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PRESS STATEMENT

by YAB Tuan Chow Kon Yeow
Chief Minister of Penang

PENANG WATER TARIFF REVIEW PROPOSAL WILL NOT AFFECT BENEFITS FOR LOWER INCOME GROUPS & HOUSES OF WORSHIP

- **PPRT (*Projek Perumahan Rakyat Termiskin*) Scheme**
- **“Kampung Loans” for Lower Income Households**
- **Rebates for Houses of Worship**

PENANG, Thursday, 17.1.2019: The proposed Penang water tariff review will NOT adversely affect or overburden lower income groups and houses of worship.

As directed by the Penang State Government, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) will continue to implement all its water supply-related corporate social responsibility (CSR) schemes, loans and rebates in Penang.

PBAPP’s key CSR commitments cover:

Beneficiaries		Benefits
1	PPRT Scheme (Household income of RM790 per month or less)	<i>Category 1: No water pipe connection</i>
		• 1 FREE pipe connection to a home.
		<i>Category 2: Existing pipe connection</i>
		• FREE water supply for up to 60,000 litres per cycle (2 months)
2	Lower Income Households (Household income of RM1,000 per month or less)	<ul style="list-style-type: none"> • INTEREST-FREE LOANS of up to RM1,500 (repayable in 50 installments via water bills) • WAIVER for trunk mains contributions
3	Mosques, Churches and Temples Institutions	<ul style="list-style-type: none"> • Special TARIFF RATES • RM5.00 REBATE for bills of less than RM50.00 • RM10.00 REBATE for bills more

		than RM50.00
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In 2017, PBAPP provided support to 199 families under the PPRT programme, at a total cost of RM16,482.00.

PBAPP also gave “Kampung Loans” amounting to RM133,870.00 to 90 lower income households in 2017, to pay for their water pipe connections.

Meanwhile, 1,788 mosques, surau, churches, Chinese temples and Indian temples enjoyed rebates amounting to RM71,080.00 in 2017.

All these PBAPP CSR benefits will be extended in 2019 to the foreseeable future.

As such, the public should NOT be misled by statements claiming that the proposed Penang water tariff review will adversely affect or overburden the hardcore poor and lower income group.

Domestic Water Supply Subsidy: PBAPP’s “Most Expensive” CSR Initiative

Since 1999, when it was corporatised, PBAPP has been subsidising domestic water consumption for the first 35,000 litres per month in Penang. In 2017, this subsidy benefitted 604,547 domestic water consumers.

In other words, PBAPP has NEVER earned profits from supplying the first 35,000 litres of water per month to domestic water consumers in Penang.

At present, PBAPP’s profits are primarily derived from trade consumption and domestic consumption above 35,000 litres per month.

In fact, PBAPP’s domestic water supply subsidy represents its highest cost CSR initiative in Penang.

In 2017, PBAPP sustained a total water subsidy amounting to RM79.6 million. For 2018, the estimated subsidy amount is RM83.6 million.

Such high annual subsidies are NOT sustainable or sensible, considering that PBAPP needs to raise sufficient funding for water supply development projects to ensure no water rationing in the future.

As such, PBAPP is applying for a water tariff review to reduce the amount of the subsidy, and to increase earnings from trade consumption.

This measure will allow PBAPP to undertake important water supply engineering projects costing RM501 million, for the benefit of Penang, in the period 2019 – 2021.

The public should be aware that PBAPP will continue to subsidise the first 35,000 litres of domestic water consumption in Penang, even after the proposed tariff review.

The only difference is that the amount of the subsidy will be less. Please note that as long as there is a subsidy, PBAPP CANNOT earn any profit from the first 35,000 litres of domestic water supply in Penang.

As such, the public should NOT be misled by allegations or rumours that PBAPP is burdening the hardcore poor and lower income households.

Thank You.