

Penang water tariff rate hike to help reduce water consumption, says operator

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Dr Afif Bahardin, Chow Kon Yeow and Datuk Jaseni Maidinsa show the charts of 2015 Penang water tariff review and its impact on per capita domestic water consumption in George Town January 16, 2019. — Picture by Sayuti Zainudin

GEORGE TOWN, Jan 16 — The proposed water tariff rate hike is part of the Penang government's effort to reduce the state's high consumption rate after years of pressure from Putrajaya, Penang Water Supply Corporation (PBAPP) chief executive officer Datuk Jaseni Maidinsa said.

He said Putrajaya has been pressuring the state to reduce its water consumption rate and at the same time, reduce subsidies.

"We have been under pressure from the National Water Services Commission and federal government to reduce our water consumption and to increase our water tariff rates," he told a press conference with Penang Chief Minister Chow Kon Yeow at Komtar today.

Jaseni added that this was also one of the reasons why PBAPP had to submit a proposed water tariff review to SPAN.

"The water tariff rate review is an instruction from the federal government so we had to do it," he said.

He added that the hardcore poor will not be affected by the review as PBAPP already provides free water for them up to 60,000 litres per month.

He said there were already three ministers over the years who told PBAPP that its water consumption rate was too high.

He said this proposed water tariff rate hike was also a way to reduce water consumption rates in the state.

“We had to reduce the consumption rate so we introduced the water conservation surcharge in 2010,” he said.

He said the state had successfully reduced water consumption since the introduction of the water conservation surcharge (WCS).

The water consumption of a high 291 litres per capita per day (l/c/d) in 2010 dropped to 276 l/c/d in 2017.

The WCS was reviewed in 2013 from 24 sen to 48 sen per 1,000 litres for usage above 35,000 litres per month.

Chow, who is PBAPP chairman, stressed that the WCS review in 2013 should not be regarded as a domestic water tariff review.

“The WCS only affects 23 per cent of domestic water consumers in Penang who use more than 35,000 litres per month,” he said.

He said the WCS is avoidable as consumers can reduce their water consumption to less than 35,000 litres per month.

Chow said the state only reviewed the trade water tariff rate twice in the past 10 years, once in 2010 and again in 2015.

As for the domestic water tariff rate, it was only reviewed once in 2015, he said.

The domestic water tariff rate was increased from 22 sen per 1,000 litres for the first 20,000 litres to 32 sen per 1,000 litres for the first 35,000 litres in 2015.

In this proposed water tariff rate review, the hike may be between 10 to 20 per cent of the current rate pending approval by SPAN.

The Penang state government was heavily criticised, especially by its political opponents, for its plans to increase water tariff rates.

Chow launched a three-part series of press conferences in response to the criticisms and to explain the reasons behind the proposed water tariff rate hike.