.

Tuan Tony Pua Kiam Wee: *I completely agree that if it is move to this new site you need a new control tower.*

I accept the reasons given by DCA and the fact that this is not MAHB decision. What I am asking is did MAHB know about it before they decide to move to the new site or was it an oversight by MAHB?

Datuk Seri Long See Wool: *I think those were the...*

Tuan Tony Pua Kiam Wee: *Because of the cost and...*

Datuk Seri Long See Wool: *Those were some areas for which were taken into account subject to verification because you will actually have to do study and go up to a certain level to simulate the line of site issue because it was not even built yet. So, based on the simulation that was conducted that the line of site was an issue. I have to be representative unless I am wrong. Have anything to...*

Tuan Tony Pua Kiam Wee: *When did DCA say or tell MAHB that they must build a new tower?*

Datuk Seri Long See Wool: *I do not think he knows exactly the date. We will give you the date.*

Encik Ahmad Nizar bin Zolfakar [Pengarah Sektor Trafik Udara, Jabatan Penerbangan Awam]: *Minta maaf Yang Berhormat. We do not exactly know the date. I do not know exactly the date when it was...*

Tuan Tony Pua Kiam Wee: *Our concern is because of this poor planning that this extra cost. I understand it cost about RM270 million. It is right? For the second control tower, or is it - no, the runway of RM270 million, the third runway. The control tower, I can not remember the cost but basically there is additional cost involved in building the control tower.*

Datuk Seri Long See Wool: *I do not want to give you the wrong figure. We do not have the figure here. We will give you the figure but Yang Berhormat...*

Tuan Pengerusi: *Whatever it is, make sure you give us the information.*

Datuk Seri Long See Wool: *Just for your information the old tower also, it was time for us to upgrade some equipment. So, the costs of it include upgrading of certain equipment which... do it here together. It is not a pure 100% new control tower cost because it was due for renewal. In the process Yang Berhormat, you see, we want certain level of efficiency. That is why we upgrading the air traffic control system. So that we can get per hour optimal movement of aircraft compare to what we have today.*

Tuan Tony Pua Kiam Wee: *Just a quick question on the aerobridges.*

Datuk Seri Long See Wool: *Yes.*

Tuan Tony Pua Kiam Wee: *How much is the cost and what was the basis for the decision to have aerobridges even though most of the airlines did not require it or rather the biggest customer did not require it? ...On this, I just wanted to get the official reason...*

Datuk Seri Long See Wool: *This is again the call of the operator. They believe that the service level that to be provided to the passengers and we also received a lot of request from the NGO that wanted the aerobridges that include the warga emas, OKU and so on. It is a challenge, the operator. If you do not provide that- when there is a complaint, it is the operator. They will have to answer because the airlines – benda itu pun tidak ada, bagaimana kita mahu pakai?*

So, we will provide it but we did not enforce. There are many airport in the world, you have no choice but to use it. It is up to you to use it. Today there are a lot of issues involving- loader aerobridges not being used during bad weather, passengers complaints, timbul pula soal tidak ada ambulift dan macam-macam masalah.

So, we thought, the airport operator thought it is an investment for which partly because not so much because of commercial reason because charges is actually very minimum. It is because of just service level and service to the passengers that in store. Sama ada anda pakai, tidak pakai, tidak apa. By the same token, we would like also to inform that the same airlines in all other airport, mereka pakai aerobridges although they have a choice. A clear example was in Singapore, pakai. Kenapa di Kuala Lumpur tidak mahu pakai? Akan tetapi itu keputusan mereka. So, we will have to wait and see whether they will use or never use it because it was a question of cost.

Now, if you talking about RM80, if you divide to 200 passengers. Even if you charge a passengers. Ask the passengers, "You want to use the aerobridges or not? You let them decide. I think a lot of passengers will just pay the 15%.

Tuan Pengerusi: *Anyway, you can advertise it into a longer period. So...*

Datuk Seri Long See Wool: *Now, we will have mutual respect for each others position and decision and commercial consideration. We would not want to force anybody to use it. If you do no want to use it, by all mean, you do not have to.*

Tuan Tony Pua Kiam Wee: *How much did the...*

Tuan Pengerusi: *At the end of day we are actually helping out a private company. Most other countries do not help, they do not extend this kind of help to private company like this. Sorry, it is a public company but it is a commercial... like this.*

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Datuk Seri Long See Wool: *I think, at the end of the day, it is the passengers that reign supreme.*

Tuan Pengerusi: *No, I am for it because of the competitive advantages from freeing up air travel. I agree with that. It is just that in this case, we are actually very kind to them.*

Tuan Tony Pua Kiam Wee: *Just a quick confirmation, if you don't have it, we can have it...*

