

Selangor gov't wants to take over Syabas operations
MalaysiaKini.com
July 16, 2012
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Selangor Menteri Besar Khalid Ibrahim has announced that the state is to exercise its right to take over the operations of state water concessionaire Syabas.

This is because it doubts the veracity of the claim behind the water rationing exercise that Syabas announced on Saturday.

All seven dams in the state are not only full to capacity, but overflowing, Khalid told a press conference in Shah Alam today.

"The state government has decided to use its power under Clause 32 of the concession agreement to notify the federal government that we will step into Syabas' operations," he said.

It has sent a notice to the federal government which, as a party to the tripartite agreement, must give its nod, as well as to the national water services commission Span.

Khalid also said the state government's advisors have indicated that the water shortage claim may have been manufactured.

He further highlighted the fact that Syabas:

- has failed to reduce non-revenue water below the contractual threshold of 20 percent;

- owes nearly RM3 billion to its water treatment facility operators; and

- has failed to invest in facilities and infrastructure to fulfill its responsibility of supplying adequate water to the state

It was Syabas' failure to deliver on its contractual responsibilities, as well as the likelihood of deception, that has prompted the state government to act, Khalid explained.

Asked what would happen if the federal government objects to the takeover, Khalid said the state government will take the matter to court.

Oversight committee set up

Pending the response of the federal government and Span, Khalid announced the creation of a committee to oversee Syabas operations.

He said Syabas will have to table daily reports to state secretary Mohamed Khusrin Munawi and state water regulator Nordin Sulaiman, who is also State Water Management Board chief.

Water consortium Abbas will also be roped into the committee along with audit firms, Halcroo, Suez and Wessex Water, which will review and verify Syabas' reports.

On Saturday, Syabas had announced that it will apply to Span to conduct immediate water

rationing in Kuala Lumpur, Hulu Langat and Klang.

Syabas CEO Ruslan Hassan said this was needed as reserves at treatment plants are now down to about 2 percent compared to the 20 percent required to maintain adequate supply.

The company, which had been appointed by the BN-led state government, has been engaged in an open tussle with the current Selangor government over water supply operations.

Selangor has claimed it is the victim of a lopsided contract and a hostile BN-linked contractor.

The company, meanwhile, has accused the state of preventing it from increasing the water tariff, which has stopped it from improving its services.

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