

MINISTRY OF FEDERAL TERRITORIES*
PUTRAJAYA CORPORATION
MANAGEMENT OF PUTRAJAYA DEVELOPMENT

Main Points

**What we
examined?**

- The development of Putrajaya as a new Federal Government Administrative Centre began in 1992 when a suitable location was identified by the Government. On June 2, 1993, the Prang Besar in Sepang District, Selangor was chosen by the Cabinet based on its strategic location, between Kuala Lumpur and Kuala Lumpur International Airport (KLIA).
- The development of Putrajaya is based on the Putrajaya Master Plan 1995 (PMP 1995), Putrajaya Master Plan (Amendment) 1997 (PMP 1997), Structure Plan for Putrajaya and Part of Sepang District 1995 (SPPPSD 1995) and Putrajaya Structure Plan 2025 (PSP 2025).
- In 2008, after 13 years of SPPPSD 1995 being gazetted, a review of the plan has been made to prepare a draft structure plan for Putrajaya that is specific to Putrajaya only. The results of the study were reported in the Structure Plan Inspection Report 2008 (SPIR 2008).
- PSP 2025 is then prepared based on the SPIR 2008 which emphasized sustainable development from Garden City to Green City. PSP 2025 still maintain the highest percentage for open space and recreation out of the 10 land use classifications.
- This audit covered two main areas i.e. development performance is evaluated based on achievement of output and outcome as of December 31, 2021. Output achievement evaluation is made against 10 development components, namely land use, Government buildings, infrastructure & utilities, transport system, target population, housing, community, commercial, open space & green area, and communication & smart security. Development management is evaluated based on financial performance and implementation of development projects.

* Now known as the Federal Territories Department under the Prime Minister's Department

- This audit involved 10 agencies i.e. the Ministry of Federal Territories (KWP), Putrajaya Corporation (PjC), Ministry of Transport Malaysia (MOT), PLANMalaysia, the Public Works Department of the Federal Territory of Putrajaya (JKRWPP), the Department of the Director General of Land and Mines (JKPTG) and the Federal Territories Director of Lands and Mines Putrajaya (PTGWPP), Property Management Division (BPH), Public Private Partnership Unit (UKAS) and Putrajaya Holdings Sdn. Bhd. (PjHSB).

Why it is important to audit?

- To assess whether Putrajaya's development management has been achieved its objectives since this development has never been audited.
- To assess/evaluate the current achievements of Putrajaya's development and be used as a measurement in the preparation of a new structure plan to replace the PSP 2025 which will expire in 2025.

What we found?

- As a whole, based on scope of auditing, it can be concluded that the development management of Putrajaya implemented by PjC, PjHSB and all Government agencies involved is satisfactory in terms of creating a centralized Federal Government Centre, the implementation of the Garden City concept, the improvement of economy and tourism sector as well as the recognition as a Sustainable City. However, no overall assessment is made by any party to determine the achievement of Putrajaya's development objectives.
- As at 31 December 2021, Putrajaya's development performance by component is between 31.6% to 115.7%. Among the components that have not yet reached the target or are still in the development phase are as follows:
 - The development infrastructure for four out of six modes of transport were completed, but only three modes of transport were fully utilised.
 - The infrastructure development for LRT/monorail was not fully completed while the infrastructure for tram has not yet developed.

- The target population of 281,000 people by 2020 was unable to achieve. The total population of Putrajaya, reported by DOSM in 2020 was 109,202 people.
- A total of 22,452 out of 35,000 targeted quarters units have been built by the PjHSB for civil servant in Putrajaya. The construction status of the remaining 12,548 quarters units are yet to be determined by the Government. As at 31 December 2021, a total of 17,847 civil servants were still on the waiting list to occupy the quarters.
- In addition, there are also some other weaknesses as below:
 - The party responsible for implementing the assessment of Putrajaya's development outcomes is not clearly defined by the Government.
 - The postponement of the monorail project has affected the achievement of the integrated transportation system and could be a waste if the infrastructure that has been developed not underlized according.
 - The development of parking facilities inconsistent with the development of high-density Malaysian Civil Servant Housing.
 - The Gross Floor Area of the existing commercial space is underutilized for commercial activities. 50% of the 0.13 million square metres of commercial space owned by the PjHSB in Nusa Perdana has not been sold or rented.

What do we recommend?

- To overcome the weaknesses highlighted and to ensure that no recurrence in the future, the Audit recommends the parties involved the following actions:
 - KWP and PPj review the development plan to be adjusted with the conceptual changes of Putrajaya's development to ensure appropriate infrastructure facilities can be develop and function according to the planning.
 - KWP and PPj establish a monitoring mechanism through a centralized committee to ensure the coordination of planning and development in Putrajaya is more efficient, especially in the event of changes in Government policy.

- KWP, MOT and PPj need to determine the direction of infrastructure use that has been developed to benefit the people and to avoid wastage.