Datuk Seri Long See Wool: *I can give it to you, per aerobridge and how many. Because some- because there are 68 gates, but actually there are actually 80 aerobridges.*

Tuan Tony Pua Kiam Wee: *Different types of.*

Datuk Seri Long See Wool: *Because, some has got- because, a big aircraft, there is double head. So, it cost more.*

Tuan Tony Pua Kiam Wee: *I understand. Okay, just to confirm on funds. You announced in 2012 that MAHB have done a private placement of approximately RM598 million. They have also announced that they are undertaking a new sukuk this year or was it end of last year of approximately RM1 billion, I'm not sure whether it is completed. Do you know the purpose of the fund utilization for both the placement as well as the sukuk.*

Datuk Seri Long See Wool: *Yang Berhormat, I must apologize. I have some knowledge, but I am not so sure if I give it to you it will be as accurate as possible. I think sukuk was raised for quite a number of reason. I think they have spend money in Penang, they spend money in KLIA. They have also spend, they are going to spend or they have already spend some money in the main terminal building. But. at the same time they have investment overseas. One is in India, the other one is in Turkey.*

I think recently they have decided to buy a larger shares in the company because one of the company decided to sell and they thought it was strategic for them to buy. I think because of that also they raised money through sukuk. Whatever that was done it was subject to a very clear governance by the Board of Directors and the shareholders. In terms of kalau you pinjam, you punya rating will be affected. I think all those were taken into account. YB, if I may get your question specifically, then we will provide the answer.

Tuan Tony Pua Kiam Wee: *Perhaps the simplest is usually when you raised sukuk, there will be an info memo. If we can have a look at the info memo, that wil be great. Then don't have to worry about wrong information...*

Datuk Seri Long See Wool: *Okay.*

Tuan Tony Pua Kiam Wee: *That is a standard info memo for investors from MAHB.*

Datuk Seri Long See Wool: *From the financial institutions.*

Tuan Tony Pua Kiam Wee: *Public info to investors. Okay, moving on to the next part. What we have asked about previously, what is the status of the construction sekarang?*

Datuk Seri Long See Wool: *As of the latest YB, my minister visited the place on the 7th January. I wouldn't want to go beyond the statement that he has issued, he was cautiously optimistic. So, I would like to repeat the statement. Because by the end of this month we are suppose to get the CCC which wil provide, enable all the necessary people to move into the building, for the concessionaire to go in to build their shops, to commission the shops.*

For MAB, Malaysia Airports to test and commission all the systems that they have including those that belong to the government. The Customs, Immigration, health, so on so forth. So, if CCC is receive by January, February immediately all the teams under what we called operational readiness will move into the building, to do all the testing and commissioning.

Although, I must admit there are certain systems have are already been tested. When we were there, 7th January, the baggage handling system already started their testing. They have already putting bags on the baggage handling system. Again we are quite confident that it can be done although more resources are actually required. Our main concern is during testing and commissioning of the systems. As you know, systems can go wrong. Many airports are opened with a lot of operational problems. The systems are the baggage handling system, the passengers and baggage reconciliation system and of course Immigration and Customs.

Tuan Pengerusi: *I hope you are not rushing for the sake of rushing.*

Datuk Seri Long See Wool: *No, no because I think...*

Tuan Pengerusi: *I need to ask you this question because there was some rumors that the operation readiness acceptance testings (ORAT), which requires actually simulations of passengers in and out of the terminal building, has some issues about building safety. Part of the ceiling fell down, is it true?*

Datuk Seri Long See Wool: *Jatuh itu tidak dengar, leaking itu adalah Yang Berhormat.*

Tuan Pengerusi: *Sebab itu Datuk kata tadi kita buat airport ini per meter paling murah compared to other people but, other part is quality pembinaan dengan barangan pun tidak memberikan satu keyakinan kepada pengunjung ke negara ini, sebab apa? When they look at the airport, they said, "The airport is nothing special, it is leaking, the design is off, as compared to Changi and other airports." Therefore I wouldn't use the cheapest cost as a measure of performance or measure of saving. Because, at the end of the day, if price comes at the compromise of lower quality, that is not a good comparison anyway. But, public safety I think is very important. So, you confirm that are no public safety issues from building defects and any accidents?*

Datuk Seri Long See Wool: *Yang Berhormat, it would be foolish for me to promise.*

Tuan Pengerusi: *No Sir, you are opening a facility for millions of people to go through, you cannot say that... [Ketawa]*

Datuk Seri Long See Wool: *CCC is important because it is a question of compliance and completion. That requires bomba and all authorities to sign. I believe that the authorities would not sign if they have doubt. They would not compromise on that.*

Also MAB katakan dia hendak juga, mati-mati hendak, kontraktor hendak, but I think our bomba and our safety punya authorities, they would not sign. So, end of the month, if they sign, this is where the safety is assured. Then only we allow people to move into the building.

