



**“MINISTER-STAKEHOLDER FORUM & DIALOGUE”
HELD INCONJUNCTION WITH THE WORLD WATER DAY 2019**

**JOINTLY ORGANISED BY
THE MINISTRY OF WATER, LAND AND NATURAL RESOURCES
(KATS) AND THE MALAYSIAN WATER ASSOCIATION (MWA)**

SERI PACIFIC HOTEL, KUALA LUMPUR

19 MARCH 2019

Thank you, Madam MC,

YBHG. DATUK ZURINAH PAWANTEH,
Secretary General, Ministry of Water, Land and Natural Resources
(KATS);

YBHG. DATO. IR. ABDUL KADIR MD DIN,
President, the Malaysian Water Association;

Ladies and Gentlemen

Good afternoon and Salam Sejahtera to all,

1. First, on behalf of KATS, I would to take this opportunity to congratulate the Malaysian Water Organizations (MWA) for organising this event today. I commend what MWA, as an NGO, has been doing in developing the water industry in Malaysia. As the Minister in charge of water, I value the cooperation you have with KATS in charting the way forward for the water industry in years to come. Your tireless effort has earned MWA many respects and recognitions both locally and worldwide. Through various

collaborations and partnerships especially with foreign partners, MWA has emerged as a force to be reckoned with in the water trajectory. Syabas to MWA.

Ladies and Gentlemen,

2. I am delighted to note that more than 200 industries players attended this event. Your presence signifies the confidence you have for the industry and your desire to see that water industry will be developed and to be at par with the other utilities.
3. Let me assure you the commitment of this government and my ministry would to take the water industry to a greater height. Nevertheless, the journey has never been easy for all us. It requires a lot of sacrifices, struggles, hard work and to some extent, the willingness to do or implement unpopular decisions. We need a leader that is ready to call 'a spade a spade' or 'take the bull by the horns'. Laws without effective enforcement is no longer tenable to withstand the current challenges of the modern era. For example, the current river pollution seems to suggest inadequate enforcement from the law enforcement agencies.
4. I believe the time has come for us to revisit certain policies, to re-examine existing procedures and re-prioritising programmes considered as counter-productive to the water industry. In this respect, we might need to introduce new 'rules of the game' to better govern the behaviour of the industry players, and at the same time create conducive environment for the industry to strive.

5. Hence, I see today's event serves as a two-way communication platform for both KATS and industry players. As we are approaching the end of the 11 Malaysia Plan, KATS would like to seek the inputs from industry players to be considered in the formulation of the 12 Malaysia Plan. Later I shall also share some of my thought on how the Ministry would like to take the water industry in the next 5-year.

Ladies and Gentlemen,

6. I believe the presentation from the Ministry had covered some key important way forwards for the water industry that the Government intends to embark on. I do not intend to repeat them, but to just re-emphasis certain key directions as we are making a journey to the 12 MP in less than 2 years.
7. I wish to share 5 key points:
 - a. First, on top agenda is the need **to immediately address NRW**. Despite huge investment made, the ROI on NRW is insignificant. Let look at this analogy. No business entity will survive where it can only market 65% of its products where the remaining 35% are unaccounted for. To me 35.5% NRW level in 2017 is unacceptable. In fact, SPAN unaudited data shows it has increased to 35.7% in 2018. It is beyond my imaginary to note that some states ever recorded 60% NRW. Clearly it shows the existing measures and interventions are simply do not work and ineffective. We need to re-examine what has gone wrong. Whether is it due to ineffective Leadership, inadequate Funding, or incompetence Expertise to manage NRW?

- b. **Second, we need to do more to get Malaysian to value and appreciate water more. Malaysian simply uses too much water at the average of 200 litres a day.** It is due to the relatively low domestic water tariff and free water policy that are counter-productive to water conservation initiatives. I would to see the Ministry embarking on a big-scale water education programme targeting all segment of society that water is a previous and finite resource one ought to conserve. On this I have instructed SPAN to spearhead the initiatives and would urge NGOs like MWA to work closely with the Ministry. Each and every one of us has a moral obligation, if I may say so, to conserve water and to ensure we preserve it for our future generation. My ambition is to work with the Ministry of Education to create a water education syllabus for our schools' children.
- c. **Third, there is an urgent need to strengthen the financial sustainability of the industry both for water and sewerage sector.** For the water sector, the Ministry will continue to push for the tariff revision that is essential for water companies having enough fund to be invested in expanding coverage and provide better services to rakyat. The implementation of TSM is an evitable giving the fact that in some states, the current water tariff has not been revised as long as 35 years. As for the sewerage sector, it is no longer tenable in the long run for the government to continue subsidizing IWK. The tariff must reflect the true cost of proving the services. On this matter, the government is studying various option. One of them is by introducing volumetric tariff system, where sewerage tariff will

be based on water consumption. The others include expending IWK's revenue from non-tariff sectors as well as cost cutting measures.

- d. Fourth, a **more concrete and concerted efforts are needed to address the issues and challenges in managing water resources for various applications – water supply, food safety, power generation, environmental etc.** The ministry is in the midst in reviewing existing policies with the intention to identify any existing gaps in water resources governance. The review should guide us towards formulating or re-designing action plans to ensure that the demand for water for all user sectors is met in terms of quantity and quality for both man and nature. **We may be looking at a new National Water Policy (NWP) that we envision to be a comprehensive policy that will ensure water security and sustainability incorporating conservation, water services and wastewater management.** The NWP would then be the foundation in the streamlining of practices and approaches for the preparation of water conservation plans involving all the states of Malaysia. At the same time, efforts to build the capacity of all stakeholders in water governance will be given serious attention.
- e. Lastly, **the Ministry is committed of strengthening policies and governance mechanisms to guide the wastewater services industry towards sustainability.** Briefly, I can conclude that our policies and governance are heading towards more mechanised and efficient sewage treatment

plants, expanding access to sewerage services and promoting waste to wealth initiatives. In that context, the Ministry plans to encourage the reuse of by-products from Sewage Treatment Plants (STPs) such as bio effluent and biosolids on a bigger scale as compared to current levels. To achieve that, the Ministry is drawing up regulatory requirements and pushing for industrial readiness.

Ladies and Gentlemen,

8. Once again, I thank MWA for organising today's dialogue and looking forward to the ideas and suggestions.

Thank you.