

4.6.2026  
Media Release

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EXCO for Infrastructure, Transport and Digital

### **WHY NEW PENANG WATER RATES FROM 1.7.2026 (AFTER A 1-YEAR DELAY)?**

- **Sustenance of good water supply services, WCP 2030 funding, higher costs and domestic water conservation.**
- **Maximum water bill increase of RM2.55 per month for the majority of Penang domestic water consumers (households) who use 35m<sup>3</sup> (or less) per month.**
- **Maximum water bill increase of RM77.70 per month for non-domestic water consumers (business consumers) who use 500m<sup>3</sup> (or less) per month.**
- **Key projects: New 114 MLD Mengkuang Park Water Treatment Plant (WTP), land acquisition for the new 136 MLD Sungai Perai WTP and further expansion of the 1,342 MLD Sungai Dua WTP.**

PENANG, Thursday, 4.6.2026: PBAPP will implement new Penang water rates from 1.7.2026, after a 12-month delay. The 4 primary rationales for the new water rates are:

1. Water rate reviews are not random exercises to generate more profits. New water rates are based on rational business plans that are submitted by licensed water operators to the National Water Services Commission (SPAN).

SPAN requires PBAPP to rationalise the funding required to sustain continuous good water supply services that support the lives and livelihoods of 1.8 million people in Penang.

PBAPP must implement new rates to sustain the present level of water supply services in Penang while mitigating the multiple challenges of rising costs, an increasing number of water consumers, climate change, global economic uncertainty and aging infrastructure.

On 30.7.2025, the Federal Government gazetted new water rates for Penang (as well as 9 other states and FT Labuan). However, the Penang State Executive Council directed PBAPP to defer the implementation of the new rates for 1 year until 1.7.2026.

Following this 12-month “water rate holiday”, PBAPP will implement the new rates on 1.7.2026, as per the Federal Government regulation and the State Government directive.

2. PBAPP has to raise sufficient funds to complete water projects to ensure water supply sufficiency until Year 2030.

Penang's average water consumption was 865 million litres per day (MLD) in 2025. It is projected to increase by 34.3% to about 1,162 MLD by 2032.

3. PBAPP's water supply costs have increased by 5%, since the last rate review on 1 February 2024. The main cost increase components are chemical, maintenance and administrative.
4. The new rates will support Penang's drive to reduce high domestic water consumption.

In 2025, domestic water consumption (by households) accounted for about 55.7% of the total average consumption of 865 million litres per day (MLD) in Penang. Domestic water consumers used more water than all the factories, hotels, shopping malls, business premises and government offices combined.

Penang's per capita domestic consumption 267 litres/capita/day (LCD) in 2025, the highest in Malaysia. The national average was 225 LCD in 2024. Meanwhile, Singapore reported 141 LCD for 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.

#### 1.7.2026 Penang DOMESTIC water rates

- About 82% of Penang domestic water consumers use 35m<sup>3</sup> or less per month.
- From 1.7.2026, Penang's average domestic water rate for the first 35m<sup>3</sup> per month will be RM0.93 per m<sup>3</sup>.
- **The maximum water bill increase for 82% of Penang domestic water consumers (households) who use 35m<sup>3</sup> (or less) is RM2.55 per month, or 8.5 sen per day.**
- Domestic consumers who use 35m<sup>3</sup> per month will pay RM32.50 for their monthly water bill from 1.7.2026, as compared to RM29.95 per month. The difference is less for those who consume less than 35m<sup>3</sup> per month.

### 1.7.2026 Penang NON-DOMESTIC water rates

- From 1.7.2026, Penang's average non-domestic water rate for the first 500m<sup>3</sup> per month will be RM2.28 per m<sup>3</sup>.
- **The maximum water bill increase for 27% of Penang non-domestic water consumers (factories, hotels, shopping malls, business premises and government offices) which use 500m<sup>3</sup> (or less) is RM77.70 per month or RM2.59 per day.**
- Non-domestic consumers who use 500m<sup>3</sup> per month will pay RM1,141.70 per month for their monthly water bill from 1.7.2026, as compared to RM1,064.00 per month. The difference is less for those who consume less than 500m<sup>3</sup> per month.

(For the full details of the 1.7.2026 Penang water rates, please refer to **Appendix A.**)

This increase in water rates is not unreasonable. The 1.7.2026 Penang water rate review is needed for PBAPP to sustain continuous good water supply services, partially fund urgent water supply projects for the future and reduce domestic water consumption.