Tuan Pengerusi: *There is a difference Sir. Temporary CFO and a full CFO are two different things. Because of the loophole...*

Seorang Ahli: *[Menyampuk]*

Tuan Pengerusi: *Ya, I know. That is why am asking here. The full CCC meaning that there is no temporary CCC ya? It is full CCC that means the airport is fully certified as being safe and fully complying to the international standards?*

Datuk Seri Long See Wool: *Ya.*

Tuan Pengerusi: *That is a statement ya.*

Datuk Seri Long See Wool: *Because YB, we are very mindful of the fact that everybody is watching, not only the domestically, international have been watching. We have competitors who actually looking at us whether we make any mistakes. I think we are very mindfull of that. It would be an embarrassment.*

Tuan Tony Pua Kiam Wee: *My further question to that is, the CCC is for the terminal building. What is the status for the apron and the runway?*

Datuk Seri Long See Wool: *The rest are in fact much-much more in place compared to the terminal building.*

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

Datuk Seri Long See Wool: *So, we would not allow the usage of all this. Because we are talking about apron, is a safety issue. If there are cracks, they will have to do something to the cracks. If there are subsidence, they will have to do something. But remember, the apron is not is a rigid pavement, the concrete. If it is a rigid pavement, there is a crack, it is much more difficult. It is not as easy as flexible pavement, meaning that you can repair it, you can tambah a layer to it and all that. In all the airports in the world, even some with a very good soil conditions, differential settlement do take place. I give you an example at Penang. You go back to the 80's, there were quite a lot of differential settlement because of the high water table. So, subsequently we would have to build underground drainage. That is why Penang is much more stable today compared to 25, 30 years ago...*

Tuan Tony Pua Kiam Wee: *Ya, but the differential settlement should be happening now lah.*

Datuk Seri Long See Wool: *No, settlement happens everyday. It is a question of the degree of settlement.*

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

Datuk Seri Long See Wool: *The anticipated degree of settlement.*

Tuan Tony Pua Kiam Wee: *What we saw and I think there were some pictures online. In December last year that came out showing that the settlement is unsettling and impact. Some were saying- okay, I'm verifying now. I have no way of verifying it. That one or two aerobridges were broken as a result of the settlement.*

■ 1350

Datuk Seri Long See Wool: *No, not really. Not that. I would not want to say the truth but that is not what I have heard of.*

Tuan Pengerusi: *So, you say that CCC would be shoot by ...? [Ketawa]*

Tuan Tony Pua Kiam Wee: *And then the runway, the settlement issues are still happening. Is that correct?*

Datuk Seri Long See Wool: *No, it is expected to settle. Even on a good side, it is expected to settle but it is a question of degree whether the settlement is to at the degree that in danger and nothing can be done about it. It is expected certain settlement would take place. The question is how quickly and how fast the settlement would take place.*

Tuan Tony Pua Kiam Wee: *Sir, what is the stage of completion of the runway?*

Datuk Seri Long See Wool: *I think the runway is completed. Airfield lighting there has been installed. It is the installation of the airfield lighting system. Because if you recall, we have one aircraft that tested the runway, that did the landing about a month ago. About a month ago... [Disampuk] Other airlines would come in if there are no...*

Tuan Tony Pua Kiam Wee: *No runway?*

Datuk Seri Long See Wool: *...Of course, the insurance wouldn't allow them to go down.*

Tuan Tony Pua Kiam Wee: *That's why we are worried whether the date would be further delayed because of whether it is apron, runway or such not settling or not sufficiently settle to enable them to land.*

Datuk Seri Long See Wool: *We are alright. I think we should be alright. I think apron and the taxiway is the lesser of the problem than the terminal building.*

Tuan Tony Pua Kiam Wee: *Okay. Contractor delay. Currently, there is a statement by MOT or rather statement by MOT and MAHB that the main contractor for the terminal, UEM and Bina Puri, would be charged a LAD. There is also a counter statement by Bina Puri to say that they would fight it. Although they will complete the job first, then they would fight it. What types of quantum are we looking at and how strong is the ministries case or the MAHB's case to claim the LAD?*

Datuk Seri Long See Wool: *Yang Berhormat, it would be very dangerous for me even if I know the figure. I don't know the figure, to be very frank.*

I think it's an issue that both side would justify the case already. So, at the end of the day if they can agree on a settlement, otherwise there are very clear provisions in the contract that they can go for arbitration. Now, they can even appoint independent assessor to it.

I think at the end of the day, I think as a ministry, we also do not want to take side. I am not saying that we are with that maybe or what. Now, if the contractor is right, they are right. If they are wrong, they are wrong. If the MAB is wrong, MAB is wrong. I think it may surprise me...

