

Zahid Lacks Interest In Transparency And Accountability

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by Tony Pua

The Defence Minister, Zahid Hamidi yesterday dismissed the need for a bi-partisan parliamentary oversight committee over defence expenditure, claiming that he "is confident in the ability and transparency of the evaluation committee of the three branches of the Malaysian Armed Forces (ATM)".

Such contemptuous arrogance towards parliamentary oversight over defence expenditure which amounts to tens of billions of ringgit annually has proven Transparency International (TI) right by scoring Malaysia at only 4.5 points out of a maximum of 12, or only 37.5%, well below the failure mark. This was the score given in the inaugural "Transparency of Defence Budgets Report" launched on 19 November 2011.

Director of the International Defence and Security Program for TI in United Kingdom, Mark Pyman, who launched the report in Subang Jaya said "Malaysia ranked far below other countries (for this), where the budget lacked details and no audits were undertaken of the secret programmes."

Malaysia is ranked alongside Afghanistan, Rwanda, Georgia and Azerbaijan in the report, well below other countries such as Bangladesh, Indonesia and Papua New Guinea. The results of the research indicate that approximately 14 per cent of the countries under review in this study scored high and these are primarily developed countries with strong democratic systems in place.

The Minister's disdain towards transparency and accountability is best epitomised in his reply to the question which I had posed in the recently concluded parliamentary sitting. I had asked for the Minister to explain the gap between the RM7.55 billion paid for 257 armoured personnel carriers to Deftech Sdn Bhd, and what latter will be paying to FNSS Defences Systems, a Turkish defence manufacturer – RM1.7 billion for the same items. Deftech is a subsidiary of DRB-Hicom Bhd based in Pekan, a company controlled by Syed Mokhtar Syed Bokhari.

The Minister had acknowledged the above transactions, but had the gall to claim "no knowledge" of the details of the Deftech-FNSS transactions and hence was not able to explain what makes the difference in the 2 contracts. The Minister was also not forthcoming in explaining other sizeable transactions such as the RM6 billion purchase of 6 Second Generation Patrol Vessels as well as the RM2.3 billion acquisition of 12 Eurocopter EC725 helicopters.

The answer most often given by the Minister and defence officials to justify the much higher pricing had been that the military equipment were "customised to our specific needs". Mark Pyman had stated that it is in the best interests of the government that customisation is kept at a bare minimum as it disproportionately drives costs up. He said that "it doubles the base price before you can say good morning. It's not value for money, difficult and dangerous".

However the best justification for a Parliamentary Oversight committee is the annual litany of

scandals and transgressions reported in the Auditor-General Report on the Defence Ministry.

We call upon the Government to honour the Prime Minister's Government Transformation Plan (GTP) which pledged for transparency and accountability by setting up the Parliament Select Committee on Defence, modelled after the United States House Oversight Subcommittee on National Security, Homeland Defense and Foreign Operations which looks after defence policies as well as the US Defense Budget Appropriation Committees which review and approve detailed defence expenditure.

Otherwise, Zahid Hamidi's contemptuous attitude towards transparency and accountability marks the lack of honesty and sincerity by the Prime Minister to honour his GTP pledges.

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