

## WSIA Protects Rights and Interest of People

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Kuala Lumpur, May 3 - AWER has produced a report on water services industry restructuring in Malaysia. We have highlighted the core values of Water Services Industry Act 2006 (WSIA) and 3 case studies. One of the case studies is on the Selangor Water Industry Restructuring conflict.

There were few opinion articles in local dailies that touched on concession agreements which was a topic that also reported. I would like to invite the members of public to read the full report about national water services industry restructuring in AWER's website ([www.awer.org.my](http://www.awer.org.my)) to understand our suggestions better. Our study is holistic and in detail. Our report has touched on all aspects and the impact to people.

Federal government will restructure water services industry through WSIA so that all water operators are licensed and operate under 'asset-light' condition. This means that assets with liability (debt) will be transferred to the Pengurusan Aset Air Berhad (PAAB), a federal special purpose vehicle. This also means that the operators only need to focus on supplying continuous and good quality of water.

For the knowledge of all, the restructuring process should have been completed by end of 2010 based on 9th Malaysia Plan. This is the Federal Government's plan and not AWER's. AWER concerns are on the cost of delay in restructuring process and its impact to the rakyat in the form of tariff as well as delays in improving water services infrastructures holistically.

AWER would like to reiterate that operation via concession agreement is not suitable and many are convinced of the capability of water companies in Selangor. Therefore, as a caliber and competitive company, there should not be any problem for them to operate via license as stipulated in the WSIA.

AWER's report did not mention that the water tariff would not increase but we have mentioned that it would be minimised via implementation of WSIA. We have also highlighted that the costs that are passed through tariff will be audited and public involvement will be carried out in tariff setting process. These are core values stipulated in WSIA implementation. The Minister of Energy, Green Technology and Water, YB Dato' Sri Peter Chin Fah Kui has also mentioned in his blog that the water tariff increase in Selangor based on WSIA model is between 10% - 15% compared to Concession Agreement that seeks 37% increase.

AWER believes that the Federal Government's plan to restructure water services industry will bring more benefit to rakyat compared to damages highlighted by such opinion writers.

Water is National Security. All members of public have the right to have continuous and good quality of water supply with equitable tariff. Since WSIA implementation could minimise the water tariff increase, therefore it is wise to cancel the concession agreements through WSIA model for the benefit of the rakyat.

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