

Water price to rise from April 2024; Government to provide support for lower- and middle-income households

- ~ Water price to increase by 50 cents per cubic metre, phased over two years, or 2.5% increase per year since the last price revision*
- ~ 3 in 4 households will see an increase of less than \$10 per month in water bill, before government support*
- ~ Additional support for lower- and middle-income households will be announced by MOF*

Singapore, 27 September 2023 – Water price will be revised in two phases on 1 April 2024 and 1 April 2025, to reflect the rising costs of producing and supplying water.

2 Water security is essential for Singapore. Water is a strategic resource that all of us – individuals, businesses, and the Government – must safeguard. Through long-term planning and continual investments in critical water infrastructure, Singapore has developed the Four National Taps¹ to ensure a safe and reliable water supply to meet the needs of our population and economy. In Singapore, water is priced to recover the full cost of its supply and production, and to reflect the cost of producing the next drop of water. This right pricing of water also encourages water conservation by households and industries, to achieve a sustainable growth in water demand.

3 Even with active cost mitigation measures by PUB and our contractors, the cost of producing and supplying water has increased substantially since the last price revision in 2017, due to external cost pressures. Average electricity market tariffs have increased by about 37%, adding to PUB's energy costs as we increasingly tap on energy-intensive sources such as NEWater and desalination to meet growing water demand. Construction costs in Singapore have also gone up by 35% across the industry², with higher increases for specialised works PUB must undertake, such as tunnelling and pipeline projects through highly urbanised areas. PUB's expenses for

¹ The Four National Taps are local catchment water, imported water, reclaimed water (NEWater) and desalinated water.

² BCA Tender Price Index: <https://www1.bca.gov.sg/docs/default-source/docs-corp-form/free-stats.pdf>

essential chemicals in water and used water treatment have increased by about 33%, due to inflationary pressures and supply chain disruptions. Similarly, maintenance expenses have risen by 18% due to higher manpower costs for contracted services.

4 Singapore's water demand is projected to almost double by 2065 in tandem with economic and population growth. Climate change will also put greater strain on our local catchment and imported water which are weather-dependent. To ensure the security and sustainability of our water supply, we will need to maintain long-term investments in water infrastructure and further develop our weather-resilient water sources such as NEWater and desalinated water, which are more energy-intensive and costlier to produce.

5 The current potable water price is set at \$2.74 per cubic metre. To meet the higher costs of supplying and producing water, the potable water price will increase by 50 cents per cubic metre (equivalent to 1,000 litres of water). This will be implemented in two phases – **an increase of 20 cents per cubic metre from 1 April 2024, and a further 30 cents per cubic metre from 1 April 2025**. This would represent an **increase in water price of about 2.5% per year** since the last price revision. The phased approach, with a smaller increase in the first year, is intended to help households and businesses adjust to the price increase and allow more time for the adoption of water conservation measures. For NEWater customers, the NEWater price will increase by **17 cents per cubic metre**, similarly carried out in two phases (Refer to [Annex](#) for details).

Support for Households and Businesses

6 With the full price revision implemented from April 2025, **3 in 4 households will see an increase of less than \$10 in their monthly water bills, before government support**. Similarly, **3 in 4 businesses (including small and medium enterprises) will see an increase of less than \$25 in their monthly water bills**.

Water bills account for less than 2% of an average household's expenditure³. For most businesses, their utilities bills – which include electricity, gas, and water – make up less than 5% of their business costs⁴.

Support measures for HDB households

7 The Government will provide additional financial support to help mitigate the impact of the water price increase and other cost of living concerns, especially for lower- and middle-income households. Details will be announced by the Ministry of Finance shortly. PUB will also work with the Ministry of Trade and Industry and relevant authorities to advise against profiteering by businesses.

8 All 1-, 2- and 3-room households can also apply for e-vouchers under the Climate Friendly Households (CFH) Programme⁵, to offset the costs of purchasing water-efficient shower fittings. In the coming year, there will be enhancements to extend the programme to more water fittings to support water savings. Tapping on the CFH programme will help households to reduce water and energy consumption while benefitting from utility savings of around \$50 to \$150 per household annually.

