

Penang's DAP government profiteering on raw water.

By Athi Shankar | Apr 28, 2017



Penangites have been unknowingly paying millions for a “hidden cost” behind their water consumption, thanks to the greed of the Pakatan Harapan state government, said an analyst.

Azizi Safar said Penangites were largely unaware that the state government had been charging the state water supplier – PBAPP Sdn Bhd – for the raw water that it had been extracting for free from Sungai Muda since 2011.

Sungai Muda is the main source of raw water for Penang, supplying 80% of the raw water processed by PBAPP for Penang people's water consumption.

Azizi said the water fee charged by the state government has contributed to the increase in operating expenditures (Opex) of PBAPP.

Ultimately, he said the increased Opex had been channelled to Penang water consumers in the form of tariff increases and surcharges.

“Many Penangites did not know that the DAP state government that they clamour for has been shortchanging them with this hidden cost.

“The state government charges the people of Penang for free raw water. “The DAP government capitalises on the people's naivety and ignorance to profiteer. The state government gives Penangites a real raw deal,” Azizi told Malaysia Outlook.

In the 2017 Budget, the Penang government estimated income from raw water fee to be paid by PBAPP at RM20.5 million.

The state government owns 55% interest in PBA Holdings Berhad, which in turn owns 100% of PBAPP. “Penang government has been enjoying additional incomes from free water extracted or pumped from Sungai Muda – zero cost, pure profits and the people have to subsidise PBAPP for this via their water bills. “Each year PBAHB rakes profits in millions,” said Azizi.

PBAHB revenues (including water conservation surcharge) between 2011 – 2015 were RM236 million (2011), RM244 million (2012), RM251 million (2013), RM261 million (2014) and RM300 million (2015).

During the same period, the water company's net profits were RM45 million (2011), RM29 million (2012), RM27 million (2013), RM24 million (2014) and RM38 million (2015).

“The revenue and profits of PBAHB amounted to millions,” said Azizi as he rebuked critics who had backed the hike in water surcharge in Penang on presumably for water conservation.

He said these critics argued that the surcharge hike would only affect 25% or 126,100 of 504,400 water consumers in Penang. If that was the case, he questioned on why then the same people opposed TNB when the energy supplier increased its tariff on consumers using electricity more than 300KWJ per month.

He said it only affected some 30% of TNB consumers, adding that the opposition even berated the TNB reasons to justify the tariff hike as “stupid excuses.”

“Wasn't the hike an act of energy conservation as how now PBAPP justifies its surcharge hike was for water conservation? “Didn't the TNB take the vital step to reduce carbon footprints in the ozone caused by burning of unrenewable fossil fuels.

“These critics are real hypocrites,” blasted Azizi.