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Federal end to water woes

UTILITIES are a big and costly business and they should be managed in a way to reap economies of scale, which benefit the consumers. The way they are now administered by the respective States leaves much to be desired. Hopefully, all this will change with the National Water Council's decision for the Federal Government to take over control of water supply and distribution. The States have obviously recognised the advantages of the new arrangement as they have agreed with the decision made at the council's meeting chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad on Tuesday.

In the earlier years, when the States were responsible, there were fewer problems because the population was then smaller and the economy less developed. But the demand for water has risen tremendously with a larger population as well as more industrial and commercial users. Of late, there have been numerous complaints over water supply disruptions and dirty water.

However, the States have their own limitations and difficulties. They cannot afford the increasingly costly investment for new dams, treatment plants, replacement of old pipes and other facilities to keep up with the demand for clean water. They are also caught in a dilemma because water rates cannot simply be raised to meet investment and operating costs as consumers may not be able to pay them. The people cannot be deprived of drinking water just because they cannot afford it.

It is no wonder that States have had to take loans from the Federal Government to invest in infrastructures, much of which have not been fully repaid. It is also not surprising that the supply of water is also profitable in four States. The others are losing money which is a burden on State finances.

At present water rates differ between States. Consumers in Johor for instance complain that they pay higher rates than others. Uniform water rates for the country is one of the areas that needs to be considered when water supply comes under Federal control by year-end. This is a wise and timely decision.