Support for businesses to enhance water efficiency

9 Businesses may also tap on PUB's recently enhanced Water Efficiency Fund which provides support for companies in implementing water efficiency projects⁶. Businesses are encouraged to tap on the fund to implement water recycling and water-

³ Based on the latest Household Expenditure Survey, 2017/2018 (Singstat).

⁴ Based on MTI's Economic Survey of Singapore 2022

⁵ The Climate Friendly Households Programme is a joint initiative by NEA and PUB. All 1-, 2- and 3-room HDB households can receive 3 separate e-vouchers to offset costs of energy- and water-efficient appliances. More information can be found here: <https://www.climate-friendly-households.gov.sg/about-cfhp/>

⁶ Since 1 July 2023, PUB has increased the funding cap for water recycling projects from S\$1 million to S\$5 million and the funding cap for the Industrial Water Solutions Demonstration Fund (IWSDF) from \$4 to \$5 million. In addition, the co-funding ratio for water efficiency assessments and pilot studies has been increased from 50% to 70%. More on enhancements to the Water Efficiency Fund to support water efficiency and sustainable water management among businesses can be found here: <https://www.pub.gov.sg/news/pressreleases/2022pr28>

efficient systems and technologies. By doing so, companies can reduce their water demand and achieve sustained cost savings in their business operations.

Annex A: Phasing of Increase in Potable Water Prices for Domestic and Non-Domestic Users

Annex B: Phasing of Increase in Waterborne Tax for NEWater

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Editor's Note: Please use **PUB, Singapore's National Water Agency** or **National water agency PUB** in your report, and the acronym **PUB** subsequently after the first mention.

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About PUB, Singapore's National Water Agency

PUB is a statutory board under the Ministry of Sustainability and the Environment (MSE). It is the national water agency, which manages Singapore's water supply, water catchment, and used water in an integrated way. From April 2020, PUB also took on the responsibility of protecting Singapore's coastline from sea-level rise as the national coastal protection agency.

PUB has ensured a diversified and sustainable supply of water for Singapore with the *Four National Taps* (local catchment water, imported water, NEWater, desalinated water). PUB leads and coordinates whole-of-government efforts to protect Singapore from the threat of rising seas and the holistic management of inland and coastal flood risks.

PUB calls on everyone to play a part in conserving water, in keeping our waterways clean, and in caring for Singapore's precious water resources. If we all do our little bit, there will be enough water for all our needs – for commerce and industry, for living, for life.

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About the Ministry of Sustainability and the Environment

The Ministry of Sustainability and the Environment (MSE) is committed to providing Singaporeans with a clean and sustainable environment, and resilient supplies of safe food and water.

MSE works alongside its three statutory boards – the National Environment Agency (NEA), PUB, Singapore's National Water Agency, and the Singapore Food Agency (SFA) – to achieve this mission through innovation, technology, and vibrant partnerships with the private, public, and people (3P) sectors.

For more information, please visit <http://www.mse.gov.sg/>

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ANNEX A

Phasing of Increase in Potable Water Prices for Domestic and Non-Domestic Users

	Domestic Potable Water Prices (\$ per cubic metre)					
	Current		From 1 April 2024		From 1 April 2025	
	0 - 40m ³	>40m ³	0 - 40m ³	>40m ³	0 - 40m ³	>40m ³
Tariff	1.21	1.52	1.29	1.63	1.43	1.81
Water Conservation Tax (% of Tariff)⁷	0.61	0.99	0.65	1.06	0.72	1.18
Waterborne Tax	0.92	1.18	1.00	1.25	1.09	1.40
Total Price	2.74	3.69	2.94 (+0.20)	3.94 (+0.25)	3.24 (+0.30)	4.39 (+0.45)

Note: All figures are before GST

	Non-Domestic Potable Water Prices (\$ per cubic metre)		
	Current	From 1 April 2024	From 1 April 2025
	Tariff	1.21	1.29
Water Conservation Tax (% of Tariff)	0.61	0.65	0.72
Waterborne Tax	0.92	1.00	1.09
Total Price	2.74	2.94 (+0.20)	3.24 (+0.30)

Note: All figures are before GST

⁷ Water Conservation Tax is applied at 50% of Tariff for domestic users consuming less than 40 cubic metres per month, and at a higher rate of 65% of Tariff for the volume in excess of 40 cubic metres per month. This higher Tariff and Water Conservation Tax, for volume in excess of 40 cubic metres per month, apply to about 4% of households today.



