

Rafizi: Umno to blame for expensive education
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By Hazlan Zakaria

Responding to brickbats from Umno leaders, PKR says the existence of lopsided contracts that are the legacy of BN rule are hampering Selangor's initiative to provide free education.

"They say if we want to talk about free education, we should do it in Selangor first.

NONE"There are impediments in Selangor, some things which must be dealt with first, as we inherited some very bad contracts from Umno," the opposition party's strategy director Rafizi Ramli told a press conference in Petaling Jaya today.

Rafizi (left) disclosed the existence of what he called "lopsided" contracts favouring "Umno rent seekers" who were awarded build-and lease-contracts under Umno rule of the industrial state up to 2008.

One such contract, he said, was for Kolej Universiti Islam Selangor (Kuis), which had to pay nearly two-and-a-half times the market rate to lease back a hostel built for RM96.1 million by a company owned by a state Umno leader.

RM15 million a year for hostel rental

Kuis has to pay RM15 million annually, almost half of its yearly budget, to the company for a contracted 33-year period, which will amount to RM508 million in total.

Compare this, he said, with the market rate of RM6 million a year for similar facilities in the market. The two-and-a-half times increase was forcing Kuis to jack up its tuition fees, burdening students.

Rafizi called on Umno leaders to ask their colleague who owns the company to rescind his contract with Kuis if they were serious about seeing Selangor implement free education.

"We cannot take over the tuition fees until this matter is resolved. If it is not, it will mean we are using public funds to enrich rent-seeking cronies," he said.

Rafizi said that Kuis was not the sole institution being forced to pay jacked up leases from lopsided contracts as other universities and colleges suffered similar fates in agreements sealed under BN rule.

He furnished the press with copies of Companies Commission of Malaysia searches of the company given the sweetheart deal to build and lease the student hostel for Kuis, that shows a 51 percent ownership by an Umno state assemblyperson and his wife.

The PKR strategic director said the firm was just a "shell company" and later subcontracted the job to a construction company which owned the other 49 percent of the firm.

"The construction firm is the real player, the company owned by the Umno leader is just the middleman, a rent-seeker," he alleged.

Malaysiakini is withholding the names of the companies and the Umno leader pending their response to the allegations.