Tuan Tony Pua Kiam Wee: *If the contractor is right, that means the fault lies with MAHB? Then, sure...*

Datuk Seri Long See Wool: *No, depending on the case lah. Exactly even we have handle many contracts, there is no a particular claim 100%. They ask per say RM100 millions, they will get RM100 millions because they are many other factors. They can be 30%, 20% right, 30% wrong. So, it's a question of how they look at the fact of the case and decide.*

Tuan Tony Pua Kiam Wee: *The questions I am raising this because in the press statements, MAHB and MOT are pinning the blame and entirely on the contractors for the delay. So now, if the contractors are not at fault, then the concern, then the fault lies with, at least in part with MAHB. And there is where the accountability issues come into picture and where the PAC are interested lah- why did it happen, how did it get delayed so long as a result. So, I think at the moment, MAHB is not entirely of the hook but saw- not blamed because the blame is entirely pinned on the contractors. Our concern is come after completion, when the things are settled, then the contractors actually don't have to pay a single cent in LAD.*

Datuk Seri Long See Wool: *See, there are basically in contract, there must complicated. Number one is that whether they followed the contract. Number two, there are layers of decision making taking place. Since like we have a project let say in Kota Kinabalu, there are people on site, there is SO, there is Deputy SO, there are JKR engineer and so on and so forth. Things can become quite complicated as when decisions are made. Even it only comes to light when actually they table the document to each other and verify the documents. Which is actually claimed and counter claimed are just very-very tedious processes.*

So, unless both sides have locked in the position saying I am right, you are wrong, you are right, I am wrong. But if they cannot reach settlement, they can still go for arbitration. But we wouldn't know at this stage. Semua I cakap, dia betullah.

Tuan Tony Pua Kiam Wee: *There is a problem...*

Datuk Seri Long See Wool: *Sebab it's a...*

Tuan Tony Pua Kiam Wee: *The statement were very clear that the hook lies with the contractors. You are telling me now there still be...*

Datuk Seri Long See Wool: *No, no. I am not saying- I am just saying that they have to go through a process which we do not want to intervene.*

Tuan Pengerusi: *No, Datuk. I think that is also another pertinent question because UEM is also anak syarikat- I mean Khazanah has got stake in it. MAHB pun Khazanah has got stake on it. So, is it being done on this arbitration?*

Datuk Seri Long See Wool: *It is. Dua-dua pun anak juga. We have to be fair too. Siapa yang salah itu kena terimalah. This is both Khazanah's owned company anyways. Both side pun.*

Tuan Pengerusi: *Akan tetapi yang buat construction nya WCT.*

Datuk Seri Long See Wool: *[Ketawa]*

Dr. Tan Seng Giaw: *Yang Berhormat Petaling Jaya Utara, are you finished?*

Tuan Tony Pua Kiam Wee: *A bit more, a bit more. Following up on the LAD, I understand that it is not only UEM-Bina Puri are late in the delivery. The contractors for the apron packages, that is package 'A' and package 'B' or package 1 and package 2, as well as the runway were also late from the dateline that was given. How come there was no LAD imposed or cited as being going to be imposed on them?*

Datuk Seri Long See Wool: *Yang Berhormat, I think MAB and the contractors, I think all of them do not really want to go out and tell everybody that, "I kena pukul", "I kena bayar". I don't think it's a practice for them to do it. But if they are quoted and all that and so on – sometimes it's a level of whether it is been factual or not.*

I must say that not only UEM-Bina Puri, but there are contractors for which the scope of works has been reduced. There are also contractors for which their services have been terminated. But they might have not come out in the price. They are.

Tuan Tony Pua Kiam Wee: *I don't...*

Datuk Seri Long See Wool: *We are not saying at all the UEM and Bina Puri are the only one. Apron punya tempat pun ada masa-masa, even baggage handling system pun ada. Ada. But, it is a question of decisions at that point in time whether you terminate or you allowed them to go on, you impose the LAD or kalau there are beyond redemption, we have to terminate. Just terminate. Termination, there is a very serious implication on termination. Because if you terminate, you got to be engage a new contractor which you will take time and it might cost you more because the guy that coming in would say, "Okay, current price". Not the price that have tendered to the other guy that have been tendered three years ago.*

Tuan Tony Pua Kiam Wee: *I understand.*

Datuk Seri Long See Wool: *So, all of us have to be- MAB have to very-very cautious in whatever they do...*

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

Datuk Seri Long See Wool: *All that I am saying is that bukan sahaja UEM-Bina Puri. Akan tetapi, yang keluar dalam surat khabar atau apa-apakah, because the main terminal building is the main attraction anyway.*

Tuan Tony Pua Kiam Wee: *Sure. I think there are other contractors perhaps smaller one or the independent one affected by. I think I am referring to the fairly- and say the four 'B' contractors. The main one being UEM-Bina Puri but the two aprons are fairly sizeable as well, and then the runway.*

I know that they are late because the MD's themselves confirm the extend of work that has been done and not completed yet despite announcement of launching sometime middle of last year. And I did ask the question to the minister as to why this people were not given LAD? The officials reply from the minister- I don't know who prepared it. The official reply from the minister on this issue is that they have not been charge LAD because their package is not as important as the main terminal package.

