

18/5/2015

Press Statement by Ir. Jaseni Maidinsa,
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PENANG HAWKERS PAY LESS THAN THE NATIONAL AVERAGE TARIFF FOR WATER SUPPLY

- **Penang hawkers pay an average trade tariff of RM1.36 per 1,000 litres as compared to national average of RM1.45.**
- **Penang hawkers pay less than the construction sector.**
- **Hawker food pricing is more affected by GST, electricity and petrol costs rather than water costs.**

PENANG, Monday, 18/5/2015: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) would like to assure Penang hawkers that they are paying less than the national average trade tariff for water supply.

As trade consumers, Penang hawkers currently pay an average trade tariff of RM1.36 per 1,000 litres for the first 500,000 litres of water per month, as compared to the national average of RM1.45.

Trade consumers, including hawkers, in 7 other states pay more for water supply. In Kedah, Pahang, Negri Sembilan, Perak, Melaka, Selangor and Johor (as well as in Putrajaya and Kuala Lumpur), the average trade tariffs for the first 500,000 litres per month range between RM1.40 – RM2.93. In Penang, it is only RM1.36.

Some parties have recently alleged that Penang hawkers are being “burdened” with water tariffs, and “treated unfairly” as compared to the construction sector. These allegations, as published in news reports, are wrong and misleading.

Please refer to Appendix “A” for a comparison of trade tariffs in Malaysia.

HAWKERS PAY LESS THAN CONSTRUCTION SECTOR

PBAPP would also like to clarify that Penang hawkers pay less for water than the construction sector in Penang.

Please note that hawkers are billed “Trade Ordinary” category tariffs while the construction sector is billed in accordance to a “Trade Special” category tariff for “Workshed Supply – Building Construction /Renovation.”

On 30th July 2014, PBAPP submitted its final Penang Water Tariff Review 2015 (PWTR 2015) proposal to the National Water Services Commission (SPAN). In that final proposal, the flat rate tariff proposed for “Workshed Supply – Building Construction /Renovation” was RM3.00 per 1,000 litres.

On 10th September 2014, Penang Chief Minister YAB Tuan Lim Guan Eng announced a 35% rebate of the proposed RM3.00 flat rate tariff so as to support the construction industry in Penang.

As such, the flat tariff for “Workshed Supply – Building Construction /Renovation” is now billed at RM1.95 per 1,000 litres.

So, to make things clearer:

- Hawkers pay an average of RM1.36 per 1,000 litres for the first 500,000 litres of water per month.
- The construction sector pays RM1.95 per 1,000 litres.
- The construction sector is paying RM0.59 more than hawkers.

WATER SUPPLY IS BILLED PER 1,000 LITRES

PBAPP would like to reiterate that water supply is billed per 1,000 litres of water consumed per month. 1,000 litres of water is roughly equivalent to the total volume of water contained in 667 “big 1.5-litre bottles” of drinking or mineral water.

In other words, hawkers in Penang pay an average tariff of only 0.136 sen per litre of water (RM1.36 divided by 1,000 litres).

In comparison, the price of RON95 petrol is RM1.95 per litre as at 1st May 2015 or more than 1,400 times higher than Penang’s average trade tariff for the first 500,000 litres per month. Meanwhile, the price of a 1.5-litre bottle of drinking/mineral water starts is about RM1.20 per bottle or about 880 times more expensive.

Priced at only RM1.36 per 1,000 litres, water tariffs have the least impact on hawker food costs in Penang in comparison to GST, electricity and petrol costs.

As such, any increases in Penang hawker food pricing are likely to be more related to the costs of petrol or electricity, as well as the 6% GST imposed by the Federal Government on top of the prices of many raw and processed food items used by hawkers daily throughout Malaysia.

It should also be noted that the Federal Government has also imposed a 6% GST on water bills for trade consumption throughout Malaysia, with effect from 1st April 2015.

SAVE WATER TO SAVE MONEY AND CUT COSTS

One of PBAPP's top priorities today is to avoid water rationing in Penang at all costs.

Due to climate change, population growth and economic progress, PBAPP is promoting water conservation to ensure water sufficiency for Penang beyond Year 2020.

The PWTR 2015 is a water demand management initiative that is structured to reduce Penang's per capita domestic consumption from 293 litres/capita/day (l/c/d) to 260 l/c/d. This will help to ensure that Penang has sufficient water beyond Year 2020 because the Federal Government has delayed the Sungai Perak Raw Water Transfer Scheme (SPRWTS).

