

Penang gov't to reduce water subsidy by 20-30pct: CM



By **Siti Sofia Md Nasir** - January 15, 2019 @ 7:16pm

GEORGE TOWN: The state government, through the Penang Water Supply Corporation (PBAPP), plans to reduce the water subsidy by between 20 and 30 per cent in order to ensure the availability of funds to carry out water infrastructure projects in the state.

Chief Minister Chow Kon Yeow said today that PBAPP is spending RM80 million on water subsidies for the needs of 1.76 million consumers, and the sum must be reduced.

He pointed out that the planned subsidy reduction was included in the water tariff review made to the National Water Services Commission (Span) recently.

“The reduction in the domestic water subsidy is to increase the income from business usage in order to fund planned water supply engineering projects.

“PBAPP will continue to offer subsidies for domestic users – however, the total will be reduced (to a still) affordable amount,” he said at a press conference here today.

Also present was PBAPP chief executive officer Datuk Jaseni Maidinsa.

Jaseni said that the subsidy, which was introduced during the formation of PBAPP in 1973, increases annually and is no longer sustainable for water supply service in the state.

“Every year, the cost increases and (the subsidy amount) also increases. We want to avoid the need to be in debt in the future.

“Moreover, in the restructuring modal, the federal government wants water operators in the country to be free from subsidies – but this must be (done) in stages,” he said.

Yesterday, the state government clarified that the water tariff review is being made to fund planned water supply engineering projects.

Chow, who is also PBAPP chairman, said that the corporation is planning to invest RM501 million in water supply projects for the benefit of Penangites.

Previously, he also said that the water tariff is expected to be hiked by up to 20 per cent, in line with water supply rates nationwide.