Nevertheless, Penang water consumers will continue to pay their water bills in accordance to rates that are amongst the lowest in Peninsular Malaysia. For 82% of Penang households who use 35m<sup>3</sup> or less per month, water bills will continue to be relatively affordable when compared to bills for electricity, telecommunications, Internet connectivity and fuel.

### Water Rates Comparison with other states

It should be noted that even with the new water rates, Penang's average domestic rate for the first 35m<sup>3</sup> per month is still amongst the lowest in Malaysia. Our average domestic rate will be RM0.93 per m<sup>3</sup> for the first 35m<sup>3</sup> per month, as compared to the national average of RM1.12 per m<sup>3</sup>.

As for the new non-domestic rates, the average increase per m<sup>3</sup> for the first 500m<sup>3</sup> per month will be only RM0.15 per m<sup>3</sup>. In terms of monthly bills, the maximum impact of the 2026 water rates on non-domestic consumers who use up to 500m<sup>3</sup> of water per month in Penang is RM77.70 per month.

Even after 1<sup>st</sup> July 2026, Penang's average non-domestic rate will compare favourably with average non-domestic rates charged elsewhere in Malaysia.

(For the full details of the Average Penang DOMESTIC and NON-DOMESTIC water rates with other states, please refer to **Appendix B.**)

## Key projects

1. **Construction of the 114 million litres per day (MLD) Mengkuang Park Water Treatment Plant (WTP) and ancillary pipeline works:** This WTP in Seberang Perai Tengah (SPT) is the 3<sup>rd</sup> component of the Water Contingency Plan 2030 (WCP 2030). It is scheduled for completion by the end of 2026.

When operational, it will convert the status of the 86,400 million litre (ML) Expanded Mengkuang Dam (EMD) from a “strategic drought reserve dam” to a “dual-purpose dam”.

The Mengkuang Park WTP will draw down water from the dam on a daily basis to produce more treated water in SPT for supply in SPT. However, PBAPP will manage the EMD reserves carefully to ensure that there is always sufficient water for emergency use at the Sungai Dua WTP, as related to potential Sungai Muda issues.

2. **Land acquisition for the 136 MLD Sungai Perai WTP:** This WTP is part of the Sungai Perai Water Supply Scheme, another component of WCP 2030. It is scheduled for completion in 2031.
3. **Land acquisition for expansion projects in the 1,342 MLD Sungai Dua WTP in Seberang Perai Utara (SPU):** 2nd balancing pond at the end of the Sungai Dua Canal, upgrades to the water treatment plant (WTR) residue recycling module, an additional clear water tank and an elevated water tower to store more treated water.
4. **Land acquisition and pipe works for the 1,800mm Macallum to Bukit Dumbar dedicated treated water pipeline:** This additional 3.2 km pipeline will channel more treated water from the 3<sup>rd</sup> Penang Twin Submarine Pipelines (3<sup>rd</sup> PTSP) landing site to the Bukit Dumbar Reservoir and Pumping Station Complex on Penang Island. This is another WCP 2030 project, aimed at pumping more water from the mainland to the island.
5. **Land acquisition for the 114 MLD Sungai Muda WTP in SPU:** The Sungai Muda WTP is a WCP 2030 project. Its objective is to treat more water in SPU for distribution in SPU. The Sungai Muda WTP is scheduled for completion in 2031.

The new rates are projected to generate about RM20 million in additional revenue for PBAPP and PBA Holdings Bhd (PBAHB) over 6 months in 2026. Any additional profits will be largely reinvested as capital expenditure for water projects in Penang, for the benefit of Penang.

Thank You.



**PBA**

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## Appendix A: Penang water rates from 1.7.2026

Consumption per month	Current rate (RM/m <sup>3</sup> )	From 1 <sup>st</sup> July 2026 (RM/m <sup>3</sup> )
<b>1. DOMESTIC (individual meter)</b>		
0 – 20 m <sup>3</sup>	0.62	0.65
20 – 35m <sup>3</sup>	1.17	1.30
More than 35m <sup>3</sup>	2.07	2.21
Minimum charge	6.20	6.50
<b>2. NON-DOMESTIC (individual meter)</b>		
0 - 35m <sup>3</sup>	1.57	1.93
More than 35m <sup>3</sup>	2.17	2.31
Minimum charge	15.70	19.30
<b>3. DOMESTIC (bulk meter)</b>		
Flat rate per m <sup>3</sup>	1.73	1.92
Minimum charge	17.30	19.20
<b>4. HOUSES OF WORSHIP AND WELFARE ORGANISATIONS</b>		
Flat rate per m <sup>3</sup>	0.67	0.67
Minimum charge	6.70	6.70
<b>5. SHIPPING</b>		
Flat rate per m <sup>3</sup>	7.07	8.01
Minimum charge	70.70	80.10
<b>6. DATA CENTRES</b>		
Flat rate per m <sup>3</sup>	No specific rates	5.31
Minimum charge		53.10



