

Pua: DPM's 'bankrupt' remark a smokescreen
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Deputy Prime Minister Muhyiddin Yassin's claim that a "serious water crisis" might be looming for Pakatan Rakyat-held Selangor was refuted by opposition parliamentarian Tony Pua.

Citing the deputy premier's criticism as an "ill-disguised" attempt at covering up the federal government's "support and protection" of water concessionaires Puncak Niaga (M) Sdn Bhd and Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) rather than the rakyat, Pua said:

"The deputy prime minister obviously got his facts wrong. The free water is financed almost totally from profits arising from the state's minority interest in the water companies such as Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (Splash) and (Konsortium) Abass (Sdn Bhd) via the state's wholly-owned subsidiary Kumpulan Darul Ehsan Bhd (KDEB)."

Yesterday, after chairing the Ampang Umno division's annual general meeting, Muhyiddin (left) raised concern that the most affluent state in the peninsula would go "bankrupt" by providing the first 20 cubic metres of water free for those residing in the state as well as in Putrajaya and Kuala Lumpur.

He was quoted by the Star as saying that Selangor's "populist" move was absorbing RM13 million a month and has left it facing a big deficit.

However, Pua asserted that despite the "free water" subsidy of RM120 million annually, the state government had been able to maintain a balanced budget because the government was able to save money through financial prudence as well as the reduction of corruption.

"Hence, unlike the federal government which is mired in huge deficits, Selangor is in no danger of bankruptcy," he said.

Instead of harping on the issue of "free water", Pua demanded an explanation from Muhyiddin as to why the previous Selangor government then under BN had signed an "unfair privatisation agreement" with Syabas, allowing the water concessionaire to increase tariffs at rates of 37 percent in 2008, 25 percent in 2011, 15 percent in 2014, and 10 percent every subsequent three years from 2014.

"Why did BN sign an agreement which sought only to enrich Umno cronies and impoverish the rakyat?" he asked.

'Bailout for private company'

He pointed out that despite breaching various terms and conditions Syabas would have enjoyed a substantial increase in tariff rates (and) reap lucrative profits if Pakatan Rakyat had not won Selangor after the general election in 2008.

"The federal government... has chosen to provide Syabas with a RM320 million 20-year back-loaded unsecured interest-free loan which will in turn cost the government at least RM240 million in interest payments to banks and bond holders.

"We would like to ask Muhyiddin why is the federal government using taxpayers' money to

bail out and subsidise a private company?," said Pua.

The Petaling Jaya Utara MP further explained that Selangor's offer to acquire and consolidate waterworks was because Syabas is in "trouble" but the federal government was opposed to the take-over plan.

He also scoffed at Muhyiddin's statement that the cost of processing water is high, from his experience as menteri besar of Johore from 1986 to 1995.

"Unfortunately, his legacy in Johor resulted in the the privatisation of the water company and today Johor has one of the highest water tariff rates in Malaysia! The deputy prime minister must be proud," Pua added mockingly.

He once again reiterated the call for the BN government to back Selangor's initiative to consolidate its water industry.

"It will not only save Syabas from its agony, eliminate the need for the federal government to give interest-free loans and most importantly to allow the people of Selangor and Kuala Lumpur to enjoy improved water services at lower prices," said Pua.

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