

Privatisation of sewerage system

Safeguarding

environment

an important step, says PM

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LANGKAWI, Thurs. — The privatisation of the national sewerage system is an important step towards safeguarding the environment, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the system was different from present sewerage methods in that the used water would be treated before being discharged into the waterways.

"The system is different from what we have. As you know in Malaysia we don't actually treat waste.

"We don't have aeration plants. We only use ad hoc tanks or fermentation tanks and we empty that ... that is a nasty process," he told reporters after witnessing the signing ceremony of the concession agreement between the Government and Indah Water Konsortium Sdn Bhd at Berjaya Langkawi Beach Resort in Teluk Datai. The concession involves a capital investment of RM6 billion.

Housing and Local Government Minister Datuk Dr Ting Chew Peh was also present.

Housing and Local Government Ministry secretary-general Datuk Umar Abu and Local Government director-general Lim Boh Ang signed on behalf of the Government while Indah Water Konsortium executive chairman Datuk Ghazi Ramli and managing director David Chew represented the company.

Under the agreement, Indah Water Konsortium will undertake a 28-year concession to upgrade, extend, operate and maintain Malaysia's national sewerage system which is now managed individually by 145 local authorities.

Indah Water Konsortium is a joint venture company comprising North West Water (M) Sdn Bhd which holds a 25 per cent stake, Lembaga Tabung Angkatan Tentera (20 per cent), Koperasi Polis DiRaja Berhad (20 per cent), Berjaya Industrial Berhad (20 per cent) and AIMS Worldwide (M) Sdn Bhd (15 per cent).

Dr Mahathir said the system could treat waste using a modular system, meaning

there was no need for a huge capacity installation before a housing estate was developed.

"In the past, you required a big capacity from the start in anticipation of more people coming and that involved a lot of capital. But when you have a modular system you can add more facilities as the number of people increases," he explained.

Dr Mahathir said charges for the service would be incorporated into the water bills, adding that each household would be charged between RM2 and RM10 a month, which he described as low.

He said the Government would still be in control of the charges despite the privatisation.

"We will monitor this so that there is no overcharging," he added.

Asked whether the privatisation of the national sewerage system would end the sewerage problem, Dr Mahathir said: "This is the end of the period of blaming the Government. You can blame them (Indah Water Konsortium) if anything goes wrong. The Press can wallop them, we're no longer involved."

He said the first phase of the project would be implemented in Langkawi because it was a tourist centre and the quality of the sea water was very important.

"We don't want people discharging what-have-you into the sea," he added.

Replying to a question, Dr Mahathir said there would not be any problem with the local authorities in implementing the project.

He said the local authorities' workers could not be sacked and could also not be paid less.

"Chances are they will be better off, they have options," he said, adding that there were altogether about 2,000 workers.

Ghazi, when asked how long it would take them to break even, said: "We have not finalised this, but we will invest RM6 billion in the next 20 years for the entire project.

"It will bring reasonable returns, that's why we are willing to take the risk of undertaking such a big

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task," he added.

Earlier, Ghazi said work on the system would commence in March next year in five priority areas — Kuala Lumpur, Penang, Langkawi, Port Dickson and Labuan.

He said the existing waste

water systems would be modernised and extended. New facilities would be built in areas that had no treatment facilities.

"The project will significantly reduce river and coastal water pollution and improve public health."

Ghazi said Indah Water Konsortium would under-

take the management, operation and maintenance of about 1,900 sewage treatment plants in 145 local authorities for a period of 28 years.

"We will bring in high technology and expertise through our partners North West Water in the United Kingdom," he added.

Ghazi said a formula would be used to determine charges for the service, adding that it would be very low as specified in the concession agreement.

He said squatters would not benefit from the project and that the areas that would receive the service had been identified.