ANNEX B

Phasing of Increase in Waterborne Tax for NEWater

	NEWater (\$ per cubic metre)		
	Current	From 1 April 2024	From 1 April 2025
Tariff	1.28		
Water Conservation Tax	0.13 (10% of Tariff)		
Waterborne Tax	0.92	1.00	1.09
Total Price	2.33	2.41 (+0.08)	2.50 (+0.09)


Note: All figures are before GST




ANNEX C

WATER PRICE REVISION

Water price will be revised to reflect the rising costs of producing and supplying water. It will increase by **50 cents per cubic metre over two phases** – an increase of 20 cents on 1 April 2024, and 30 cents on 1 April 2025. With the full price increase, this would represent an increase of about **2.5% per year** since the last price revision in 2017.



One cubic metre (1,000 litres) is equivalent to 2,000 500ml water bottles or 5,000 200ml cups of coffee.



Water Price*
Per Cubic Metre (1,000 litres)

		Current	From 1 April 2024	From 1 April 2025
Water Tariff	Covers the costs incurred in various stages to produce and supply water, and charged based on usage	\$1.21	\$1.29	\$1.43
Water Conservation Tax	Encourages conservation, and charged based on 50% of water tariff	\$0.61	\$0.65	\$0.72
Waterborne Tax	Goes towards cost of collecting and treating used water and maintaining the used water network, and charged based on usage	\$0.92	\$1.00	\$1.09
TOTAL PRICE		\$2.74	\$2.94 (+\$0.20)	\$3.24 (+\$0.30)

*Higher water price applies for households with monthly usage above 40 cubic metres, to encourage water conservation. Figures are before GST.

Average Monthly Water Bill [^]	HDB 1- & 2-Room	HDB 3-Room	HDB 4-Room	HDB 5-Room, Exec & Multi Gen	Private Apartments
Current	\$25	\$34	\$42	\$48	\$38
From 1 April 2024	\$27	\$36	\$46	\$51	\$41
From 1 April 2025	\$29	\$40	\$50	\$57	\$45
Change in Bill After Full Price Increase (Before Govt Support)	\$4	\$6	\$8	\$9	\$7

[^]Based on the data on average household water consumption from July 2022 to June 2023. Figures are before GST.



REVISIONS TO HOUSEHOLD WATER BILLS

Water price will be revised to reflect the rising costs of producing and supplying water. It will increase by **50 cents per cubic metre** over two phases – an increase of 20 cents on 1 April 2024, and 30 cents on 1 April 2025.

1 cubic metre is equivalent to 1,000 litres of water



5,000

200ml cups of coffee



2,000

500ml bottles of water

The **50-cent increase per cubic metre** translates to an additional

0.01 cent

per 200ml cup of coffee

0.025 cent

per 500ml bottle of water

3 out of 4 households will see an increase of less than \$10 per month



HDB households will see
an average increase of
\$7 per month



Non-HDB households will
see an average increase of
\$8 per month

Figures are before including government support and GST.

SUPPORT FOR HOUSEHOLDS

The Government will provide additional financial support which will be announced soon. Eligible households can also make use of the Climate Friendly Households Programme to purchase water efficient shower fittings.



Additional financial support for lower- and middle-income households will be announced by the Ministry of Finance



\$50 voucher (via the Climate Friendly Households Programme) to purchase 3-ticks water-efficient shower fittings for all 1-, 2- and 3-room HDB households



REVISIONS TO BUSINESS WATER BILLS

Water price will be revised to reflect the rising costs of producing and supplying water. The water price will increase by **50 cents per cubic metre (equivalent to 1,000 litres)** over two phases – an increase of 20 cents on 1 April 2024, and 30 cents on 1 April 2025.



