

TAKE-OVER OF SYABAS' ASSETS, LIABILITIES BY PAAB BEST WAY TO STABILISE WATER TARIFFS - AWER



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KUALA LUMPUR, April 27 (Bernama) -- Taking over the assets and liabilities of Syarikat Bekalan Air Selangor (Syabas) by Pengurusan Aset Air Berhad (PAAB) is seen as the best way to stabilise water tariffs.

According to the Association of Water and Energy Research Malaysia (AWER) in its report titled, "National Water Services Industry Restructuring - The Truth", the transfer of assets and liabilities was apt to protect consumers from the burden of high water tariffs.

It said this was also necessary as water supply service companies would have bigger capital expenditure in the future.

"However, the transfer of assets and liabilities of the water treatment company to PAAB needs to be scrutinised, especially in balancing the take-over costs with the savings that can be achieved."

AWER in its report also advised all quarters not to implement the transfer if the take-over would not have a positive impact on water tariffs.

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The report said the concessionaires must also move on to the regime of the Water Services Industry Act (WSIA) 2006 in tackling the water restructuring issue in Selangor.

"After moving to the WSIA regime, companies like Syabas, Puncak Niaga (M) Sdn Bhd, Syarikat Pengeluar Air Selangor Sdn Bhd (SPLASH) and Konsortium Abass will be licensed by the National Water Services Commission, and the licence to be renewed every three years."

It said the licence would only be renewed if these companies followed all the stipulated regulations, failing which the concession agreement would be cancelled immediately.

"This is an appropriate measure, and the companies need not hide behind their concession agreements," it added.

AWER in its report said the water tariff increase could be minimised if the companies with the concession agreement move to the WSIA regime.

"At the same time, if the debt redeemed through water tariffs is not done through the proper system such as moving to the WSIA regime, the state government will have to turn to other financial sources to pay up the debt," it said.

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