

PRESS STATEMENT

PRESS STATEMENT BY THE WORKS MINISTER OF MALAYSIA

1. I regret that the concession company awarded the Penang Tunnel and 3 main roads project costing RM6.34 billion has attempted to use my Ministry's name and my name in its attempt to defend itself in the serious over-payment of consultant fees for the 3 main roads portion of the project.

2. I remind them that in several statements over the past year, I have raised that the total feasibility and design fees for the project is excessive including in point 8 of my statement issued on 30 March 2017 that reads:

"Although the Penang Govt had defended the RM305 million cost of the studies to be reasonable, our Ministry believes the cost is excessive and is beyond the usual cost guidelines for construction projects of this nature."

3. The briefing given by the Penang State Government to my Ministry and me in April 2017 was a project overview including an explanation on why the feasibility studies on the tunnel portion of the project long-promised to us have been delayed.

Dikeluarkan oleh:

Unit Komunikasi Korporat | Kementerian Kerja Raya Malaysia

☎ : 03- 8000 8000 / D.L :03-2771 4616 / 4627 | 📠 : 03-2711 1101

Laman Web : www.kkr.gov.my |  Kementerian Kerja Raya |  @MOWorks |  Pro@kk.gov.my

The detailed cost of the projects was not part of this discussion.

4. Our ministry stands by the professional opinion of the Board of Engineers which had calculated the maximum allowable fees based on the scale of rates to be RM41 million for the 3 main roads portion of the Penang project.

The RM177.5 million fees already paid by the Penang State Government for this is more than four times the maximum fees as per the gazetted scale of rates.

Please note that this RM177.5 million in fees do not include any fees for the actual tunnel itself as the studies for this has yet to be completed nor has it been paid for.

5. For avoidance of doubt, the Board of Engineers is the sole statutory board that governs the gazetted scale of fees for civil works in the country. This is provided for under the Registration of Engineers Act 1967 (Act 138).

Any other trade associations or institutions are not authorized to do so.

DATO' SRI HAJI FADILLAH BIN HAJI YUSOF
MINISTER OF WORKS

22 JUNE 2017

Dikeluarkan oleh:

Unit Komunikasi Korporat | Kementerian Kerja Raya Malaysia

☎ : 03- 8000 8000 / D.L :03-2771 4616 / 4627 | 📠 : 03-2711 1101

Laman Web : www.kkr.gov.my |  Kementerian Kerja Raya |  @MOWorks |  Pro@kk.gov.my