



Drop in sand-mining revenue in S'gor
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Kumpulan Semesta Sdn Bhd (KSSB), the Selangor government's sand-mining subsidiary, fell short of its revenue target last year.

Stating this, the 2009 Auditor-General's Report produced figures that show significantly lower revenue compared to that obtained during the previous BN state government's administration.

The Pakatan Rakyat-led state government collected only RM5.4 million between July 2008 and December 2009, a paltry sum compared to the RM8.53 million collected from January 2007 to June 2008 by the BN.

"The target (for 2009) of RM10 million was not met, as they only managed to collect royalties of RM4.62 million," said the report.

(KSSB chairperson Abdul Shukor Nagor had told the Selangor Select Committee on Competency, Accountability and Transparency public hearing in June that the company had given the state government RM5.7 million in royalties - a difference of RM1.08 million compared to the Audit Report figure.)

KSSB, a wholly-owned subsidiary under Menteri Besar Incorporated, was set up in 2008 to put a stop to rampant theft of sand and to ensure the sand mining is conducted in a more systematic manner.

The state government had previously projected earnings of RM150 million annually from KSSB in revenue plus royalties. But company data shows that it only managed to generate RM13.76 million.

The auditor-general further found that KSSB's enforcement team was practically non-existent, when the audit team visited several mining sites.

"KSSB is supposed to monitor the mining activities and the sale of sand. Among the facets of monitoring is to place security guards at the mines to ensure that there is no illegal retrieval of sand.

"The audit findings show that KSSB did not do any monitoring work because there is no evidence of this. There were no security guards at the mining areas."

The report noted that other state agencies such as the drainage and irrigation department, Water Management Board and district land office have lagged in enforcement measures, causing pollution and ecological damage from unchecked sand mining.

The auditor-general outlined several suggestions to curb sand theft.





"There has to be coordination with the police, Malaysian Anti-Corruption Commission, Road Transport Department and the People's Volunteer Corps. This is because the enforcement teams are always harassed by the tontos of the illegal miners.

"Enforcement officers should be given proper training and equipment for self-defence in case they are threatened by irresponsible parties."

Sand theft nationwide

The report stated that illegal sand mining exists in practically every state except Perlis and Penang.

The auditor-general gave an 'unsatisfactory' rating to all states, saying there is still a lack of enforcement by the state governments and their agencies.

"In the audit period between October 2009 and February 2010, we found that sand mining in Pahang was unsatisfactory, causing a loss of RM3.23 million to the state government in royalties as well as an impact on the environment," the report noted of the east coast state.

The environment has been severely damaged in Perak as a result of rampant sand theft and lack of enforcement which has resulted in the outright breach of rules, it said.

"Among the weaknesses are the erosion and instability of river banks; changes to the geology; damages to public infrastructure and utilities; obstruction of river flow; threats to the water quality and habitat of river terrapins, safety of road users and water transportation in the area," the report added.

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