

RM501m water supply project in Penang's pipeline, chief minister confirms

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By Opalyn Mok



Penang Chief Minister Chow Kon Yeow speaks to reporters in George Town January 14, 2019. — Picture by Sayuti Zainudin

GEORGE TOWN, Jan 14 — The Penang Water Supply Corporation Sdn Bhd (PBAPP) will be investing RM501 million in water supply projects in the next three years, said Penang Chief Minister Chow Kon Yeow.

The PBAPP chairman said the water supply company had to apply for an increase in the water tariff rate because it needed the revenue to implement these projects.

“The additional revenue will be used for these projects, and even with an increase in tariff rates, it may not be enough, the government may have to pay for some of these projects,” he told reporters today after a handover of cheque ceremony in Komtar.

He said the proposed tariff review was subject to approval by the federal government and National Water Services Commission (SPAN).

The RM501 million worth of projects will be implemented between 2019 and 2021.

Chow said there were five main projects to be implemented, such as the 1,200-mm Butterworth-Penang Island Twin Submarine Pipeline, which will ensure more efficient delivery of treated water from the Sungai Dua Water Treatment Plant in Seberang Perai.

“It will serve as a back-up to the first submarine pipeline that was commissioned in 1973 and it will meet future water demands on the island,” he said.

The second major project is the Sungai Perak Raw Water Transfer Scheme (SPRWTS) that will kick off finally.

Chow said the SPRWTS project was stalled under the previous Barisan Nasional federal government, but now under the Pakatan Harapan government, the ministry has started looking into it again.

“We have finally started meeting about it and negotiations will take one year or so to finalise,” he said.

The SPRWTS will reduce the state’s over-dependence on taking raw water only from Sungai Muda, which is a shared resource with Kedah.

“It will be a new and second raw water resource for Penang and it will provide raw water sufficiency and security towards 2050,” he said.

The other three projects involve upgrading all existing water treatment plants, reservoirs and pumping stations, replacing and installing new pipelines and for non-revenue water management.

“These projects are to ensure that PBAPP stays ahead of Penang’s water demand as we do not plan to implement water rationing now or in future,” he said.

He said Penang’s average water demand was 826 million litres per day (MLD) in 2017.

“By 2050, Penang’s water demand is projected to be 128 per cent higher, at 1,884 MLD,” he said, quoting an independent Masterplan Study for Potable Water in Penang towards 2050 that was commissioned in 2009.

He said PBA Holdings Bhd, the public-listed holdings company that owns PBAPP, reported profits after tax totalling RM137 million for the three-year period between 2015 and 2017.

“PBAPP needs to raise sufficient funding to implement these projects,” he said.

He said Penang faced a higher risk of a water crisis during a prolonged dry spell without these projects.

“PBAPP will be issuing two more statements in the next few days to explain to the people why we need to increase the water tariff rates and we hope the people will understand our reasons,” he said.

Last week, Chow announced that the state planned to increase water tariff rates, which could be more than 20 per cent of the current rate.

He said the increase in rates will also mean the removal of the water conservation surcharge as the higher rates will be enough to discourage consumers from water wastage.

Penang’s current water tariff rate is 32 cents for every 1,000 litres for the first 35,000 litres. The national average of 69 cents for every 1,000 litres.

Penang has a water conservation surcharge (WCS) of 48 cents for every 1,000 litres after the first 35,000 litres.

The WCS was introduced to reduce water wastage as water consumption in Penang was high.