

**Penang uncertain if GST to be imposed on water services**  
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Penangites have to brace themselves for not only an imminent raise in water tariffs come next year but also the possibility of the Goods and Services Tax (GST) imposed on water supply services.

Chief Minister Lim Guan Eng said he was uncertain if the GST would be imposed on water supply services as the GST Bill, passed by Parliament yesterday, is not clear on the matter.

“It is something we will pursue with the federal government and the National Finance Council so that the tax will not be imposed on water services,” Lim said to a question on the matter at a press conference in Komtar today.

“The tax schedule is not clear although we have been told that GST will not be imposed on essential services,” he added.

Earlier, Prime Minister Najib Abdul Razak said the GST, to be implemented in April next year, will impose a 6 percent tax on goods and services, but this rate is not mentioned in the GST Bill.

It also does not state what items are exempted but merely mentions that the finance minister can fix, vary and change the rate.

Last week, Lim said it is “inevitable” that Penang raises water tariffs to avoid water rationing as the average water consumption in the state is highest in Malaysia - 311 litres per day compared to the national average of 255 litres per day.

Lim justified the move after expressing concerns over prolonged dry spells which is expected to hit the country in June, saying he was prompted to consider the raise in water tariffs by this year after water rationing was carried out in Taiping, Perak although it is the wettest town in the peninsula.

Lim has been criticised for the move by Gerakan and MCA but the proposal to raise water tariffs by the Penang Water Supply Corporation (PBAPP), where he is chairperson, has got the support of NGOs like Penang Forum and the Penang Consumer Protection Association (PCPA).

PCPA president Koris Atan said Penangites have been “abusing” their natural resources by using treated water for car wash and for their plants.

“The manner in which Penangites waste water does not comply with international standards of water governance,” said Koris, who is a member of the World Water Assembly based in France.

“As a consumer NGO, we support the raise in water tariff and the surcharge. It’s long overdue,” he said.

“As part of water saving measures, the state must encouraged households, especially, apartments, to carry out water harvesting, to store water from rain to be used for activities other than cooking and drinking. It is time to educate the people,” he added.

‘Both sides politicising everything’

Meanwhile, Gerakan national legal and human rights bureau chief Baljit Singh urged all politicians not to politicise the issue of price hike of essential goods.

“We are sick and tired of both sides politicising everything. The general election is already over!

“Everyone has an excuse and justification for raising prices, whether it is the prices of essential goods, sugar, petrol or now water,” he added.

“At the end of the day, who suffers? Only the consumers. The rich do not suffer as much as the poor and the gap between the two widens,” he stressed.

Baljit urged politicians - from both BN and Pakatan - to think of the people and set aside their political differences to improve the lives of the people.