Datuk Seri Long See Wool: *No. I don't know whether the minister answers in that manner because...*

Tuan Tony Pua Kiam Wee: *This is in form of writing.*

Datuk Seri Long See Wool: *You see, it is been looked, let say, from the MAHB point of view, we are not managing. Now, you depend on the contracts, the clauses in the contract. If they have delayed and it's clearly their fault for delaying, you have to impose LAD. Because, MAHB cannot yang ini kita kenakan LAD, yang ini tidak kenakan LAD because that contractor going to say "Eh, what happen to the other guy who has delayed?"*

■ 1400

Tuan Tony Pua Kiam Wee: *Absolutely.*

Datuk Seri Long See Wool: *They cannot do that. Had been a company, public listed they cannot do that.*

Tuan Tony Pua Kiam Wee: *That's jawapan I terima from Menteri.*

Datuk Seri Long See Wool: *Now, we will check on that. Because kalau kena LAD itu, kena LAD. But because sometimes LAD is mula-mulanya kalau hendak kena LAD, bila dia check balik dekat bawah itu, the people who caused the delay kalau katakan adalah disebabkan oleh kakitangan MAHB sendiri, they cannot impose the LAD there.*

Tuan Tony Pua Kiam Wee: *That was the answer I got. So whether they hiding the actual answer I don't know.*

Datuk Seri Long See Wool: *Yang Berhormat... [Ketawa]*

Tuan Tony Pua Kiam Wee: Last two questions. That's a shopping centre I understand that's being build right in front of the terminal. When you talk about 20% commercial space, does that include the shopping centre or it just purely within the terminal?

Datuk Seri Long See Wool: Within the terminal.

Tuan Tony Pua Kiam Wee: I understand the shopping centre is actually not managed by MAHB. It is actually privatized to WCT.

Datuk Seri Long See Wool: Yes.

Tuan Tony Pua Kiam Wee: So whatever revenues that's come from there goes to WCT.

Datuk Seri Long See Wool: No. It's definitely a revenue share.

Tuan Tony Pua Kiam Wee: So I don't know. I'm trying to understand the basis as well as arrangement with WCT on the shopping centre.

Datuk Seri Long See Wool: There will be this arrangement on a privatized package. For instance like the district cooling system is a privatized package. So there is a formula by which how much they sell, volume, royalty and all those involved.

Tuan Tony Pua Kiam Wee: If commercial is so important, it can bring revenue for MAHB. Why was it privatizing to private entity?

Datuk Seri Long See Wool: Yang Berhormat, if I maybe to build there is a construction cost. That is not purely Airport Corporation as such. So we are rather than them, I think if there is viable proposal...

Tuan Pengerusi: Tidak, tidak. The question is we giving away precious revenue to somebody else what we could build and take it all ourselves.

Datuk Seri Long See Wool: Yang Berhormat if I may, all that this money that's earn within the airport site, we even have plantation oil palm. The money is also put back into single team system. The captures as total MAHB revenue.

Tuan Pengerusi: But if the privatize it goes into the concessionaires accountlah kan?

Datuk Seri Long See Wool: No. It depends on the investment they have put in and the joint venture or whatever. They are plowing back from the rental or from whatever list of land and revenue share. So, it's a very dynamic formula.

Tuan Pengerusi: I know. But the privatization to WCT had done on arms length term. How can be outstanding? That's no comparison. That's no shopping centre in that area, what?

Tuan Tony Pua Kiam Wee: That are so no bit, no tenders. It's also direct nego.

Tuan Pengerusi: Direct nego.

Datuk Seri Long See Wool: I have to worry if you care. I will give you information on that. I don't think is ini buat di belakang pintulah.

