

'RM1.64b in water loss not accurate'

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KUALA LUMPUR: The issue of non-revenue water (NRW) -- water produced and lost through leakage, theft or metering errors before it reaches consumers -- is a concern, acknowledged the National Water Services Commission (SPAN). The estimated levels of NRW faced by water utilities varied from state to state, with a range from 18 per cent in Penang to 55 per cent in Pahang last year, while the average level in the country stood at 36 per cent.

The commission was responding to a recent New Sunday Times article, which reported that the Association of Water and Energy Research Malaysia (AWER) had estimated the country had lost RM1.64 billion worth of treated water in 2009 due to wastage.

Calculations were made using the country's lowest water tariffs.

SPAN stated, however, the RM1.64 billion loss in non-revenue water projected by AWER was not an accurate portrayal of the country's financial loss due to wastage.

The amount wasted was calculated on the basis that NRW levels in all the states was brought down to zero per cent, a scenario that was "virtually impossible" and "enormously expensive", SPAN said in a press statement.

The most commonly used indicator to benchmark NRW was in percentage to the total amount of water produced.

SPAN said because it was not economically viable to reduce NRW to the lowest possible level, the aim was for water utilities to achieve what was known as the economic level of leakage (ELL).

The ELL is the level at which it will cost more to make further reductions in leakage than to extract water from other sources.

This approach, it said, would help ensure that the total cost of supplying water was minimised and that companies were operating efficiently to ensure the best value for consumers and to protect the environment.

"The 'financial loss', therefore, had not taken the ELL into account."

In response, AWER president Piarapakaran Subramaniam said the association had never suggested that the NRW be reduced to zero per cent as it was not achievable.

"Instead, we suggested that the national levels be kept below 20 per cent by 2020.

"In a 2006 World Bank report, the average NRW recorded for developing nations was 35 per cent and developed nations, 15 per cent.

"Our suggested target of 20 per cent for a developed Malaysia in 2020 is still higher than the 15 per cent average recorded by developed nations."

Piarapakaran also said the projected loss of revenue was "a very low estimate" as Malaysia's lowest tariffs could not recover both the capital and operations expenditure in the treatment and supply of water for every cubic meter.

AWER proposed that a detailed NRW reduction plan should include the identification of critical, sub-critical and non-critical areas, cost monitoring and monitoring of water operators' achievements based on targets set and increase of revenue.

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