

DAP blasts Putrajaya's 'extreme stupidity' over agreements with highway firms
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The massive toll hikes which took effect yesterday were due to Putrajaya's "outrageously stupid agreements" with highway concessionaires, DAP said today, as Malaysians grapple with rising cost of living.

Tearing apart the government's claim the move was to reallocate funds from toll compensation to other spendings, the party's national publicity secretary Tony Pua claimed there is an escape clause in the agreements that can put a stop to the move but was not utilised by the Barisan Nasional government.

"The real blame for the massive hike in toll rates and the 'very high' compensation that the government has had to pay all these while is because of the extreme stupidity when signing these concession agreements.

"By awarding these highway privatisation contracts directly without any open and competitive tenders, BN colluded with these crony companies to allow them to collect high toll rates which increases over time.

"As a result, these toll concessionaires commit BN-sanctioned highway robberies which enabled the cronies to make astronomical profits at the expense of the rakyat," he said in a statement today.

Eighteen highways nationwide, 12 of which are in the Klang Valley, have increased their toll rates from between 10 sen to RM6 effective yesterday.

Minister in the Prime Minister's Department, Datuk Seri Abdul Wahid Omar (pic, left) had said the government felt it should not continue to pay very high compensation to highway concession companies to keep toll rates from rising.

He revealed that Putrajaya had to pay RM510 million in compensation for January to October this year following the decision to postpone the toll rate increase, which should have been implemented in January.

The amount, he added, was higher compared to the RM403 million compensation paid to concession companies last year.

Pua said that by admitting the toll compensation was "very high", Wahid was essentially saying the increase should be shouldered by the public who are already struggling to cope with high costs of living due to the goods and services tax (GST), the depreciation of the ringgit and the sluggish economy.

He said the "high compensation" argument is an extremely poor but oft-used excuse to subject the public to higher toll rates.

"Worse, despite claiming that 'the hike was carried out according to the concession agreements signed earlier', Wahid's department failed to learn the lessons from the past and continues to directly award highway contracts without any tenders today.

"Hence we can only expect all current and future highways to continue strangling the Malaysian motorists in the future as toll rates rise even more drastically," he added.

The Petaling Jaya Utara MP said the opposition had repeatedly emphasised that despite the lopsided concessionaire agreements which favoured highway companies, Putrajaya has an "escape clause" in the form of an option to terminate the agreements anytime and only need to pay compensation for the cost of the highway, after minusing any grants provided by the government.

However, he said the government had refused to do so, claiming that it needs to compensate concessionaires for loss of future profits.

"The above clearly shows that the federal government is in complete cahoots with the highway companies and couldn't care less for the plight of the ordinary folks of this country, contrary to the BN election manifesto." – October 16, 2015.

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