

Water conservation surcharge versus water tariffs

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The water consumption surcharge is about reducing the consumption of water to ensure Penang is not forced to undertake water rationing measures in the near future.

COMMENT



By P Ramasamy

A possible review of Penang's Water Conservation Surcharge (WCS) was announced recently. The move is to ensure the optimum use of the state's shrinking water resources.

However, this announcement was misinterpreted by many quarters to mean that the Penang state government was going to increase water tariffs, thereby affecting all consumers.

There is a big difference between a review of the WCS and increasing water tariffs.

The WCS is about reducing the use of water mainly by domestic consumers. It has been found that domestic consumers use more water than hotels, restaurants and other commercial establishments.

The review of the WCS would only affect about 25% of domestic consumers, with the remaining 75% being unaffected. The WCS was introduced mainly to reduce the wastage of water in the state of Penang.

Some pertinent differences between the WCS and water tariffs.

FIRST: While water tariffs will affect trade and domestic consumers, the WCS will only affect around 25% of domestic consumers, especially those who waste huge quantities of water.

SECOND: Water tariffs will affect all consumers regardless of their level of water consumption whereas the WCS applies only to those who consume more than 35,000 litres of water per month.

THIRD: Water tariffs do not give consumers the option not to pay but the WCS provides the option whether to pay or not, simply by reducing water consumption.

Penang's domestic consumption of water in 2016 was 286 litres/capacity/day, 36.8% higher than the true national average of 209 litres/capacity/day. Singapore's by comparison is only around 148 litres/capacity/day.

For the past ten years or so, water consumption in Penang has increased by 20%. Total water consumption was 827 million litres per day (MLD) in 2016. In 2006 it was around 684 MLD per day. Based on a 2.1% average consumption growth, Penang should consume 794 MLD in 2017, 811 MLD in 2018, 828 MLD in 2019 and 845 MLD in 2020.

Why there is a need to think seriously about the WCS

FIRST: Water consumption must be reduced so as to avoid the need to ration water such as other states have done. Penang must avoid water rationing at all costs for it might impose hardship on consumers.

SECOND: Penang does not have well diversified sources of water supply. About 80% of water supply to Penang is from Sungai Muda, and Perlis and Kedah also share this supply.

THIRD: Increased/indiscriminate logging in Kedah has threatened future uninterrupted water supply to all the three states. It must be remembered that the water levels of the Beris Dam and Muda Dam went down to critical levels during the dry spell of 2016. To reiterate, the WCS cannot be equated to water tariffs. The WCS is about reducing the consumption of water to ensure that we are not forced to undertake water rationing measures in the near future.

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