While the PWTR 2015 is aimed primarily at reducing domestic consumption, it also promotes water conservation amongst trade consumers, including hawkers. By actively conserving water, hawkers can save money and reduce costs.

As it stands, PBAPP has already ensured that Penang hawkers pay less than the national average for their water supply. We hope that Penang hawkers will reciprocate by conserving water and using it wisely.

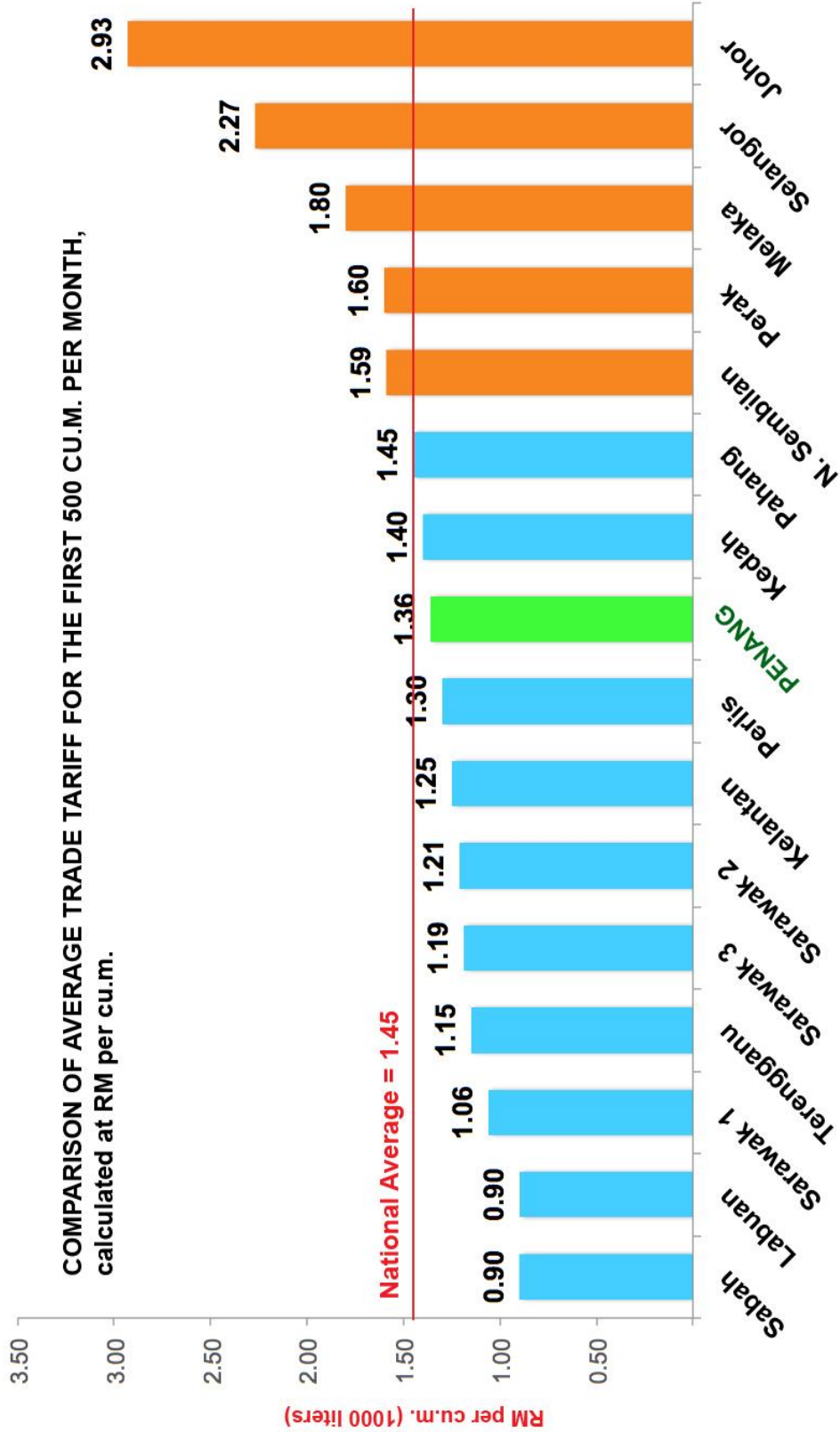
In doing so, hawkers will also help PBAPP to ensure the sustainability of Penang's water supply beyond Year 2020.

Thank You.

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TRADE TARIFFS IN MALAYSIA



Sarawak 1: Sibiu, Kuching, Sri Aman, Limbang, Sarikei, Kapit, Miri | Sarawak 2: Bintulu | Sarawak 3: Other Areas