

Putrajaya must declare it will use power to take over water companies, says DAP lawmaker
Malaysian Insider
4 Mac, 2014
By Sheridan Mahavera

Putrajaya must fulfil its end of the bargain in the water deal with Selangor by declaring that it will use its powers to take over the four water companies currently in control of the state's water industry, another opposition lawmaker said today.

DAP's Klang MP Charles Santiago, describing the water deal as "inequitable", said it appeared that Putrajaya was silent when it came to exercising its powers under the law to help Selangor restructure the water industry.

"There is a lack of parity in the process outlined in the MoU (Memorandum of Understanding)... Specifically, the state is forced (irrevocably) to hand over Langat 2 instantaneously while the federal government will only facilitate the Selangor water restructuring process," Santiago said in a statement today.

DAP national publicity secretary Tony Pua earlier today said it was up to Putrajaya to prove its "commitment and sincerity" by ensuring that the concessionaires agree to sell their concessions back to Selangor.

"If the federal government fails to cajole these concessionaires into accepting the above offer, then it must exercise all its powers under the Water Services Industry Act (WSIA), particularly using Clause 114, to compulsorily acquire these water companies based on the compensation model detailed in the concession agreements," Pua said.

Under the February 26 deal, or MoU, Putrajaya only agreed to "facilitate" the takeover of the four firms as part of Selangor's water restructuring exercise, he said.

Taking over the four companies, which manage the treatment and distribution of water in Selangor, is crucial to the restructuring of the industry so that it is again controlled by the state.

On the other hand, Selangor has given a binding commitment that it will do what is necessary to ensure that Putrajaya gets what it wants: approval for the Langat 2 water treatment plant.

The restructuring exercise aims to reverse two decades of privatisation of the water industry.

Pakatan has said that privatisation under the old Barisan Nasional administration had seen the price of water go up while consumers were burdened by leaks and shortages.

The MoU stated that Putrajaya would facilitate Selangor's takeover of the four companies. In return, Selangor would provide all necessary paperwork for the Langat 2 treatment plant project.

Pakatan lawmakers have chafed at the deal, saying that it was lopsided and only extracted clear and binding commitments on Selangor's part.

In the past, Pakatan Selangor had consistently demanded that Putrajaya use its power under the Water Services Industry Act 2006 to take over the four companies and hand over their operations to Selangor. The state would then consolidate and manage them under its own company.

Santiago said under the MoU, Selangor was repeating its tried and failed method in taking over the companies. Selangor is offering RM9.65 billion to the four companies to take over their operations.

The four companies are: Syarikat Bekalan Air Selangor (Syabas), Puncak Niaga Sdn Bhd (PNSB), Konsortium Abbas Sdn Bhd (Abbas) and Syarikat Pengeluar Air Selangor Holdings Bhd (Splash).

All but Syabas operate Selangor's 34 water treatment plants. Syabas handles the piping and distribution system.

However, none of the companies have accepted the offer. They have until March 10 to decide.

"In the interest of fair play and reciprocity, the federal government must persuade the concessionaires to accept the Selangor government's offer.

"Otherwise, the concessionaires might misconstrue the federal government's silence as a tacit opposition to the takeover process.

"And more importantly, as an equal partner in the agreement, it must declare that it will exercise WSIA Section 114 and not just provide lip service and facilitation support," said Santiago. – March 4, 2014.

Hakcipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/malaysia/article/putrajaya-must-declare-it-will-use-power-to-take-over-water-companies->