

Land was to be collateral in Selangor water deal, says Putrajaya
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Putrajaya's request for land in Selangor where water pipes would be located under the state's restructuring of its water industry was meant to be collateral for the federal government's RM2 billion assistance to help the state take over four water companies, a deputy minister said today.

Energy, Green Technology and Water Deputy Minister Datuk Seri Mahdzir Khalid said Putrajaya under the master agreement was to give the money to help offset Selangor's cost in buying over four concessionaires. This was so that the state could manage the water industry through a new special-purpose vehicle.

"We give the money of RM2 billion. The land is collateral. Simple thing. No need to be complicated.

"I give you RM2 billion, you give me RM2 billion collateral which is land, or pipes or something," Mahdzir told a press conference after launching the International Greentech and Eco Products Exhibition and Conference Malaysia in Kuala Lumpur today.

Yesterday, Selangor Menteri Besar Mohamed Azmin Ali said the state had called off the water deal with Putrajaya because the federal government wanted free land.

He said agreeing to the deal would have meant that Selangor was giving up its sovereignty over its land.

Mahdzir said today the master agreement between Putrajaya and Selangor only pertained to the special purpose vehicle, Pengurusan Air Selangor Sdn Bhd (PASSB) that would take over the private water companies, and the federal government's water assets management company, Pengurusan Aser Air Bhd (PAAB).

He said he was confident Selangor would understand the situation as the state government needed the RM2 billion to buy the concession companies.

"They know already because after all, they need the money to pay the concessionaires. It involves three parties, that is the federal government, the state and the concessionaires," he said.

The matter of land had to be studied further, Mahdzir added, because it would involve the laying of pipes and building of water treatment plants which would involve land belonging to both the state and federal governments.

He said the ministry would provide more answers on the water restructuring exercise over the next few days in Parliament.

Azmin had said Putrajaya's request for land was not part of the master agreement, which was signed by his predecessor Tan Sri Abdul Khalid Ibrahim in September last year.

However, some 26,000km of pipes are listed as assets in the agreement.

But after Energy, Green Technology and Water Minister Datuk Seri Maximus Ongkili yesterday said that Putrajaya only wanted to lease the land for 45 years, Azmin said Selangor would be willing to discuss such an arrangement.

The terms of the master agreement include PASSB acquiring Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Puncak Niaga Sdn Bhd (PNSB), Konsortium Abass Sdn Bhd (Abass) and services licence-holder Konsortium Air Selangor Sdn Bhd.

PAAB will pay RM1.68 billion to facilitate the concession acquisitions and, in return, the Selangor government will turn over the water assets to PAAB for 45 years.

PAAB will lease water assets to PASSB, which will pay a fee to PAAB, at a rate that will be determined between the two parties and set out in the facility and lease agreements. – March 11, 2015.

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