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18 November 2020

MEDIA STATEMENT BY HON. WONG KAH WO, CHAIRMAN OF PAC

1. PAC has decided to hold proceedings on three new issues submitted by the Government Governance Procurement and Finance Investigation Committee (JKSTUPKK). They are:
 - (i) Implementation of land swap from 1995 to 2018 under the Ministry of Defence;
 - (ii) Implementation of the Automated Enforcement System (AES) from 2012 to 2018 under the Ministry of Transportation; and
 - (iii) The 1BestariNet System Service project from 2011 to 2019 under the Ministry of Education.

2. PAC was briefed by Tan Sri Ambrin Buang, Chairman of JKSTUPKK and also former Auditor-General, on Monday, 16 November 2020 on all the above issues. JKSTUPKK was established in May 2018, to investigate suspicious cases of acquisition and asset purchases by the ministries in terms of misappropriation, abuse of power or financial waste. PAC is of the opinion that there are merits in all the three issues to be brought up in the proceedings of the Committee.

3. (i) Land Swap is a method of developing the Ministry of Defence's facilities by financing through the exchange of federal land with the private sector. It is intended to meet the development allocation requirement that are found to be insufficient for upgrading plans and building new military facilities.
 - ii) JKSTUPKK has investigated 16 land swap cases involving 2,923 acres of government's land with a value of RM4.8 billion. PAC was informed that among the issues in implementing the method were related to the Government's losses as result of the inconsistent method of determining the value of reciprocal land, and political considerations that exceeded the interest of the defence.

4. (i) The Automated Enforcement System (AES) project is an enforcement system initiative in addressing the issue of road accidents in the country, through the perception of being caught approach. The AES project is implemented by the Ministry of Transportation through outsourcing.
 - ii) JKSTUPKK has investigated the appropriateness of the Armed Forces Fund Board (LTAT) investment amounting to RM555 million against the acquisition of AES concessionaire in which the original investment of the concessionaire was only RM40 million.

5. (i) The 1BestariNet System Service project was implemented by the Ministry of Education for eight months from 2011 to 2019 with a cost of RM2.71 billion. The objectives of the project were to equip 10,000 schools nationwide with 4G high speed internet access and virtual learning environment.

(ii) JKSTUPKK reported its analysis on the weaknesses and negligence in terms of governance that caused the objectives of this project were not achieved
6. PAC will begin its proceedings on the Land Swap issue under the Ministry of Defence by calling the first witness, the Secretary General of Ministry of Defence as the Controlling Officer of the Ministry, on 30 November 2020, to provide explanation on the issue.
7. After the proceeding, PAC will make a decision whether to call other witnesses involved in the issue.

Thank you.

YB Wong Kah Woh