

Selangor seeks out London law firm to resolve water issue

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KUALA LUMPUR, Mar 18 — The Selangor government has turned to an international law firm in London for advice on how the state could reclaim water assets from concessionaires.

Selangor Menteri Besar Tan Sri Khalid Ibrahim (picture) had met with a team of senior lawyers to see how the opposition-held state could use legal avenues to break the impasse with Putrajaya over the assets, his press secretariat said in a statement today.

“We explained the reluctance of the federal government to cooperate in the implementation of the act that they enacted,” Khalid said, in reference to the Water Services Industry Act (WSIA).

“The attitude of the federal government reeks of cronyism and an emphasis on political interests before the interests of the people,” he added.

The transfer of water assets is required under the WSIA, which will see all such assets in the peninsula put under federal control before they are leased back to licensees in individual states for operation.

But Selangor and Putrajaya have been deadlocked since Pakatan Rakyat (PR) took control of the state in 2008, with neither side wanting to give the other control over the critical water industry.

Control of Selangor’s water assets is critical for PR to set tariffs and fulfil its campaign promise of free water for all residents in the state.

A key stumbling block in talks has been disagreement over the value of water assets in Selangor, estimated to be RM1 billion by Putrajaya but RM10.98 billion by the state government.

The federal and state governments are also at loggerheads over the proposed Langat-2 water treatment plant, which Putrajaya has said is needed to ensure Selangor’s water supply in the future.

Selangor, however, has stressed several times now that there will be no discussion on Langat-2 until the water asset issue has been dealt with, a condition federal government has rejected.

Putrajaya instead urged Selangor not to politicise the state’s water woes but to work with central government, repeating its warning that the nation’s richest state will face a water supply crisis in 2014.

Selangor’s privatised assets also provide water to the federal territories of Kuala Lumpur and Putrajaya.

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