

18th April 2018

PRESS STATEMENT

by Dato' Ir. Jaseni Maidinsa,
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PENANG BN'S "WATER PLEDGES" ARE IRRELEVANT AND IRRATIONAL

- **PBAPP provides FREE WATER PIPE CONNECTIONS to the households with a monthly income of RM770 or less per month in Penang.**
- **Poor households in Penang have also been enjoying FREE WATER SUPPLY (up to 30,000 litres per month) for years.**

PENANG, Wednesday, 18/4/2018: As part of its corporate social responsibility (CSR) commitment, PBAPP has been providing free water connections and free water to poor households in Penang for years.

Under our "Projek Perumahan Rakyat Termiskin" (PPRT) programme for households with income below RM770 per month, PBAPP provides 2 categories of aid:

- a. The first category is for qualified premises without existing water connections, where one free connection is provided, from the main pipeline to the premise, to one tap.
- b. The second category, for qualified premises with existing water connections, PBAPP provided a water bill rebate for consumption of up to 60,000 litres every two months (1 billing cycle). At the current tariff rate, the rebate is up to maximum of RM18 per billing cycle of two months.

Providing "***Free water to those below the poverty line***"?

We have been doing this, and more, for many years.

“KAMPUNG LOANS”

A household with a monthly income of RM1,000 or less may also apply to PBAPP for an interest-free “Kampung Loans” to fund water pipe connections. These “Kampung Loan” (up to RM1,500 per household) are repayable through RM30 installments per billing cycle (two months).

Moreover, PBAPP also waives all deposits and trunk mains contributions for “Kampung Loan” connections.

In 2017, under PBAPP’s “Kampung Loans” programme, 90 households received interest-free loans totaling RM133,870 from PBAPP for water connections.

On 31/1/2018, Penang Chief Minister YAB Tuan Lim Guan Eng allocated RM76,500 from the “Peruntukan Ketua Menteri” to fund pipe water connections to 51 low-income households in the Bertam and Penaga state constituencies.

Other than financial aid, these households also needed assistance from the Penang State Government to obtain permission from a landowner for the water pipe connections. The State Government solved their problems.

Penang is a caring state. We are always ready to help underprivileged households who are seeking assistance for water supply.

WATER BILL REBATES FOR PLACES OF WORSHIP AND CHARITABLE ORGANISATIONS

Moreover, since 2009, PBAPP has also given water bill rebates to all qualified places of worship in Penang (including mosques, churches and temples).

In 2012, this privilege was extended to all qualified charitable organisations as well.

In 2017, 1,788 places of worship and charitable organisations were given rebates amounting to RM71,080.

ONLY RM0.01 INCREASE IN DOMESTIC TARIFFS IN 10 YEARS

In the past 10 years, there has been only ONE review of domestic water tariffs in Penang. In 2015, the average domestic water tariff for the first 35,000 litres of consumption per month was increased by RM0.01 PER 1,000 LITRES (from RM0.31 to RM0.32 per 1,000 litres).

Today, Penang's average domestic water tariff for the first 35,000 litres per month is still the LOWEST IN MALAYSIA at RM0.32 per 1,000 litres. The national average is RM0.69 per 1,000 litres. Johor charges RM1.31 per 1,000 litres.

As such, the maximum water bill for 77% of households in Penang is only RM11.30 per month (RM22.60 per two-month billing cycle).

“No water tariff increase for residences within 5 years?”

The fact that 77% of Penang households are paying the lowest domestic water bills in Malaysia today is more relevant.

WCS ONLY PENALISES THOSE WHO USE WATER EXCESSIVELY

Penang's Water Conservation Surcharge (WCS) has proven to be a successful water demand management strategy in Penang. The objective is to AVOID WATER RATIONING by promoting domestic water conservation.

Without the WCS, the per capita domestic consumption in Penang would have reached 319 l/c/d in 2017. With the WCS, per capita domestic consumption in Penang was capped at 276 l/c/d in 2017.

Unlike a tariff review, the WCS DOES NOT PENALISE 77% OF HOUSEHOLDS in Penang. Only 23% of households that use more than 35,000 litres of water per month pay the WCS.

Moreover, PBAPP has also made it possible for households with 8 persons or more to receive a 60% rebate off the WCS.

It is unwise to ***“Abolish the water surcharge”*** without understanding the need and objectives of water conservation.

Water conservation ensures NO WATER RATIONING, especially during prolonged dry seasons, such as the 2016 Super El Niño phenomenon. Water conservation helps to ensure that we have enough water to keep

Penang “Greener, Cleaner and Healthier”. Most importantly, water conservation will help to ensure that we have enough water for our children and grandchildren in the future.

All over the world, more and more people have come to realise that water supply sustainability is only possible through water conservation.

WATER SUPPLY DISCONNECTION AND RE-CONNECTION CHARGES ARE SET BY THE FEDERAL GOVERNMENT

The water supply disconnection and reconnection fees charged in Penang were SET BY THE FEDERAL GOVERNMENT.

These charges are being enforced through the Water Services Industry (Water Reticulation & Plumbing) Rules 2014 and the Water Services Industry (Water Services Deposits, Fees & Charges) Regulations 2014.

The charges are the same in Johor, Negri Sembilan, Melaka, Selangor, Perak, Perlis and Kelantan: all states that have migrated to the National Water Services Re-Structuring Initiative (NWSRI).

Please view the following document posted on the SPAN website:
[http://www.span.gov.my/pdf/law/bm/PeraturanPeraturan%20IPA%20\(Deposit,%20Fi%20dan%20Caj%20Perkhidmatan%20Air\)%202014.pdf](http://www.span.gov.my/pdf/law/bm/PeraturanPeraturan%20IPA%20(Deposit,%20Fi%20dan%20Caj%20Perkhidmatan%20Air)%202014.pdf)

It may be illegal for anyone to pledge to **“Reduce charges for water disconnection and reconnection”**.

ASSISTING MANAGEMENT CORPORATIONS WITH BILL ARREARS ISSUES

PBAPP’s bill collection rate in 2017 was higher than 90%, meaning that most water consumers in Penang pay their water bills on time. PBAPP follows the laws in debt collection.

The laws, in this case, refer to FEDERAL LAWS set by the Federal Government: The Water Services Industry Act 2006 (WSIA 2006) and the SPAN Act 2006.

In cases with special circumstances, PBAPP has provided rebates and offered interest-free progressive payment schemes.

So, what does **“Assist the Resident Management Corporation with bill arrears issue”** mean?

“PULAU PINANG BANGKIT” WATER BILL DISCOUNTS

In 2017, PBAPP discounted all Penang water bills for two months, in support of the Penang State Government’s “Pulau Pinang Bangkit” flood relief efforts.

This one gesture cost PBAPP about RM16.6 million in revenue. However, we did it because we are a “Penang company” at heart. We are ready to stand by Penang in times of need.

At PBAPP, we do not simply make pledges. Our profession is to plan and act to meet all of Penang’s water supply needs, 24/7. We have also been fulfilling our corporate social responsibilities in Penang.

Thank You.

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