

Water industry loses half of total revenue to NRW in 2010, study reveals

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PETALING JAYA: A study has revealed that the country's water industry lost nearly half of its total revenue of RM4bil (S\$1.6 billion) - or RM1.7bil (\$697 million) - to non-revenue water (NRW) in 2010.

The Association of Water and Energy Research Malaysia (Awer), which conducted the study, said Selangor recorded the highest volume of NRW, losing nearly RM600mil (\$246 million) in just one year.

Non-revenue water is water that has been treated and is "lost" either through leaks, thefts or metering inaccuracies before reaching the customer.

The industry is believed to have lost almost RM5bil due to these reasons between 2008 and 2010, said Awer president S. Piarapakaran in a statement yesterday.

The study, which was based on statistics released by the Malaysia Water Industry Guide last year, showed that the volume of treated water lost had increased by 3.5 per cent in 2010.

After Selangor, the states that recorded the highest volume of losses were Pahang and Sabah, he said.

Citing poor planning and regulation by authorities, including the National Water Services Commission (Span), he urged for a National NRW Reduction Action Plan to be put into place immediately.

"Key Performance Indicators must also be set for officers in Span and the Energy, Green Technology and Water Ministry must ensure that such an action plan is prepared by middle of this year.

"There is no point of having central agencies that pass this work to water operators and wait for results without proper planning," he said.

Piarapakaran said the action plan should include detailed targets for each state within a specified timeframe and be made available to the public.

"Malaysia needs to learn to manage NRW holistically," he said.

He added that all water operators should be regulated under the Water Services Industry Act 2006.

"Delay in restructuring will only delay improvement of water services infrastructure and deny good services to the rakyat," he said.