3 out of 4 businesses
will see an increase of
less than \$25 per month



3 out of 4 hawkers
will see an increase of
less than \$15 per month

SUPPORT FOR BUSINESSES

Businesses can tap on PUB's Water Efficiency Fund (WEF)* for support to manage their water demand and reap cost savings from lower water consumption. To support more businesses to implement water saving and recycling projects, PUB has raised its funding support under the WEF since 1 July 2023.



Pilot Study

(Implementation of small-scale pilot water recycling systems)

- Co-funding of 50% of project costs capped at **\$150,000**



Water Efficiency Assessment

(Identification of water saving opportunities)

- Co-funding of 70% of project costs capped at **\$30,000**



Water Recycling Project

(Full-scale implementation of water recycling systems)

- Co-funding of 50% of project costs capped at **\$5 million**



Water Efficient Equipment

(Adoption of equipment that improves water efficiency of processes)

- Co-funding of 50% of project costs capped at **\$300,000**

Interested parties can find out more about WEF criteria and apply at go.gov.sg/wefcriteria

ANNEX D

Continual Investments in Water Infrastructure

1 In the last five years, we have added three desalination plants in Tuas, Marina East and Jurong Island, bringing the total to five desalination plants today⁸. We are reconstructing Choa Chu Kang Waterworks, one of Singapore's oldest water treatment plants, to enhance the plant's operations, maintenance, safety, and security.

2 PUB is also investing in used water infrastructure to maximise water recycling and boost our capacity to produce NEWater. Changi Water Reclamation Plant (WRP) is undergoing a second phase of expansion, while Kranji Water Reclamation Plant (together with the Kranji NEWater plant) will be redeveloped by 2035 with higher treatment capacity. The new Tuas Water Reclamation Plant, which is a part of the Deep Tunnel Sewerage System (DTSS) phase 2 project, will be completed in 2026⁹. We are also expanding our NEWater production capacities with the construction of a plant in Tuas, as well as a third plant located within Changi WRP¹⁰.

3 Besides producing and treating water, PUB operates and maintains a 6,600km network of pipelines that deliver water to 1.7 million customers. In 2022, PUB completed the 22km Murnane Pipeline to meet water demand in the city area. PUB will be adding several new potable water pipelines by 2030, to support growing demand in existing and new residential estates across Singapore, such as Tengah and Bidadari. These are critical investments that will strengthen our water security and resilience to cope with long term water challenges.

⁸ The five desalination plants are Jurong Island Desalination Plant (2022), Marina East Desalination Plant (2020), Tuas Desalination Plant (2018), Tuas South Desalination Plant (2013) and SingSpring Desalination Plant (2005).

⁹ The DTSS is a major used water infrastructure that will boost water recycling and enhance Singapore's long-term water sustainability.

¹⁰ There are currently five NEWater plants. Two of the plants are located within Changi WRP, while the other three are in Bedok, Kranji and Ulu Pandan.



WHY THE NEED TO INCREASE WATER PRICE?

Water price will be revised to reflect the rising costs of producing and supplying water since the last water price revision in 2017. It is important to price water correctly to recover the cost of running a reliable water system and investing in water infrastructure for continued water security.

RISING COSTS

It takes both infrastructure investment and operating cost to treat and bring water to your tap. Since the last water price revision in 2017, the cost to build, operate and maintain our water system has increased.

Electricity (Open Market Tariff)	Construction (BCA Tender Price Index)	Chemicals Expenses	Maintenance Expenses
↑37%	↑35%	↑33%	↑18%

CONTINUAL INVESTMENTS IN WATER INFRASTRUCTURE

PUB has invested more than \$3 billion in the past 5 years in key long-term investments, especially in weather resilient sources such as NEWater and desalination infrastructure. We need continual investments to maintain a sustainable water supply for Singapore.



Used Water Treatment and Recycling

PUB is completing the Deep Tunnel Sewerage System, and expanding used water and NEWater infrastructure at the 3 nodes -- Changi, Tuas and Kranji - to meet long term demand.



Desalination

PUB added 3 desalination plants in Tuas, Marina East and Jurong Island since 2017, bringing the total to 5 desalination plants today.



