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After 1-year delay, Penang's new water rates to take effect July 1

Penang exco says the new rates are needed to sustain the current level of water supply services and gradually reduce domestic water consumption.



In 2025, water consumption by households accounted for about 55.7% of the total average consumption of 865 million litres per day in Penang. (Envato Elements pic)

GEORGE TOWN:

Penang's new water tariff rates will take effect on July 1 after a year-long delay in implementation, says state infrastructure committee chairman Zairil Khir Johari.

Zairil said the new rates would only cause a maximum water bill increase of RM2.55 per month for 82% of domestic water consumers, who use 35 cubic metres or less monthly.

For those who use exactly 35 cubic metres per month, he said this would amount to RM32.50, up from RM29.95 currently.

For non-domestic rates, the maximum water bill increase will be RM77.70 per month if 500 cubic metres or less is used.

Zairil said the new rates were based on rational business plans submitted by the Penang Water Supply Corporation (PBAPP) to the National Water Services Commission (SPAN).

In a statement, he said SPAN requires PBAPP to rationalise its funding to ensure continuous, reliable water supply for the 1.8 million people who live and work in Penang.

"PBAPP must implement new rates to sustain the present level of water supply services in Penang while mitigating rising costs, a rising number of water consumers, climate change, global economic uncertainty, and ageing infrastructure," he said, adding that the new rates would support Penang's drive to reduce high domestic water consumption.

In 2025, water consumption by households accounted for about 55.7% of the total average consumption of 865 million litres per day in Penang.

Zairil said this meant that domestic consumers used more water than all of Penang's factories, hotels, shopping malls, business premises, and government offices combined.

He added that Penang's domestic consumption per capita was 267 litres per capita per day (LCD) in 2025, the highest in the country, while the national average stood at 225 LCD in 2024.

"Since Penang is a water-stressed state, we have to gradually reduce domestic water consumption to a more reasonable level to sustain good water supply services for all. The target for 2026 is 250 LCD."

He also said that PBAPP must raise the funds to complete water projects to ensure water supply sufficiency until 2030. These projects include the construction of the Mengkuang Park water treatment plant, ancillary pipeline works, and land acquisitions to expand treatment plants around the state.

The new rates are projected to generate about RM20 million in additional revenue for PBAPP and PBA Holdings Bhd over the next six months.

"Any additional profits will be largely reinvested as capital expenditure for water projects in Penang, for the state's benefit," said Zairil.