

Needs of the poor, SMEs to feature in water tariff reviews: Grace Fu

They will not be left behind as cost of securing water goes up, says minister

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Segments of the population such as the low-income, the underprivileged and small businesses will not be left behind as water tariffs are reviewed, assured Minister for Sustainability and the Environment Grace Fu on Wednesday when she explained the costs behind securing Singapore's water supply.

Speaking on a panel at the inaugural Singapore Management University (SMU) Sustainability Forum, she said the cost of operating the country's water infrastructure has gone up by between 30 per cent and 35 per cent since 2017.

Reservoirs and imported water are unable to keep up with rising demand, which is why Singapore is dependent on Newater and desalination. "But to have these two sources of water – investing in them, operating them – obviously there's a higher cost when compared to rainwater that we just harvest, and also compared to imported water that has been fixed in terms of costs," said Ms Fu.

Newater and desalination also require more energy and chemicals to treat the water, so "how do we provide this – taking into consideration the economic impact, the environmental impact and the social impact".

These impacts, she explained, come with trade-offs.

"Environmental impact is important because if we don't treat all our wastewater coming out from industrial activities, it is going to contaminate, it is going to reduce the avail-



Minister for Sustainability and the Environment Grace Fu checking out bins reserved for food waste at the inaugural Singapore Management University Sustainability Forum on Wednesday. At the forum, she explained the costs behind securing Singapore's water supply, and also touched on how the Singapore Green Plan – a whole-of-nation movement to advance the Republic's national agenda on sustainable development – can be realised. ST PHOTO: JASON QUAH

ability of drinking water.

"On the other hand, if we do not consider the economic impact, and we run out of water, we won't have water security, which is going to hurt our economic competitiveness."

The wafer fabrication, electronics and biomedical industries are among the largest water users in Singapore, accounting for 17 per cent of the current non-domestic water demand.

"So how do we make sure that we invest, but operate in a sustainable

manner? Invest, fund appropriately, so that we do not under-invest in our water infrastructure. But at the same time as we review our costs, revise our tariffs... we do not leave segments of the population behind.

"The low-income, underprivileged families, the small SMEs (small and medium-sized enterprises), for example, we need to make sure that they are not excluded. Their needs are included in our consideration, and then they are helped with that transition as well."

During the hour-long discussion,

Ms Fu also highlighted the impact of climate change on food and energy security, with over-consumption exacerbating the problems.

"Then we have to deal with the waste that we are generating, causing resource resilience issues – we may run out of resources that we need for the future generation."

Ms Fu was addressing the moderator, Professor Paulin Straughan, on how the Singapore Green Plan – a whole-of-nation movement to advance Singapore's national agenda on sustainable development – can

be realised.

Key targets include planting a million more trees, reducing waste sent to the landfill by 30 per cent by 2030, having at least one out of five schools be carbon neutral by 2030, and requiring newly registered cars from 2030 to use cleaner energy.

The transition to alternative energy will also mean higher costs, Ms Fu said. "It's going to have new infrastructures, it's going to come in with new technology. They tend to be more expensive because they do not yet have the economies of scale

to drive down unit costs."

Along with Ms Fu on the panel entitled "Opportunities and challenges towards a more sustainable future" were SMU chairman Piyush Gupta and Insect Feed Technologies chief executive officer Sean Tan.

Mr Piyush, who is also DBS CEO, said that the bank, which is Southeast Asia's largest lender, is helping clients to transition to lower-carbon businesses and reduce the risk of stranded assets.

"Because if you don't do that, we wind up with this defensive element. Suppose a power plant, which is coal-based and it's going to last a year, and, in the next 10 years, nobody wants to use coal. So what do I do with my loan?"

"So we've got to think defensively about how you change the business model for clients and how you protect the company while doing that."

In addition, transitioning to low-carbon infrastructure presents an opportunity for the bank, he said.

"If you think about the high-carbon intensive infrastructure in the world, it's worth trillions of dollars – that's all we've been paying for 200 years. And we want to convert that to a low-carbon intensive infrastructure. You will need ... hundreds of billions of dollars to replace one infrastructure – that's a dramatic opportunity for a bank."

Petronas CEO Muhammad Taufik, who delivered the keynote speech before the panel discussion, agreed that the energy transition would take vast resources to unlock.

Addressing 250 participants from education institutions, social service agencies, non-profits and businesses, he said that while Singapore and Malaysia were among the nine Asean countries to have pledged towards net-zero emissions by 2050, the transition to low carbon for the energy sector would take time, especially with 80 per cent of Southeast Asia's energy mix depending on fossil fuels.

"It is still absolutely critical for us to accept that this is an energy transition, not an energy revolution. This will take time to unfold – vast resources to unlock."

"A drastic and sudden halt to this energy system which exists today, without new low-carbon alternatives that are equally robust and reliable, will risk structural breakdowns – not only in energy markets but also in society at large."

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