

Research group wants Selangor to put into action Water Services Industry Act

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A LOCAL water and energy research group has urged the Selangor government to put into action the Water Services Industry Act (WSIA) or risk doubling tariff rates over the next three years.

To comply with the WSIA, Selangor would need to restructure the state's water services industry, said Association of Water and Energy Research Malaysia (AWER) president S. Piarapakaran.

In an analysis of the restructuring effort, AWER offered several suggestions including employing water operators through licensing instead of concessions and transferring liabilities of the water assets to Pengurusan Aset Air Bhd (PAAB).

Piarapakaran said licensing water operators would make them more accountable.

He said it would also be more manageable for the government to maintain water tariff rates.

The licences would be managed by the National Water Services Commission (SPAN) and will be renewed every three years if the companies' services were up to the standards set by SPAN.

As a competitive industry of caliber, this is a wise step to take. These companies need not need to hide behind concession agreements.

If they lose their licences, there are other companies that can take their place. This will break the monopoly and make the industry more competitive.

According to Piarapakaran, by transferring the liabilities of water assets to PAAB, the water operators could focus on delivering good service and water quality.

However, the state's pipes which we estimate to be valued at RM8.2bil should not be transferred to the PAAB.

The pipe transfer would only burden the people, causing the tariff to be increased by an additional 50%.

AWER would make the research paper available to the public on their website www.awer.org.my by the end of the week.