

SPAN rapped over RM5 billion in loss of water

Written by Harakahdaily

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Jan 5: A think tank on water management has lashed out at the National Water Services Commission (SPAN) for failing to put a break on loss of non-revenue water (NRW) which has been bleeding the country of some RM4.99 billion between 2008 and 2010.

In a statement today, president of the Association of Water and Energy Research Malaysia (AWER) S Piarapakaran said based on the group's estimate using a model based on statistics by the Malaysia Water Industry Guide 2011, there was an increase in the volume of NRW.

It said that although NRW had shown a slight decrease in percentage from 36.63 percent in 2009 to 36.37 percent in 2010, the volume increased by 3.5 percent from 1.8 billion metre cubes 2009 to 1.87 billion metre cubes in 2010.

Using conservative commercial and domestic tariffs, Piarapakaran said the total revenue from the water sector stood at RM4 billion, and with NRW losses amounting to some RM1.7 billion, or 42.7 percent of the the total revenue in 2010.

"The sum of estimated revenue loss due to NRW for the year 2008, 2009 and 2010 is a staggering RM 4.99 billion," he said, adding that Selangor, Johor and Sabah led the list of states affected by revenue losses due to NRW.

In his statement, AWER reiterated its stand that a national NRW target must be set to hover around 20 percent by 2020 and must be made a benchmark for Malaysia's water industry.

"SPAN have refuted that the 20% target is not achievable and not economical. Unfortunately, there was no calculation or modelling done by SPAN to prove this. Surprisingly, recently SPAN reported that 25% NRW target can be achieved way before 2020. Is the regulator setting an easy target to achieve via ad-hoc basis?" he lamented.

To achieve the 20 percent set by AWER, Piarapakaran proposed that all water operators be monitored under the Water Services Industry Act 2006 (WSIA), besides implementing Key Performance Index (KPI) and a National NRW Reduction Action Plan.

"KPI must also be set for officers in SPAN and Ministry of Energy, Green Technology and Water (KeTTHA) to ensure that the National NRW Reduction Action Plan will be prepared for the whole of Malaysia by mid of 2012. There is no point of having central agencies that pass this work to water operators and wait for results without proper planning," he stressed.

Piarapakaran called on a holistic approach to water management.

"KeTTHA and SPAN must have a National NRW Reduction Action Plan by 30th June 2012. No more excuses as every drop counts!"

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