

Press Statement by

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WATER SUFFICIENCY IN PENANG IS THE PRIMARY OBJECTIVE

PENANG, 16 APRIL 2014: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd's (PBAPP) primary objective in proposing a water tariff review to ensure water sufficiency in Penang.

Many allegations have been made but it is important to focus on the key facts and figures:

- While water consumers in other states are experiencing the difficulties of water rationing in 2014, there is still no rationing in Penang. The plan is to avoid rationing in Penang by promoting wise water usage because in this age of climate change, we can expect to experience more, and possibly longer, dry seasons.
- Yesterday, The Malay Mail has reported that the Energy, Green Technology and Water Ministry will be forced to declare a water emergency for Kuala Lumpur, the Federal Territory and Putrajaya if water levels dip below 30% within the next 2 weeks. If a water emergency is contemplated in this usually wet season, the situation can be even more severe during another predicted dry season in June to October this year.
- Penang's per capita domestic consumption for the first 2 months of 2014 was 311 liters/capita/day (l/c/d) as compared to the national average of 212 l/c/d in 2012. This excessive consumption has to be reduced and the proposed water tariff review is an important mechanism to promote water saving.
- Penang's domestic water tariffs, at RM0.31 per 1,000 liters for the first 35,000 liters per month, have not been reviewed since 1993. It is the lowest, less than half of the national average of RM0.66, because it is heavily subsidised. PBAPP's total subsidy for domestic consumption was RM68.6 million in 2013, and it is not sustainable. It is not sustainable because PBAPP is effectively financing water wastage when it needs to have sufficient funds to invest in critical water supply projects for Penang's future.
- Penang's domestic water tariffs will still be the lowest in Malaysia for the first 35,000 liters per month – that is the direction from the Penang State Government and PBAPP intends to adhere to this directive. This means that if the tariff review is approved, water bills for Penang consumers who use less than 35,000 liters per month will still be the lowest amongst all the states in Malaysia.
- With regard to bigger families, it must be said that there are big families in every state in Malaysia, and not only in Penang. It is a fact that every other state charges more for domestic water supply of up to 35,000 liters per month. No state offers water bill rebates or discounts for big families, purely on the basis of family size. Penang is the only state offering a 60% discount in its water conservation surcharge (WCS) for families of 8 persons and above, with effect from 1 May 2014.
- If approved, the additional revenue from the proposed water tariff review will be channelled towards water supply projects that benefit the people, as well as projects related to reducing NRW (water loss), rainwater harvesting and water conservation.

As mentioned earlier, the proposed water tariff review for Penang is aimed directly at ensuring short- and long-term water sufficiency for Penang.

It should cultivate a water saving culture in Penang to ensure that we have sufficient water for all for as long as possible, in the dry seasons to come. In 2014, PBAPP will also step up its water saving awareness and education campaign to encourage people to save water by adopting water saving tips and installing water saving devices that save water automatically.

Above all, PBAPP's primary goal is to ensure that Penang continues to have enough water for all, now and in the future. If there is not enough water, everyone will suffer and Penang's economy will be adversely affected. The bottom-line is that Penang is a water-stressed state that cannot afford water rationing at any price.

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