

27<sup>th</sup> April 2017

## **PRESS STATEMENT**

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## **WCS REVIEW IS NOT A WATER TARIFF REVIEW**

- **Anyone can avoid the WCS by using less water at home.**
- **All trade water consumers and 75% of domestic water consumers are NOT affected by the WCS.**

PENANG, Thursday, 27/4/2017: Penang's Water Conservation Surcharge (WCS) review is NOT a water tariff review because the majority of water consumers are not affected and the WCS can be avoided.

These are the 3 key differences:

1. A water tariff review will affect all trade and domestic consumers. A WCS review will only affect about 25% of domestic consumers in Penang. All trade consumers are NOT affected by the WCS. It will also not affect 75% of domestic consumers.
2. A water tariff review will affect consumers regardless of the volume of their water consumption. A WCS review will only affect domestic consumers who use more than 35,000 litres of water per month.
3. A water tariff review does NOT offer anyone an option to avoid paying more. A WCS review offers domestic consumers the option of avoiding the WCS by just using less water at home.

The option to avoid paying is the big and main difference of the WCS. It clearly proves that WCS is aimed at encouraging people to save water.

We want people to avoid the WCS by saving or conserving water at home.

**Domestic Consumers NOT Affected by WCS:  
The following categories are already being practiced:**

1. Domestic consumers who use less than 35,000 litres per month.
2. Charitable / non-profit organisations:
  - 2.1 Clubs / Society / Associations / Welfare Homes / NGOs / Homes for the Aged / Spastic Centres.
  - 2.2 Hospitals
  - 2.3 Hostels
  - 2.4 Orphanage
  - 2.5 Residential (Non-trade) Main Meters
  - 2.6 Schools / Institute of Higher Learning (government / public)

**Large Families:**

As for big households with 8 person or more, currently they are already entitled to PBAPP's 'WCS 60' rebate whereby they already enjoy a 60% WCS rebate. Application for this 'WCS 60' rebate can be made via forms issued at all PBAPP Customer Service Centres and PBAPP website.

**Low Income Families:**

Currently, PBAPP already provides the first 30,000 litres per month to households with a proven income of less than RM790.00 per month under the Projek Pembangunan Rakyat Termiskin (PPRT).

PBAPP also provides interest-free RM1,500.00 'Kampung Loans' to families with household incomes not exceeding RM1,000 who need financial aid for water supply connections to their homes. Applications can be made via the Penang State Welfare Office or District Offices and endorsed by the State Economic Planning Unit.

**Key Rationale for WCS Review**

We are trying to reduce high per capita domestic consumption in Penang. We have to reduce our domestic consumption because:

- Recommendation by Energy, Green Technology and Water Minister, Datuk Seri Panglima Dr. Maximus Johnity Ongkili dated 18 September 2013 that the Penang State should implement a water

demand management strategy to reduce its very high domestic per capita consumption to 250 l/c/d for urban areas and 240 l/c/d for rural area.

- Our per capita domestic consumption is the highest in Malaysia at 286 l/c/d compared to the national average of 209 l/c/d.
- Domestic consumption is higher than trade consumption in Penang. Households consume 59.4% of treated water in Penang. In other words, Penang's domestic consumers use more water than all the factories, hotels and businesses combined.
- We only have one primary raw water resource: Sungai Muda, which is shared with Kedah. Based on our high water consumption trend, it has been projected that Sungai Muda may only meet our raw water needs until 2020.

Moreover, Kedah is continuing to license logging in Ulu Muda, the water catchment for Sungai Muda.

- The proposed Sungai Perak Raw Water Transfer Scheme (SPRWTS) has been delayed by the Federal Government. In fact, the Federal Government, through KeTTHA, has informed the Penang State Government that we must reduce the high per capita consumption BEFORE we ask for a project like the SPRWTS.
- Penang's domestic water tariffs for the first 35,000 liters per month are the lowest in Malaysia at only RM0.32 per 1,000 liters for the first 35,000 liters per month whereby the national average is RM0.70. Last year, PBAPP's domestic water subsidy to maintain this people-friendly tariff amounted to RM91 million. If we do not do anything now, the subsidy will increase in 2017.

Penang is a people-friendly state. However, RM91 million per year in domestic water subsidies is not sustainable or sensible. By right, this money should be allocated for important water infrastructure projects to avoid water rationing in Penang.

We must prioritise the importance of ‘No Water Rationing’ in Penang because our state, our people and our economy cannot afford to suffer from a water crisis like those in other states in Malaysia .

Thank You.

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