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LEAD Mahathir-IWK

ARREARS OF SEWERAGE CHARGE TO IWK WRITTEN OFF, SAYS PM

KUALA LUMPUR, Nov 20 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the government has agreed that the arrears in sewerage charges owed by consumers to Indah Water Konsortium (IWK) be written off.

He also said the new sewerage charges would be based on different categories of users, such as residential home, office and factory, and not on the quantity of water consumed as previously.

"We have abolished the arrears owed by consumers and reduced the charge for individuals and own usage under the new formula," he told reporters after the official welcoming ceremony for Peruvian President Alberto Fujimori at Parliament Square.

Dr Mahathir, who said this decision was made by the Cabinet today, also announced the government has agreed to provide an additional loan of RM450 million to IWK to enable it to avoid an increase in the sewerage charge.

IWK had been given another government loan of RM450 million earlier.

The government last month directed IWK to temporarily suspend its billing and collection activities in the Federal Territory, Selangor, Perak, Melaka, Perlis and Pulau Pinang from Nov 1 pending the outcome of a government review of sewerage services.

IWK was granted the concession to take over the country's sewerage services in April 1994 for 28 years as part of the government's privatisation drive.

The consortium now runs more than 2,000 treatment plants which it took over from local authorities.

Dr Mahathir said the arrears written off amounted to a big sum because many consumers did not pay the charge billed to them.

However, he said he could not give any figure off-hand.

Asked on the situation of consumers who had paid their sewerage bills, he said: "Many did not pay."

Dr Mahathir hoped consumers who received sewerage services would promptly settle the new charges.

"Pay quickly when IWK sends the bill. Settle the bill just like when you pay for electricity when you get the bill," he said.

The Prime Minister also hoped that consumers would not request for a further reduction in charges.

Asked whether the new rates would come into effect from Jan 1 as was indicated earlier by Housing and Local Government Minister Datuk Dr Ting Chew Peh, Dr Mahathir said he did not know.

He also gave an assurance that the outstanding arrears would not be stated in the new bills.

Meanwhile, Deputy Housing and Local Government Minister Datuk Tajol Rosli Ghazali, told reporters at Parliament House that Dr Ting would announce the new rates tomorrow. -- BERNAMA

JM TS