

## PBAPP to review water tariff in Penang, current tariff is unsustainable, says CEO

Thursday, 17 Mar 2022 By IMRAN HILMY

GEORGE TOWN: A new water tariff review application will be submitted by Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) in effort to raise funds for the implementation of its Raw Water Contingency Plan 2030 (RWCP 2030) projects.

PBAPP chief executive officer Datuk Jaseni Maidinsa said the application would be forwarded to the National Water Services Commission (SPAN) this year and was subjected to the Federal Government approval.

"PBAPP is not seeking higher profits. Additional funds raised will be primarily reinvested into PBAPP's RWCP 2030 projects," he said in a statement on Wednesday (March 16).

Jaseni said the last water tariff review in Penang was implemented in 2015 and PBAPP had applied for a water tariff review in 2019.

He, however, said the Environment and Water Minister issued public statements in 2020 and 2021 stating that the Federal Government had postponed all water tariff reviews due to the effects of the Covid-19 pandemic on the Malaysian economy.

He said the primary objective for these projects is to ensure water sufficiency in Penang as the state marches on in its journey towards post-pandemic socioeconomic recovery.

He pointed out that PBAPP was not the only Malaysian water operator, which has applied for a water tariff review in recent years.

In 2021, he said SPAN has conducted "public consultation exercises" for tariff review proposals submitted for Johor, Kedah, Melaka, Negri Sembilan, Penang and Perak.

"In 2019 and 2020, SPAN had also conducted similar 'public consultation exercises' for water tariff review proposals involving FT Labuan, Kelantan, Pahang, Selangor and Terengganu.

"By law, all water tariff proposals in Peninsular Malaysia are now subject for approval by the Federal Government," he said.

He said the key rationale behind the proposed Penang water tariff review 2022 was that the state could not cope with the increase in water demand without the RWCP 2030 projects.

There were five projects under RWCP 2030 that were scheduled for completion in the period of 2022 to 2028.

Namely; Phase 2 of Sg Dua Water Treatment Plant (LRA) sedimentation tanks upgrades; Package 12A of Sg Dua LRA, an additional new water treatment module; Phase 1 of Mengkuang Dam LRA; Phase 1 of Sungai Muda LRA, and the Sg Prai Water Supply Scheme.

He said the application was also meant to raise funds for projects to ensure water sufficiency in Penang until 2030.

He added the unsustainable existing water tariffs resulting in RM97.3mil in domestic subsidies in 2021 and high cost of sludge disposals to comply with Environment Department regulations.

"Penang's water consumption has been projected to reach 1,532 MLD (millions of litres per day) by 2030 and 2,178 MLD by 2050, based on an independent water supply engineering study completed in 2021.

"The state's average domestic water tariff for the first 35,000 litres of domestic consumption is RM0.32 per 1,000 litres.

"It is the lowest in Malaysia. The national average was 121.9% higher, at RM0.71 per 1,000 in 2018," he said.

<https://www.thestar.com.my/news/nation/2022/03/17/pbapp-to-review-water-tariff-in-penang-current-tariff-is-unsustainable-says-ceo>