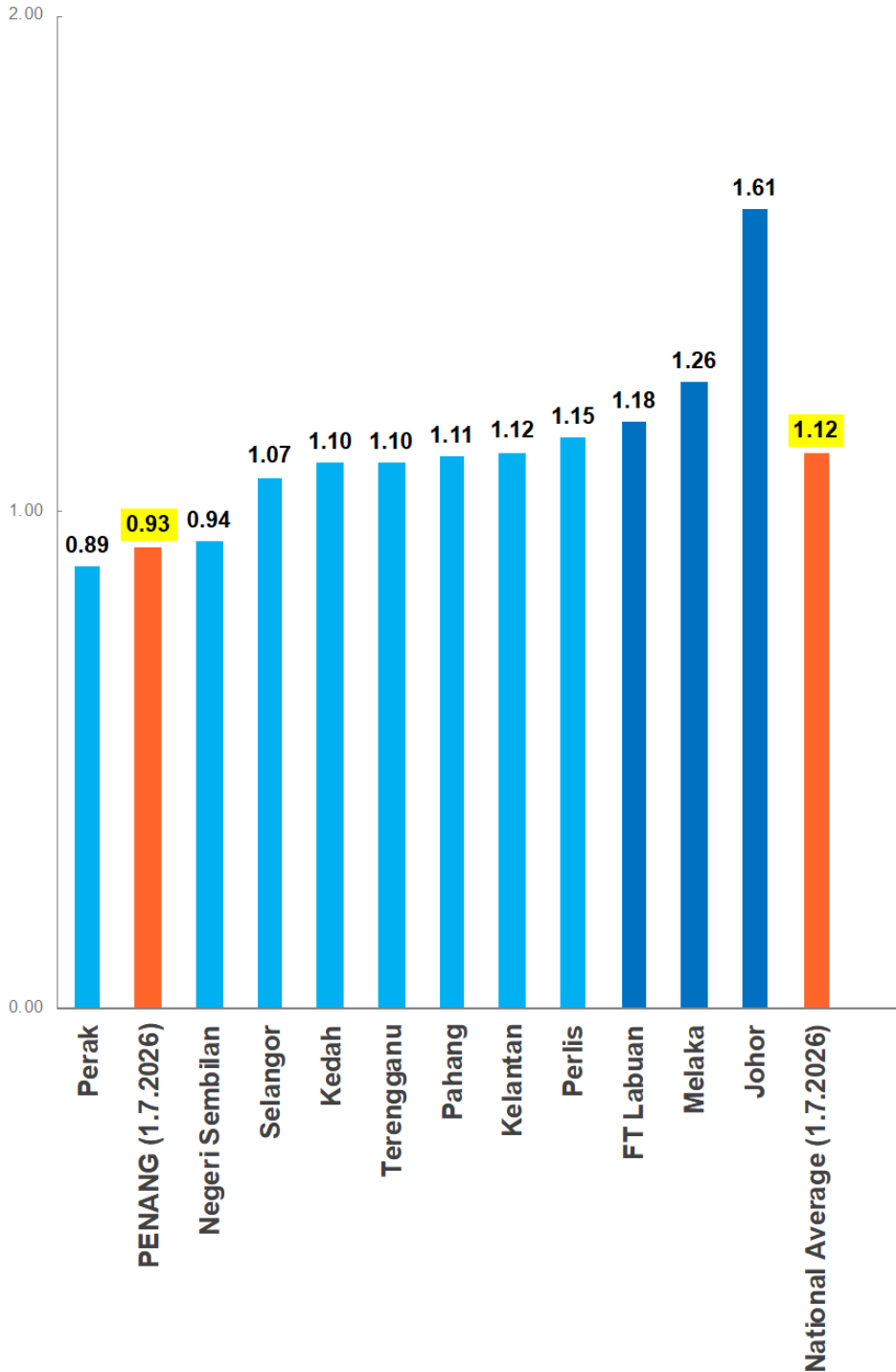
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## Appendix B: Average Penang DOMESTIC and NON-DOMESTIC water rates with other states

### Average DOMESTIC water rates (RM) for the first 35m<sup>3</sup> per month





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## Average NON-DOMESTIC water rates (RM) for the first 500m<sup>3</sup> per month

