

S'gor holds out for one-time hike in water tariff
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Selangor's goal in the ongoing negotiations to restructure the state's water assets is to allow a one-time maximum 15 percent increase in water tariff.

NONEMenteri Besar Khalid Ibrahim said the current concession agreement with state water utility Syabas is unfair as it allows three tariff hikes within a short span of seven years.

"Last year, Syabas was supposed to raise the tariff by 37 percent. Then in 2012, it will go up another 25 percent and in 2015, by another 20 percent. This is a compound increase," he told a press conference on the sidelines of the state assembly sitting.

Khalid said the concession agreement with Syabas, signed in 2004, should not be followed and that restructuring the deal would keep the tariff low and stabilise water prices.

Selangor is resisting attempts by the federal government to take over its water assets as part of a nationwide attempt to federalise water management under the National Water Services Commission Act 2006 and Water Services Industries Act 2006.

Talks between Selangor and the federal government have been at a stalemate for two years. Both parties expect to conclude negotiations this month.

water bill 110608Opponents of the federal government's plans argue that centralised management of water assets would result in abuse and not serve the public interest.

On Selangor's part, Khalid said the state government has made a lucrative offer of RM9.2 billion to acquire all water concessions but that the federal government is opposed to this.

"To my understanding, the water concessionaires are quite happy with the offer price, but the federal government is reluctant to give control (of water) to the state," he said.

It is widely speculated that companies such as Syabas are linked to Umno and therefore cannot be surrendered to a Pakatan Rakyat-controlled state.

Protecting consumers

Khalid also said the state is ready to face Syabas in court if it insists on claiming RM1 billion in compensation for the delay in the water tariff increase.

He said it is his responsibility to protect the rights of Selangor consumers to affordable water supply and that he will not bow to corporate pressure.

"Syabas has not complied with certain provisions of the agreement. If I agree to follow the terms and the people of Selangor find out that Syabas did not comply with these provisions, that would make me irresponsible... I am just protecting the consumers," he added.