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Media Release

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CEO, PBA HOLDINGS BHD AND PBAPP.

CLARIFICATION: PENANG’S NEW TARIFFS FOR “NON-DOMESTIC CONSUMPTION” WERE NOT GAZETTED BY PBAPP OR THE STATE GOVERNMENT

- **The new tariffs for “non-domestic consumption” in Penang were set, approved and gazetted under a Federal regulation by the previous Federal Government on 29.7.2022.**
- **The previous Federal Government also set, approved and gazetted new tariffs for 10 other states and FT Labuan on 29.7.2022. Hence, Penang is not the only state that is charging new tariffs for “non-domestic consumption”.**

PENANG, Wednesday, 29.3.2023: There have been misleading statements and allegations published in the mass media recently regarding the implementation of new tariffs for “non-domestic consumption” in Penang.

Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) would like to clarify the matter to avoid further public misunderstanding. The following are the facts regarding this matter:

1. The National Water Services Commission (SPAN) is the national water services regulatory body.
2. In an official letter dated 14.7.2022, SPAN notified PBAPP that the (previous) Federal Government had decided to implement a water tariff review for “non-domestic consumption and special category consumption” for all the states in Peninsular Malaysia and FT Labuan.
3. In another letter dated 29.7.2022, SPAN notified PBAPP that a Federal Government regulation entitled “Water Services Industry (rates for Water Supply Services) (State of Penang) (Amendment) Regulations 2022” had been gazetted for implementation from 1.8.2022.

As proof, SPAN has published the full regulation on its website:

<https://www.span.gov.my/document/upload/0hLwkvcW9eR3qEstbV3VqE6k9btnlipR.pdf>

- SPAN has also published regulations (all dated 29.7.2022) specifying new tariffs for “non-domestic consumption” in Johor, Kedah, Kelantan, Melaka, Negri Sembilan, Pahang, Perak, Perlis, Selangor, Kuala Lumpur, Putrajaya, Terengganu and FT Labuan. This means that the previous Federal Government increased “non-domestic consumption” tariffs for all the states in Peninsular Malaysia and FT Labuan concurrently last year.

Publication on the SPAN website:

<https://www.span.gov.my/article/view/peraturan>

- Domestic water tariffs for Penang and all other states were not changed in the published regulations.
- As per the Federal regulations for all Peninsular states gazetted on 29.7.2022, water consumption by schools (in Johor, Kedah, Kelantan, Melaka, Negri Sembilan, Pahang, Penang, Perak, Perlis, Selangor, Kuala Lumpur, Putrajaya, Terengganu and FT Labuan) is categorised as “non-domestic consumption”.
- PBAPP was only officially notified of the revised tariffs for “non-domestic consumption” in Penang and the categorisation of water consumption by schools as “non-domestic consumption after the gazettelement of the Federal regulations.
- As the water supply operator that serves Penang under a licence issued by SPAN, PBAPP is obliged to comply with Federal regulations. Failure to comply may lead to licence renewal issues.
- The revised tariffs for “non-domestic water consumption” in Penang were due for implementation from 1.8.2022. However, PBAPP only started billing for “non-domestic water consumption” in Penang under the new regulation from 1.1.2023.

These facts reflect the truth on this matter:

- PBAPP and the Penang State Government did not set, approve or gazette the new tariffs for “non-domestic consumption” in Penang. The previous Federal Government did that on 22.7.2022.
- PBAPP and Penang State Government did not categorise water consumption in schools as “non-domestic consumption”. The previous Federal Government did that on 22.7.2022.



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- The previous Federal Government revised the tariffs for “non-domestic consumption for 11 states and FT Labuan, and not only for Penang.
- As clearly defined by its title, a “Federal regulation” may only be amended by the Federal Government.

As such, all comments, critique and complaints about the “Water Services Industry (rates for Water Supply Services) (State of Penang) (Amendment) Regulations 2022” should be rightfully addressed to SPAN.

Thank You.

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