

Ministry gives green light for S'gor-Syabas talks
Malaysiakini.com
Disember 6, 2010

In a move that appear to be in favour of the Selangor government, the Green Technology, Energy and Water Ministry has given the green light to the state to continue negotiations with water concessionaire Syarikat Bekalan Air Selangor Sdn Bhd (Syabas).

NONEAccording to Menteri Besar Khalid Ibrahim's political secretary, Faekah Husin (left), the go-ahead which came late last week is likely to do with the discovery that Selangor owns some RM10.9 billion worth of assets which Syabas is currently using free of charge.

The assets, which include pipes, machinery and water filtration plants, she said, had previously belonged to the Waterworks Department, and the ownership was never transferred to the private concessionaires.

This was discovered by the Selangor government after conducting an asset-tagging exercise, which cost RM700,000 and was done using independent auditors.

"We told the ministry that the previous government had entered into the agreement without knowing its own strength. We have more bargaining power," she said when contacted today.

The Selangor government's stand-off with Syabas began in February last year when it made a buy-out offer of RM5.7 billion, in order to take over management of water and to stop tariff hikes.

The concessionaire refused and is now threatening to take the state to court for not allowing it to raise the water tariff.

A spanner was also thrown into Selangor's efforts to end privatisation when a counter-offer of about RM9 billion was made to Syabas by federal agency National Water Services Commission (Span).

Use our assets, but with conditions

According to Faekah, with the new discovery the Selangor government can now offer "no less than two options" to Syabas - both of which she believes would favour Selangor residents.

water bill 110608She said that they can either take the RM5.7 billion offer, or opt to rent or buy the RM10.9 billion worth of state assets and continue managing water in Selangor, but with conditions.

"(Syabas) is running a business. We understand that they need to make a profit, but it has to be limited and conditions over tariff hikes must be met.

"If (Syabas) opts to buy or rent the assets, at for example RM30 million a month, then that will settle our costs for the continuation of the free water programme."

She added that Kuala Lumpur residents would also benefit from the control of tariff hikes, even though they may not receive the 20 cubic metres of free water from the Selangor government.

It is up to the debt-laden Syabas to stonewall or accept the options offered by Selangor, which has vowed to continue to pile pressure on the concessionaire.

Yesterday, 48 arrests were made when about 7,000 people joined Khalid and state executive councillors in a march to the Istana Negara to hand over a petition against water tariff hikes to the Agong.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malysiakini.com/news/150087>