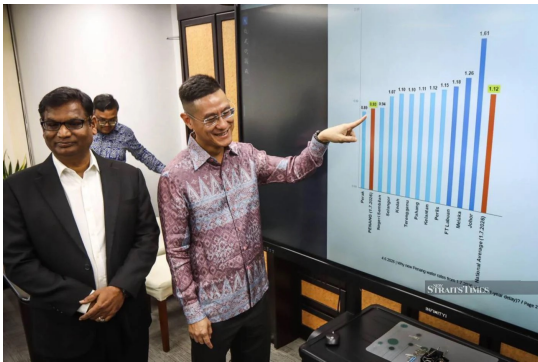


4-6-2026

## Penang water tariffs to rise over 7pct from July 1 after year-long deferment



GEORGE TOWN: More than 80 per cent of Penang households will pay more for water from July 1 when the state's revised tariffs come into effect.

State Infrastructure, Transport and Digital Committee chairman Zairil Khir Johari said households using 35 cubic metres of water a month will see an increase of up to RM2.55 under the new tariffs.

Non-domestic consumers, including factories, hotels and commercial premises, will see a 7.3 per cent tariff hike, which translates to an extra RM77.70 for those using 500 cubic metres of water a month.

Houses of worship, welfare institutions and charitable organisations are exempt from the revision.

The new tariffs, gazetted by the federal government on July 30 last year, come into force following a year-long deferment.

The last adjustment was in 2024 when the National Water Services Commission (SPAN) increased tariffs by an average of 22 sen per cubic metre for domestic users in the peninsula and Labuan.

Zairil told a press conference in Komtar today that the revision was necessary to sustain water supply services, finance critical infrastructure projects and curb excessive domestic water consumption.

"Penang remains committed to keeping water affordable despite the revision," he said.

He said Penang's average daily water consumption stood at 865 million litres per day (MLD) last year and is projected to increase by 34.3 per cent to 1,162 MLD by 2032.

Meanwhile, Penang Water Supply Corporation (PBAPP) operating costs have risen by five per cent since the 2024 tariff review, driven mainly by higher chemical, maintenance and administrative expenses.

Zairil said domestic water consumption remained a major concern, with Penang recording the country's highest per capita domestic usage at 267 litres per day in 2025, compared with the national average of 225 litres.

Domestic consumers accounted for 55.7 per cent of the state's total water consumption, exceeding the combined usage of the industrial, commercial and government sectors.

"As a water-stressed state, Penang must gradually reduce domestic water consumption to ensure long-term water security. Our target is 250 litres per capita per day in 2026," he said.

Despite the revision, Zairil said Penang's average domestic tariff for the first 35 cubic metres of water would remain among the lowest in the country at 93 sen per cubic metre, compared with the national average of RM1.12.

The revised tariffs are expected to generate about RM20 million in additional revenue for PBAPP and PBA Holdings Bhd in the second half of 2026, with the bulk of the funds earmarked for water infrastructure development.

These include the Water Contingency Plan 2030, comprising the 114 MLD Mengkuang Dam Water Treatment Plant, the proposed 136 MLD Sungai Prai Water Treatment Plant and expansion works at the 1,342 MLD Sungai Dua Water Treatment Plant.

Meanwhile, Pathmanathan said the average cost of treating and distributing water is RM2.43 per cubic metre, but domestic consumers in the first tariff band currently pay only 62 sen per cubic metre, meaning water continues to be heavily subsidised.

He said PBAPP subsidised domestic water consumption by about RM81 million last year and is expected to continue providing subsidies of between RM70 million and RM80 million annually.

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