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Media Release

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PENANG WATER RATES AIMED AT RESOLVING PENANG WATER ISSUES

- **Since 1999, PBAPP's profits have been primarily "reinvested" for domestic water subsidies and expanding water supply infrastructure.**
- **In 2024, PBAPP needs more funds to undertake urgent infrastructure projects to increase water supply and reduce water risks.**

PENANG, Saturday, 1.6.2024: The water rates regulated by the Federal Government for Penang are aimed specifically at resolving Penang water issues.

As at 2024, PBAPP is working to address the following key water issues for Penang:

1. Highest water consumption in history: 877 million litres per day (MLD) in 2023 and 927 MLD in February 2024;
2. Projected water demand of 1,532 MLD by 2030;
3. Climate change, affecting rainfall in the water catchment areas of the Air Itam Dam and Teluk Bahang Dam; and
4. Risks of more Sungai Muda mishaps (as per 2022 and 2023).

In short, PBAPP must expand and improve Penang's water supply infrastructure to meet present and future water demand, as well as reduce water risks.

At the same time, the overall costs of supplying water in Penang has increased by 30% since 2015 when water rates were last reviewed.

Billions of ringgit needed for additional infrastructure

PBAPP has announced its intent to invest RM1.184 billion to implement 8 Water Contingency Plan 2030 (WCP 2030) projects for Penang.

Under the WCP 2030, PBAPP will build 6 new water treatment plants in Seberang Perai and lay major pipelines to pump more treated water from the Sungai Dua Water Treatment Plant to Penang Island. This is to ensure continuous good water supply until 2030.

Moreover, PBAPP will expend millions more ringgit to implement the following additional strategic water projects:

- 1.35m Sungai Perai River-Crossing Pipeline to increase treated water pumping volume to Daerah Barat Daya (DBD) on Penang Island.
- Additional 400 MLD Expanded Mengkuang Dam (EMD) Drawdown Pipelines and/or the Sungai Muda Off-River Storage Scheme (ORSS) to mitigate the risks of Sungai Muda mishaps in Kedah affecting water supply for 465,000 water consumers in Penang.

Water rate delay will delay water engineering solutions

Penang's water issues will get worse without new or additional infrastructure projects.

Please note that since 1999, when PBAPP was corporatised, its profits have been primarily “reinvested” for:

- Domestic water supply subsidies, which amounted to more than RM500 million in the past 5 years.
- New or improved water infrastructure projects in Penang.

Right now, PBAPP needs more funds to undertake the WCP 2030 projects and the strategic water projects for Penang.

Any water rate delay or rebate will reduce PBAPP's funding. Accordingly, such water rate delays or rebates will delay or compromise PBAPP's implementation of water supply engineering solutions for the benefit of Penang.

The question is: Do we want to resolve Penang's water issues as soon as possible or do we want to wait until the situation gets worse?

Makin murah, makin menawar

PBAPP data indicates that 77.3% of Penang's 593,255 domestic consumers used 35m³ (35,000L) of water per month or less in 2023.

The average domestic rate for the first 35m³ of domestic water consumption in Penang is RM0.86 per m³.

RM0.86 per m³ is not unreasonable. Please note that 1m³ is equivalent to 1,000L or the volume of water that can fill 667 big (1.5L) bottles of drinking water.

It is the second lowest average domestic rate in Peninsular Malaysia today. Only domestic consumers in Terengganu pay less. Domestic consumers in 9 other states and 3 federal territories are paying more for domestic water supply.

By charging RM0.86 per m³ for the first 35m³ per month, PBAPP is still subsidising water consumption for the majority of domestic water consumers in Penang, albeit at a more reasonable level.

There is a Malay proverb: *Makin murah, makin menawar.*

Unfortunately, PBAPP cannot afford to *layan* or bargain anymore when it comes to water rates for Penang.

Instead, we hope that the people will understand and support our result-oriented approach of: *Berapa panjang lunjur, begitulah selimut.*

Penang is a water-stressed state. It has a limited land area, limited water resources and unlimited socioeconomic potential. PBAPP needs to raise sufficient funds in order to address Penang's present and future water scenarios and risks, before things get worse.

It is a fact that the 2024 Penang water rates were specifically regulated by the Federal Government to address and resolve Penang's water issues. The proof is that water rates are not the same in 11 Peninsular states and 3 federal territories.

Thank You.

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