Tuan Pengerusi: *Because Yang Berhormat Petaling Jaya Utara kata direct nego. Why don't you get the best price by tendering?*

Datuk Seri Long See Wool: *I have no answer to that.*

Tuan Tony Pua Kiam Wee: *This one just for my information. Because I- as much as the current LCCT is congested, badly needs the biggest spacelah. I use it all the time. I understand that the new KLIA2, the walkway from after I get off the plane to actually getting out waiting the taxi is, is like four five times longer than what it is currently. Because I'm forced to walk through the shopping centre.*

Datuk Seri Long See Wool: *I think the shopping- if I were look at the- if I not mistaken, subject to confirmation, I think the walk if you go down your car walk straight there from WCT it may be less than 100 meters...*

Tuan Pengerusi: *Car park or drop off point or car park?*

Datuk Seri Long See Wool: *Drop off point, drop off point.*

Tuan Tony Pua Kiam Wee: *So drop of point is in front of shopping centre must walk through the shopping centre then...*

Datuk Seri Long See Wool: *If you pass the mall enter the building.*

Tuan Tony Pua Kiam Wee: *Okay, last. No is long session, last. It goes back likely to the earlier point about the new blue print and so on. What was the main reason why new blue print was commission? As late as 2007 they were still displaying the KLIA- the new LCCT that's the mirror of the current KLIA. Then suddenly 2008 a new report is commission. There was no talk about a new blue print than. What was the trigger to cause the new blue print? That suddenly you talk the all blue print got something wrong, let's do are new one. What was the cost?*

Datuk Seri Long See Wool: *In airport was the imposelah. Because of the dynamism of the industry as such. Normally you revise your master plan every five year. For some airport may even do it earlier. You depend on their needs. Because what you have in the master plan is actually brought planning parameters and land use. So you may on to revise that every now and then. For instance like there are lands- we have quite big piece of land. If certain area, we said doesn't it particular area for commercial development for instance.*

You depends on development around the KLIA land at the point in tempt. There may be new proposal; there may be build want to build golf course and all that. But each time when this kind a proposal if we constitute a certain value, a certain- so you will have to look at it and revise that particular part of the master plan. But if you talk a big master plan, normally you should do it every five years. Otherwise you are out of date. You are really out of date.

For instance now we want to build the new ATTC centre in KLIA. That constitutes a change which is not really in the blue print.

We have this year a training college today there that was never a part of the blue print. All the MAHB at the point in time of the master plan identify. This could be in area that dedicated to the training centre. So for instance like maybe two years down the line they a lot of demand for MRO space and all that. Then we have to look at the whole thing again. Or we may even want to build premier shopping outlet centre out there. They are request. But as long as we don't move into the boundary of land there are designated for pure airport use, for commercial we can look at it. But there are different proposal there coming from time to time.

Dr. Tan Seng Giaw [Keping]: *Are we finish? Mr. Chairman just a few minute. I've a lot of question but we don't have the time. First of all do you think this project is value for money, Datuk?... [Ketawa]*

Datuk Seri Long See Wool: *[Ketawa] It is not easy question to answer. You waited for so long Yang Berhormat. This to me, if we look at the industry in the region internationally, I must mention to you Yang Berhormat, last year 2013, in fact is one of the best year we had for the last decade. In terms of passenger volume - Sorry Yang Berhormat so many question, I've lost my document. In terms of passenger volume in 2013, for total Malaysia there was increase 18.88%. The total volume of passenger from 68.57 million into 2012 when up to 81.52 million is a huge jump over the last ten years.*

Tuan Pengerusi: *How many foreign...*

Datuk Seri Long See Wool: *For KLIA, I have details Tuan Pengerusi. In KLIA there was also huge jump in total KLIA last year. The increase was from 39.88 million to 47.49 million, which is almost 15 million miles, which step was constituted of 19.1% increase in total passenger volume. We are confident at this year would also be a good year. But I had a for coarse. It's very volatile.*

■ 1410

Dr. Tan Seng Giaw: *Datuk we don't have much time now. If you could give detail written answers later.*

Datuk Seri Long See Wool: *Okay.*

Dr. Tan Seng Giaw: *Now, who are the consultants?*

Datuk Seri Long See Wool: *There are many consultants.*

Dr. Tan Seng Giaw: *Could you give me a list of them?*

Datuk Seri Long See Wool: *We can give it to you.*

Dr. Tan Seng Giaw: *You said so many companies in the open tender. And then for instance you pick UEM. Why is it? Because UEM is the most experience and most reliable contractor for airport. Has UEM any experience in airport construction? Since this is an open tender, the best gets the contract. Is it the best contractor?*

Datuk Seri Long See Wool: *Yang Berhormat, I need reference. I think...*

Dr. Tan Seng Giaw: *It's ok, it's ok. Give me later. We need the answer.*

Datuk Seri Long See Wool: *Okay, okay.*

Dr. Tan Seng Giaw: *Now, you say from your briefing just now, it's the largest purpose built terminal. And then you have this, I find it very interesting. Best airside that transfer, best landside transfer, best landside development, best stand use flexibility. Wow, these are the best and the largest in the world. Is that so?*

Datuk Seri Long See Wool: *Yang Berhormat, you want me to give details of this?*

Dr. Tan Seng Giaw: *Ya, actually you don't have time, I don't have time. Can you give us a list applies later and we talk about it later.*

