

Penang's key water supply issues need to be addressed fast

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GEORGE TOWN: Penang is facing three key water supply issues that need to be addressed urgently if it wants to sustain continuous water supply beyond 2025, said Penang Water Supply Corporation Sdn Bhd (PBAPP) chief executive officer Datuk Jaseni Maidinsa.

The first was Penang's per capita domestic consumption which has increased from 276 litres/capita/day (l/c/d) in 2017 to 278 l/c/d in 2018.

Although it was a 2 l/c/d increase, the domestic consumption was too high to start with, he added.

"The national average for Malaysia in 2017 was only 201 l/c/d and the Federal Government is targeting to achieve a national average of 180 l/c/d by 2025," said Jaseni during a press conference after the PBAPP annual general meeting here yesterday.

The second issue, said Jaseni, was the domestic water supply subsidy which amounted to RM71.74mil in 2018.

Without a water tariff review, this subsidy will increase in 2019 and every consecutive year. PBAPP, said Jaseni, intends to review domestic water tariffs which will automatically reduce PBAPP's domestic water subsidy and free up funds for future projects.

The third and most important one, said Jaseni, was the over-dependence on Sungai Muda as its one and only major raw water resource to meet the state's needs until 2025.

"As such, Penang needs the first phase of the Sungai Perak Raw Water Transfer Scheme (SPRWTS) to be commissioned by 2025.

"The SPRWTS has the potential to guarantee raw water supply security for Penang for more than 30 years until 2050."

Jaseni added that it was more cost-effective, in terms of development and operational cost, when compared to water recycling, rainwater harvesting or desalination.

"The projected development cost for the SPRWTS was estimated to be about RM2.6bil in 2009, which naturally would be higher now."

"It should be noted that with the present Penang water tariffs, PBAPP had generated profit before tax of RM36.14mil in 2018.

"There is no way for the corporation to raise sufficient funds for a major capital expenditure project (like the SPRWTS) without water tariff reviews."

On the approval for tariff setting mechanism, Jaseni said the Ministry of Water, Land and Natural Resources was seeking federal approval for the proposed mechanism, which would be a guideline formula to calculate rational and forward-looking water tariffs.