

6th April 2015

Press Statement by Ir. Jaseni Maidinsa
Chief Executive Officer,
PBA Holdings Bhd and PBAPP.

Water Tariff Implementation Date Not “Specially Chosen”

PENANG, Monday, 6/4/2015: The 1st April 2015 implementation date for the Penang Water Tariff Review 2015 (PWTR 2015) is due to the timing of Federal Government approval and gazetting according to Federal laws.

The date was not “specially chosen” by Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) or the Penang State Government.

We would like to reiterate that PWTR 2015 was subject to approval by the Federal Government, in line with the provisions of the Water Services Industry Act 2006 (WSIA 2006).

These are the facts and the chronology of events:

- On 30th July 2014, PBAPP had submitted an official water tariff review proposal for approval by Federal authorities.
- In a letter dated 13th February 2015, the National Water Services Commission (SPAN) informed us that the Ministry of Energy, Green Technology and Water (KeTTHA) had agreed to the implementation of the PWTR 2015 with effect from 15th February 2015.
- Due to the short notice, we could not implement the review on 15th February 2015 because we had to adhere to proper protocols, procedures and preparations. Please also note that this year’s Chinese New Year festivities started on 19th February 2015.
- On 19th March 2015, PBAPP made a public announcement to inform the public ahead of the implementation date from 1st April 2015.

Several online media and press have reported allegations by the Penang Umno Youth that the implementation date was “covert”, “sneaky” or “surreptitious.” These allegations are misleading, untrue and unfounded.

The PWTR 2015 was conducted transparently. In fact, PBAPP publicly announced the need for a tariff review on 15th April 2014, almost one year ago.

However, it could only be implemented on 1st April 2015 due to the timing of Federal Government approval and gazetting on 15th February 2015.

Moreover, the PWTR 2015 cannot be “compared” to the GST that affects 100% of all Malaysian consumers because:

- The review is primarily a water demand management initiative to reduce water consumption and avoid rationing in this age of climate change.
- 47.4% of Penang households will not be affected by the PWTR 2015 because the minimum charge and tariff for the lowest band of consumption (0 – 20,000 litres per month) has not been changed.
- Another 27.9% of Penang households will pay a maximum of only RM0.60 more per month, and not 6% more per product or service purchased.

As such, 75.3% of Penang households, who use less than 35,000 litres of water per month, continue to benefit from the lowest domestic tariffs in Malaysia.

Thank You.

Ir. Jaseni Maidinsa

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