Datuk Seri Long See Wool: *Okay.*

Dr. Tan Seng Giaw: *Now the other thing is that I notice, actually I passed through Changi and also Heathrow. I noticed they're building their new terminal. Both Changi and the Heathrow but I also noticed that they did not take five years for their blueprint before they enforce it. How come our state takes long into consideration of five-year review? Because if you go according five-year review, the 2007 you made the plan. And then five years later you implement and complete it. So it does not go according to your philosophy. Every five years of revise. Now, you made a plan, a blueprint and then in between you change this, you change that but in Changi they don't do that. In Heathrow I don't see them doing that. They are much busier airport than KLIA.*

Datuk Seri Long See Wool: *I have to confirm it Yang Berhormat. Most of the airport they adjust the plan every now and then.*

Dr. Tan Seng Giaw: *I know Datuk. I think it is correct to adjust, it's correct to revise. It is correct because it is dynamic situation. But how is it that when Changi decide to have a new terminal, they don't have to go through such a long period of destination. The same applies to Heathrow. And they have 17 to 18 million passengers. I think they're the busiest airport in the world.*

Datuk Seri Long See Wool: *Yang Berhormat, I don't get you. You're saying that they don't revise the plan?*

Dr. Tan Seng Giaw: *No, I'm saying...*

Datuk Seri Long See Wool: *Why we take five years?*

Dr. Tan Seng Giaw: *Why is it take such a long time...*

Tuan Pengerusi: *Tidak, bukan...*

Datuk Seri Long See Wool: *In general you take five years I'm saying but if something come along, then you adjust it. But you may do a particular component of it depending on what you want to do. If you are building a runaway, it's a huge thing. You have to size it correctly, you have to sight it correctly. If it is terminal building, you have to look at the inter-terminal transfer.*

I think one of the challenges Changi faces is how do they integrate all the four terminals which they took a long time to think through. The agreement to tunnel it or is it the surface system. What happen to the link of airside and the link of landside. Those are the challenges because they don't have huge land. So they will have to adopt the latest that they can adopt to ensure it sufficient. I think efficiency is the factor because if we have four or five terminals, because airport when you grow beyond a certain size, it's where the challenge is.

Dr. Tan Seng Giaw: *I know you also have problem in answering some of the questions. You see Heathrow, I have been to Heathrow many times. The challenges of Heathrow are much bigger than KLIA. Much, much bigger. You have these people demonstrating, all sorts of thing going on. You have Datuk?*

Datuk Seri Long See Wool: *We also have Yang Berhormat.*

Dr. Tan Seng Giaw: *Not so much. Probably... [Ketawa] It is not so big Datuk.*

Datuk Seri Long See Wool: *Sorry, sorry Yang Berhormat. I tarik balik.*

Dr. Tan Seng Giaw: *But with all this dynamism, they don't have to go through such a long destination period as we do. Why is that the case?*

Datuk Seri Long See Wool: *You see Yang Berhormat. If I may, like Heathrow, everybody knows that is where it is. It is a question of they already knew where they can build the new terminal four. They knew long, long ago. It is the question of how the plan is implement and gets permission from the authority and I think one of the most important factor is the public complaint because they are required to semua itu. Itu dia punya kerja sahaja. Dia tidak boleh pindah mana-mana tempat. Sudah fixed di situ. They don't have a 10,000 hectare site at all.*

Dr. Tan Seng Giaw: *Our original blueprint, the plan. It's all over the plan there and we already had objective when we need expansion, where do we go and so on and so forth. Much more definite than Heathrow. How is it takes us, we go through much more difficulties in getting the plan implemented?*

Datuk Seri Long See Wool: *Yang Berhormat, are you... Sorry Yang Berhormat. Are you saying that we are taking too long to plan or we are taking too long to implement? Which is which? Well if you say 45 million terminal building, we have record shows how long each take but again I need to qualify. Are they only building a terminal building? Or are they also building apron, taxiway, underground linkages?*

They're all depend on the complexity whether they're land reclamation required or not. All that need to be qualified. In the case of Hong Kong, it took a long time but I have to congratulate them because there was huge land reclamation involve. Whereas our challenges mention earlier which Yang Berhormat also pointed out was the condition of the soil. If we go by traditional method, kalau expensive way is dig everything out. Replace. All the other methods are construction.

So you have to look at cost and time, both. But I dare not do the kind of comparison Yang Berhormat. But you see in case of KLIA, it took us two years to plan. About five more years to implement KLIA. This one took us six months to plan but in between there are changes, okay. But if you talk about the day when we started work and the day we are going to complete which we hope we are talking about within a four-year period Yang Berhormat. A 45 million passengers. Again the size of the terminal matters because it is the system determine at the end of the day. Sorry Yang Berhormat if I got you wrong. I thought you were talking about the planning and implementation.

