

Water woes: Putrajaya rejects takeover bid
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The rejection came after the Pakatan Rakyat-helmed state government is said to have failed in 'substantive and procedural matters'.

PUTRAJAYA: Putrajaya today rejected the Selangor government's bid to take over the state's water concessionaire Syabas in what will likely be seen as a political move aimed at sabotaging its rival's cheap water policy.

The Special Cabinet Committee set up to tackle the alleged water crisis in Selangor said it had rejected the idea after the Pakatan Rakyat-helmed state government failed to meet "substantive and procedural matters".

Deputy Prime Minister Muhyiddin Yassin, the panel's chairman, said among the issues that stood in the way of the takeover was Selangor's failure to compensate Syabas when it refused a scheduled increase in the water tariff.

Muhyiddin, however, said today's meeting had not been finalised and that the decision would be made after deliberation by the Attorney-General Abdul Gani Patail in a meeting later today.

"He has been instructed to call a meeting on this matter this afternoon," Muhyiddin said after chairing the committee's meeting here, adding that the legal suit against the Selangor government was still pending.

Selangor had refused to allow Syabas to increase the water tariffs since 2009 after it claimed the water concessionaire had failed to reduce its non-revenue water (NRW), which currently involved one-third of the water supply. Syabas subsequently took the matter to court.

Last week, Putrajaya announced the formation of the Special Cabinet Committee to study the issues with regard to water supply in Selangor, Kuala Lumpur and Putrajaya.

It also said representatives from Selangor were not invited to join the special committee and would only be referred to if their views were needed.

Last Monday, Selangor Menteri Besar Khalid Ibrahim announced that his administration would be using clause 32 of the concession agreement with Syabas to take over operations of the water supplier.

The announcement came after he accused the concessionaire of being incompetent for failing to lower NRW to below 20% and owing RM2.8 billion in arrears.

The state government also disputed claims of a water shortage by Syabas, saying the dams in the state were overflowing in the current rainy season.

Syabas, however, said it was referring to the water treatment plants which were at full capacity.

Langat 2 to commence

Muhyiddin also said that the government would go ahead with its plan to build the Langat 2 water treatment plant to prevent a water crisis from taking place despite objections from the Selangor government.

According to English daily The Star, Muhyiddin had ordered the Attorney-General to look into pushing the RM8.65 billion project ahead even if no state consent would be given to start construction which should start by next month.

"The (water supply) situation is now critical. The committee is of the view that we must go ahead with Langat 2," he told reporters.

The Selangor government had refused to build the plant, saying the project would jeopardise its cheap water policy and force consumers to bear higher water tariffs.

But Putrajaya insisted that the Langat 2 plant, a project that aims to pipe water from Pahang, must be built immediately to avert possible water shortages in Selangor, Kuala Lumpur and Putrajaya.

The state's water concessionaire Syabas also claimed that they may have to ration water soon as most of its existing water treatment plants are already struggling to cope with overcapacity.

The Selangor government dismissed the idea that the state was short with water supply and said Syabas had wanted to create fear among the public in a bid to pressure the administration to consent to Langat 2's construction.

Muhyiddin said today Putrajaya does not want to be held responsible if a water crisis is to take place in the future and urged Selangor to allow the federal government to build the new water treatment plant.

"We don't want any parties to assume that the federal government is at fault; we hope the Selangor government will grant us permission (to build Langat 2)," he said

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