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## **PBA Holdings forecasts better revenue next year with new tariffs**

Reportedly most profitable concessionaire, it records RM77.12 mil profit after tax.



*PBA Holdings Bhd, reportedly the country's most profitable water services concessionaire, announced a profit after tax of RM77.12 million*

GEORGE TOWN – The listed arm of the Penang Water Supply Corporation (PBAPP), PBA Holdings Bhd, is hoping to record more revenue next year due to higher billing for non-domestic tariffs.

As of this year, there is a tariff adjustment upwards due to the implementation of new charges for industrial and commercial segments, while the domestic one is status quo.

With new tariff underway and steps towards minimising non-water revenue losses taken, the water authority has forecasted better revenue collection for next year, although no amount has been drawn up yet.

PBA Holdings Bhd, which is reportedly the country's most profitable water services concessionaire, announced a profit after tax of RM77.12 million after its 23rd annual general meeting at the Amari Spice Hotel here recently.

PBA board chairperson Chow Kon Yeow, who is also Penang's chief minister, announced the satisfactory performance of the listed entity despite various challenges in the heavily regulated industry of water resources and supply.

The board approved a single-tier final dividend of 1.5 sen per share for the financial year ending December 31, 2022.

The total payout to the shareholders will amount to RM4.96 million and this marked the 22nd consecutive year in which the state authority provided dividends.

Chow praised PBA for its ability to offer subsidies to domestic consumers here despite the challenges of higher operating costs and external threats over supply and distribution, not to mention the higher consumption rate of consumers.

However, he warned that the future is riddled with real challenges from maintaining sustainable water resources, supply and distribution to climate change and trans-border issues confronting watch catchment areas.

PBAPP charges the lowest domestic tariffs in the country. As of 2022, for the first 35,000 litres per month, the average domestic tariff is only 32 sen per 1,000 litres.

It was 141% cheaper than the national average of 77 sen per 1,000 litres in 2022.

“As such, I would say that PBAPP has proven itself to be one of the most efficient water supply operators in the country for last year.”

### **Contingency plan executed**

Besides operating profitably, the company has also fulfilled a significant corporate social responsibility commitment to Penang by providing domestic water subsidies for the benefit of 585,740 domestic water accounts, said Chow.

To minimise leakages which tend to lead to non-revenue losses, Chow said RM150 million was allocated to upgrade and repair 1,100km of water pipes.

And to avert major disruptions such as the two major incidents over the past year, Chow said PBAPP has executed a water contingency plan from 2023 until 2030.

Over RM1.1 billion in capital expenditure have been poured into the contingency plan, which includes distribution line and dam upgrades, said Chow.

But as the industry is regulated and heavily subsidised, Chow said that the authority cannot be dependent on water tariffs to drive income.

Hence, PBAPP has to take external loans to finance its capital expenditure, which is essential towards meeting the needs of all consumers, said Chow. – The Vibes, June 29, 2023