

21 NOV 1996

LEAD IWK-Charges

MINIMUM RM2 UNDER NEW PACKAGES OF SEWERAGE CHARGES

KUALA LUMPUR, Nov 21 (Bernama) -- Housing and Local Government Minister Datuk Dr Ting Chew Peh today announced four new packages of sewerage charges by Indah Water Konsortium (IWK) with the minimum charge fixed at RM2 a month for low-cost house usage.

He also announced that consumers who had paid the sewerage charge before Jan 1, 1997 would have their payment credited into their future sewerage bills which will be issued separately by IWK instead of including the charge in the water bill as in the past.

Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday the arrears in sewerage charges owed by consumers to IWK would be written off while the new charges would be based on a fixed rate unlike previously when charges were calculated based on the amount of water consumed.

The new charges covering the domestic, industrial, commercial and government premises categories will take effect from Jan 1 next year, Dr Ting told a news conference at his office.

Under the domestic category, a low-cost house will be billed a fixed rate of RM2 per month while it is RM3 per month for a kampung or estate house.

Other domestic consumers which have septic tanks will be charged RM6 per month while those connected to treatment systems have to pay RM8 per month.

Industrial consumers will be billed according to the number of workers they have, at RM2 per worker per month for those with septic tanks and RM2.50 per worker per month for those connected to treatment systems.

As for commercial consumers, they will pay a fixed rate charge based on the annual rated value of their property plus an additional charge of 65 sen for each cubic metre of water used above 100 cubic metres per month.

The annual rated value used to calculate the charges ranges from RM2,000 and below to above RM3 million while the charges start from a minimum of RM10 to a maximum of RM11,500 per month for premises served by septic tanks and a maximum of RM15,000 per month for premises connected to treatment systems.

Government premises will also pay fixed rate charges of either RM25 or RM40 per month for the two types of premises plus an additional charge of 65 sen for each cubic metre of water used above 100 cubic metres per month.

Dr Ting said the new rates were approved by the Cabinet at its meeting yesterday based on the factors of ability to pay, equitability and an element of cross-subsidy of the poorer consumers by those better off.

"This element of cross-subsidy means that the government, industrial and commercial sectors will pay higher than the domestic sector," he said.

No sewerage charge will be imposed on consumers whose septic tanks had yet to be desludged by IWK, he added.

He also said IWK would issue its own bills for sewerage services and consumers would be notified in advance before they are billed.

Dr Ting said the government is confident the new sewerage services payment formula will be well-received by everyone since it was drawn up after considering all feedback, criticisms, and suggestions forwarded to the government and IWK.

Asked whether the charges would be reviewed, he said the concession agreement between the government and IWK allowed the charges to be reviewed five years after the service began.

IWK was granted the concession to take over the country's sewerage services in April 1994 for 28 years under the government's privatisation drive.

The consortium now runs more than 2,000 treatment plants which it took over from local authorities. -- BERNAMA

NZ YBK CTL