Dr. Tan Seng Giaw: *The idea of you coming at. Ya, it's ok.*

Tuan Tony Pua Kiam Wee: *Okay, last request. Can we visit?*

■ 1420

Tuan Pengerusi: Okey, saya rasa Datuk pun sudah mengalami 'kematuan' pemikiran. Hendak dekat tiga jam Datuk berdepan dengan kita. Saya ucapkan tahniah. Saya secara personal, saya berpuas hati atas penerangan Datuk tadi. Soal industri penerbangan ini memang dinamik, sentiasa berubah dan kalau kita hendak teruskan dasar Kerajaan untuk menggalakkan penerbangan kos murah ini dan menjadikan Malaysia sebagai hab untuk penerbangan di rantau ini, saya rasa projek KLIA ini tidak salah dari segi dasarnya. Dari segi pelaksanaan tadi, perancangan, Datuk sudah terangkan apakah masalah yang dihadapi dan kenaikan kos ini juga sebenarnya kebanyakannya datang daripada perubahan-perubahan tadi, disebabkan oleh industri ini. Jadi, saya rasa kita boleh bersetuju.

Kalau ada apa-apa lain yang hendak ditanya, minta sekarang maklumatnya. Kalau tidak, tidak perlu Datuk datang lagi. Kalau tidak susah Datuk hendak datang lagi. Akan tetapi saya tahu Datuk memang *champion*, boleh tahan tiga jam. Cuma saya hendak bertanya Datuk, kalau untuk meredakan keresahan rakyat yang mengatakan bahawa Projek Pembinaan KLIA2 ini ada unsur-unsur *inflated cost*, ada unsur-unsur ketirisan dan sebagainya. Adakah Datuk mempunyai pandangan bahawa sekiranya Jabatan Audit Negara mengadakan *performance audit* ke arah KLIA2 ini, perkara ini boleh dipertimbangkan oleh pihak kementerian? Walaupun seperti saya katakan awal tadi, MAHB ini merupakan syarikat yang diswastakan di Bursa Saham dan projek ini terletak di bawah mereka. Datuk sudah terangkan tadi bahawa projek KLIA2 ini 100% dibiayai oleh MAHB.

Jadi, tidak ada duit kerajaan atau *guarantee* yang digunakan. Akan tetapi untuk meredakan keresahan rakyat, adakah Datuk mempunyai halangan atau tidak kalau Jabatan Audit Negara membuat satu *performance audit* kepada pembinaan KLIA2 ini?

Datuk Seri Long See Wool: Yang Berhormat, *if I-* kalau dibenarkan saya *just take on the last question of the performance audit. I am not a lawyer, neither am I conversant on the governance of a public listed company.*

All that I have been advised is that there are certain rules and regulations we need to follow. If you want to audit public listed company as such, it applies to whether it is Khazanah owned or non Khazanah owned because ultimately it is a question of their accountability to the shareholders dan sebagainya. Of course this is subjected to Auditor General punya- I think he knows best what can be done, what can not be done or he might want to check with the Attorney General's as to how we want to get this done. I think I share your view that there are so much of public companies. There may need to be some form of somebody looking at it. It is to me, at the end of the day a legal question, the governance issues that the government will have to look at. On the other hand, I think we would like to get this airport done and operate because it is a question of today the passengers blame LCCT, the place is really badly congested and each time we go there...

Tuan Tony Pua Kiam Wee: Setuju.

Datuk Seri Long See Wool: *Sakit hati kita tengok penumpang-penumpang but all I can say, for all intense purposes, we want to get this done. There are weaknesses, we admit kalau kita silap, kita salah. To me, we will have to accept whatever criticism the public have on us. Even though it is a public funded project but it is a key government asset or infrastructure which is important to the country. Though it is private funded but it is a piece of infrastructure which is the gateway to Malaysia. I think that is paramount important. This is a project of national interests and such. Lastly, I would like to conclude by terima kasih...*

Tuan Pengerusi: *Before that Datuk, we would like to request from you to arrange a visit for us...*

Datuk Seri Long See Wool: *No problem Yang Berhormat. You tell us the time and then we will arrange for a visit.*

Tuan Pengerusi: *Alright.*

Datuk Seri Long See Wool: *Alright, then you can see the finishes and kalau ada leaking. Harapkan semasa melawat itu tidak hujan... [Ketawa] Okay, with that thank you very much. We will give the information that are required by you, by Timbalan dan semua Ahli-ahli PAC. Terima Kasih.*

Tuan Pengerusi: Terima kasih.

[Mesyuarat ditangguhkan pada pukul 2.26 petang.]