Water Treatment

PUB has upgraded and will continue to upgrade ageing local water treatment plants such as at Choa Chu Kang, Chestnut Avenue and Woodleigh, to ensure reliable supply.



Pipeline Expansion and Renewal

PUB maintains over 6,600km of pipeline network. Since 2017, PUB has renewed 310km of pipelines, and is adding new pipelines to support new residential estates including Tengah and Bidadari.

ANNEX E

Frequently Asked Questions

1. How is the \$0.50/m³ increase in potable water price derived?

In Singapore, water is priced to recover the full cost of its supply and production, and to reflect the cost of producing the next drop of water, which will be from desalination and NEWater. The need for continued investment in water infrastructure, coupled with rising operational costs, have made the increase in water prices necessary.

The \$0.50/m³ price increase refers to the total increase across all the components of the total water price, i.e. the water tariff, the Water Conservation Tax and Waterborne Tax. It is equivalent to about 2.5% increase per year since the last water price revision. The revision will be implemented in two phases, with a smaller increase in the first year, to help mitigate the impact of the price increase on customers. Right-pricing water allows us to continue investing ahead of time to ensure a secured and resilient water supply for current and future generations.

2. Can the price increase be deferred?

The total cost of producing and supplying water already exceeds today's water price, due to external cost pressures over the past few years. To catch up to the rising costs and support continued investments, water price needs to be increased at this point. Deferring the increase will only mean higher, more significant hikes in the near future.

The price increase at this point will enable PUB to sustain its operations and maintain existing assets, to deliver high-quality and reliable water supply and used water services. It will also allow us to support critical investments in water infrastructure to ensure water security for Singapore, amidst the challenges of climate change and water demand growth.

3. Can we expect more frequent water price increases in the future?

We review the water price regularly, to ensure the right pricing of water. The need to revise the water price would take into consideration both annual operating costs as well as long-term investments in water infrastructure.

Our operating costs are affected by external factors, which we expect to remain elevated. PUB proactively implements cost management measures to manage the cost of producing and supplying water. Over the longer term, PUB is investing in

Research and Development on new technology as well as process innovation to target our key cost drivers. These efforts serve to manage the growth in long-term costs on a sustainable trajectory, even as we need to renew and expand our water system.

Our long-term water infrastructure plans also affect the level of investments required. These plans are reviewed periodically, in line with updates to national projections for population and economic growth, as well as land use changes.

4. What is the average monthly household water usage?

The average household consumes about 15 cubic metres of water each month.

With the full price increase, the average HDB household will see an increase of \$7 a month in water bill. The water bill also accounts for less than a third of the average utility bill, which includes electricity charges.

Please refer to the [SP Services Website](#) for a detailed breakdown of monthly water consumption by each household type (e.g. 1-room HDB, 2-room HDB, etc.)

5. Can there be differentiated pricing for lower-income households? What forms of support can households tap on to manage the increase in water bills?

In Singapore, our approach has been to ensure right pricing of water for everyone, but with targeted support for those who need it most.

To address cost-of-living concerns, the Government is currently providing support via the Assurance Package and the one-off Cost-of-Living special payments. These include U-Save rebates for eligible HDB households which can be used to offset utilities bills.

To help mitigate the impact of this water price increase and other cost of living concerns, the Government will provide additional financial support, especially for lower- and middle-income households. This will be announced by the Ministry of Finance shortly.

6. Are there any rebates for households who conserve water, or use less than the national average?

There are no rebates for households who consume below a certain volume. Water is priced to reflect that every drop is precious, and to encourage conservation. The



amount households pay for water is based on the volume of water used. Therefore, those who use less, pay less. Households are encouraged to adopt water saving habits and enjoy savings in their water bills.

7. A higher water price applies to households with a monthly usage of more than 40 cubic metres. What is the proportion of households who fall under this category?

More than 96% of households use less than 40 cubic metres (m³) of water monthly. For the very small proportion of households which use more than 40m³ of water per month, they will pay a higher price for the volume of water consumed above 40m³. This 40m³ threshold accommodates most household needs and serves to discourage excessive use of water.