



WATER TARIFF REVIEW IN PENINSULA MALAYSIA AND FEDERAL TERRITORY OF LABUAN

1st August 2025

The State Government of Selangor has been notified that Cabinet has approved the review of water tariffs for states in Peninsula Malaysia and the Federal Territory of Labuan after states made an application to improve the services of treated water to both people and industry.

This process is headed by the National Water Services Commission (SPAN) as the regulatory agency for water supply, while Air Selangor will implement this directive as the biggest supplier of treated water in Malaysia to over 9.62 million people involving 2,777,774 water accounts including domestic and commercial users across Selangor, Kuala Lumpur, and Putrajaya.

One of the new measures put forth by SPAN is the water tariffs for data centres, as this industry requires a high quantity of water for cooling purposes.

Below are the new tariff rates in Selangor as approved by SPAN.

1.0 Domestic category

Firstly, the water tariffs for domestic users in houses using up to 20 cubic meters (m³) **will remain at the existing rate of RM0.65/m³.**

This means there will be **no increase** as the current rate underwent a review in February 2024. The **minimum charge for domestic users will also remain at RM6.50.**

1.1 Water consumption between 20m³ up to 35m³

The new rate for households utilizing between 20m³ up to 35m³ of water monthly will shift by RM0.30/m³ to RM1.62/m³.

1.2 Water consumption beyond 35m³

For households consuming more than 35m³ of water monthly, equivalent to 35,000 litres, the new tariff will increase by RM0.88/m³ to RM3.51/m³ for each cubic meter above 35m³. This measure is to encourage more optimum and responsible usage of water.

1.3 Condominiums, Estate and Government Quarters

For these categories, the new tariff rate will go up by RM0.41/m³ to RM2.09 for every cubic meter of water consumed.

For condominiums, the **minimum charge of RM173/month will remain at the existing rate** without any increase, while the minimum rate for Estate and Government Quarters will move to RM20.90/month.

1.4 Low-cost homes

To reduce the cost of living impact on people living in low-cost housing, the new rate will see the lowest increase among all domestic subcategories by RM0.10/m³ to RM1.18/m³.

2.0 Non-domestic and special categories

2.1 Non-domestic

The State Government is also committed to striking a balance between reviewing the rate for operational sustainability without overly burdening businesses.

As a result, commercial areas and non-domestic buildings will be charged the same rate as domestic households using more than 35/m³, which is RM3.51/m³, an increase of RM0.57 for each cubic metre.

Non-domestic buildings consuming beyond 35/m³ of water will move to a rate of RM3.83/m³ for each cubic metre over 35/m³.

2.2 Places of Worship and Welfare Institutions

Users in this category will continue to enjoy the lowest water tariffs among all categories, seeing a slight increase of RM0.10/m³ to RM0.76/m³ to ensure the daily activities at places of worship and welfare institutions are not severely impacted.

2.3 Shipping

As the shipping industry utilizes a considerable amount of water, this category will also see a new rate of RM8.01/m³.

2.4 Data Centres – New Category

While data centres are an important cog in the ecosystem of storage, processing, and management of data, the State Government also realizes that these data centres require an incredibly high amount of water over a million litres per day to cool the systems in these centres.

The State Government agrees with Cabinet's approval to introduce a new category overseeing data centres which will be charged RM5.31/m³.

Since the previous water tariff review, Air Selangor has displayed a number of positive developments as follows.

- **Increasing the water reserve margin from 13.86% in February 2024 to 16.74% as of June 2025** to ensure Selangor is better placed to face changing weather patterns like droughts.
- **Replacing 732.65km of pipes** since 2018.
- **Reducing the rate of Non-Revenue Water from 27.7% in 2024 to 27.3% in June 2025.**

The State Government views this water tariff as essential to achieve the target of 20% water reserves by 2030.

This will also give more room to Air Selangor to accelerate the replacement of asbestos pipes across the state's water supply network, 1,600km of which are over 40 years old. Air Selangor will commit to increase the pipe replacement rate to 300/km yearly beginning this year.

As Selangor continues to experience an increase in population, efforts are underway by Air Selangor to construct new Water Treatment Plants in Rasau and the Labohan Dagang 2 plant which is estimated to cost RM7.671 billion and RM479.52 million respectively. These efforts will increase Selangor's capacity to supply a further 2,730 million litres per day.

To provide sufficient time for all users to prepare for the new tariff rates, the Selangor State Executive Council has agreed that these **rates will take effect beginning 1st September 2025**.

The State Government will **continue to provide free water to over 1.3 million Selangorians involving 337,851 accounts** through the Darul Ehsan Water Scheme (SADE), providing free water monthly worth RM13/month to each account holder.

To ensure these new rates do not overly burden our people, the State Government has agreed to **increase the household income eligibility of SADE from RM5,000/month to RM6,000/month** to assist people truly in need.

Similarly, the State Government will also **absorb the cost increase for places of worship and welfare institutions**, amounting to RM100,000 annually.

In total, the State Government will spend an estimated RM52.7 million annually for free water to ensure Air Selangor's efforts to increase the operational sustainability of water services do not overly add to the cost of living of the people most in need.

For Selangorians earning RM6,000/month and need free water, you can head to <https://www.airselangor.com/residential/skim-air-darul-ehsan/> for additional information beginning 8th August to understand the application process to be a recipient of enjoy the supply of free water to your home.

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