

PAC: Vital to stop losses of LPG

Annual leakage of RM560mil meant for homes must be halted, says panel

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PETALING JAYA: The annual leakage of more than RM500mil in subsidised liquefied petroleum gas meant for homes must be stopped, says the Parliament's Public Accounts Committee.

"PAC's focus is definitely on the standard operating procedure on how subsidised LPG is supplied and sold, and why there was RM1.7bil in losses between 2015 and 2017," PAC deputy chairman Wong Kah Woh

said yesterday.

Committee member Wong Chen said the Auditor-General found that an average of RM560mil in subsidised LPG, meant for residential use, ended up being bought by businesses, who were not entitled to enjoy such subsidies, which amount to around RM1bil a year.

LPG for households costs RM1.90 per kg, while commercial LPG costs RM3.10 per kg.

Kah Woh was asked to comment on PAC's hearing on the issue on Wednesday after the matter was

highlighted in the Auditor-General Report 2018.

PAC had called Treasury deputy secretary-general (policy) Datuk Siti Zaayah Md Desa, who represented Treasury secretary-general Datuk Ahmad Badri Mohd Zahir and Customs director-general Datuk Seri Paddy Abdul Halim, for their statements on the matter.

Besides looking into existing laws and regulations, Kah Woh said PAC would also be looking at better enforcement on the sale of subsidised LPG.

He said PAC would meet again later this month to decide whether to haul up more officials to testify before making recommendations to the government.

"Based on the AG's calculations, about 40% of the subsidised LPG is consumed by commercial entities such as laundromats, restaurants and hotels, even though these were intended for domestic household use," Wong Chen said yesterday.

He said while there were six main LPG suppliers under the programme, the abuse of subsidised

LPG happened at the sundry level.

He noted that commercial LPG was usually sold in 50kg and 200kg cylinders or bulk, but some businesses bought subsidised LPG sold in the 12kg and 14kg cylinders.

In March, deputy Domestic Trade and Consumer Affairs Minister Chong Chieng Jen said the government was allowing eateries to use subsidised LPG so that the public could enjoy meals at a lower cost.

However, this new ruling does not apply to eateries at factories, hotels and other large-scale businesses.

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