

Improved Methods on Collection of Sewerage

SPAN has reviewed the collection method for the Sewerage Capital Contribution Fund (SCCF)/Kumpulan Wang Sumbangan Modal Pembetulan (KWSMP) based on the feedback received from industry players through the Sewerage Works Approval Transformation (SWAT) initiative. The collection procedures have been streamlined and approved by SPAN through the SCCF Committee on 8 April 2014.

In addition to improvements to the delivery service through standardisation of procedures, the improved method also aims to enhance the standard of industry professionalism by strengthening self-declaration mechanism (self-regulation/self-assessment) to ensure a smooth approval process for sewerage works especially during the Certificate of Completion and Compliance (CCC) stage.

For members' information and ease of reference, SPAN has prepared a Guideline for Developers on the Procedure of Sewerage Capital Contribution Fund Collection/Nota Panduan (Pemaju) Tata Cara Kutipan Kumpulan Wang Sumbangan Modal Pembetulan (KWSMP) as follows:

Introduction

The objective of the guideline is to clarify the procedure of SCCF collection which includes method of collection, submission of supporting documents, the scope of developers' responsibility and other requirements set by SPAN.

Conditions of Contribution Requirement

- A development is subjected to the payment of contribution for the Sewerage Capital Contribution Fund as specified in Section 172 (2) of the Water Services Industry Act 2006 (Act 655) when:
 - making a connection to a public sewer;
 - building a sewage treatment works without a sludge processing facility and/or a standby power generator; and
 - building a septic tank that requires an off-site sludge processing facility.
- The conditions are detailed in the Water Services Industry (Sewerage Capital Contribution Fund) Regulations 2011, Revision May 2012, which is referred to as Sewerage Capital Contribution Fund Regulation in this guideline.

Contributions and Submission of Documentation

- The KWSMP contribution must be paid to the Sewerage Certifying Agency appointed by SPAN, which are Indah Water Konsortium Sdn Bhd (IWK) or Majaari Services Sdn Bhd (MSSB) (for Kelantan).
- The KWSMP contribution must be paid prior to or during the submission of application for sewerage work approval either at the planning or design or final inspection stage in accordance to the categories as detailed in Table 2 (Sewerage Capital Contribution Fund Collection Methods). A receipt will be issued once the contribution has been paid.

Contribution Rates

Table 1: Sewerage Capital Contribution Fund Contribution Rates According to Category

Category	Contribution Rate
A. Connection to public sewer	<ul style="list-style-type: none"> 1% of selling price¹ and/or market value² 1% of contract cost (for government projects only³)
B. Septic tank	<ul style="list-style-type: none"> RM120 per population

Table 1: Sewerage Capital Contribution Fund Contribution Rates According to Category (con't)

Category	Contribution Rate
C. Construction of sewage treatment works without sludge processing facility or standby power generator, or both	<ul style="list-style-type: none"> RM5 per population equivalent
D. Specific Building ⁴	<ul style="list-style-type: none"> Low cost residential building: RM1,000 per project Government or government aided school: RM1,000 per project Place of worship: RM100 per project Community building: RM100 per building Charitable building: RM100 per building

Notes:

- Selling Price
 - Building sold: as specified in the Sales and Purchase Agreement; or
 - Unsold residential building: selling price of the particular unit which has been submitted to the Controller for the application of advertisement and sales permit under the Housing Development (Control and Licensing) Regulations 1989. The contribution rate is based on the ceiling price (maximum) as stated in the advertisement and sales permit approved by KPKT.
- Market Value
 - The building which is not intended for sale but not including Specific Buildings (see Note 4); or
 - The building which is intended for sale but has not yet been sold, excluding residential building (see Note 1b) and Specific Building [valued by a registered valuer within 3 months before the contribution is made].
- Government Projects – project which is developed or financed by the Federal Government, State Government, statutory body or local authority.
- Specific Buildings – contribution rate specified is applicable irrespective of whether the development of specific building premises is making a connection to a public sewer or using septic tanks or construct a sewage treatment works without sludge processing facility and/or standby power generator or a government project.
- Please refer to Table 3 on Population Equivalent according to type of premise.

Table 3: Number of Population Equivalent

Type of Premise/Establishment	Population Equivalent (PE)
Residential	5 per house
Commercial: Includes offices, shopping complexes, entertainment/recreational centres, restaurants, cafeterias and theaters	3 per 100m ² gross area
School/Educational Institutions:	
<ul style="list-style-type: none"> Day school/institution Fully residential Semi-residential 	<ul style="list-style-type: none"> 0.2 per student 1 per student 0.2 per non-residential student and 1 per residential student

Large Capital Contribution Fund (KWSMP)

Table 3: Number of Population Equivalent (con't)

Type of Premise/Establishment	Population Equivalent (PE)
Hospital	4 per bed
Hotel	4 per room
Factory	0.3 per employee
Market (wet)	3 per stall
Market (dry)	1 per stall
Petrol kiosk/Service station	15 per toilet
Bus terminal	4 per bus bay
Taxi Terminal	4 per taxi bay
Mosque	0.2 per person
Stadium	0.2 per person
Swimming pool/Sports complex	0.5 per person
Public toilet	15 per toilet
Airport	0.2 per passenger and 0.3 per employee
Laundry	10 per machine
Prison	1 per person
Golf course	20 per hole

Collection Procedure and Developers' Responsibilities

- Collection procedures according to contribution rates category are as shown in Table 2 (please refer to Table 1 for the Category in question).

Table 2: Sewerage Capital Contribution Fund Collection Methods

Group Description	Group 1 (Category A)	Group 2 (Category B, C and D)
Contribution to Sewerage Certifying Agency	a. Contributions must be paid before or during the stage of final inspection application submission (PDC8)/(SWC)	a. Category B – Contribution must be paid before or during the stage of design approval application submission (PDC2)/(SWA) b. Category C and D – Contributions must be paid before or during the stage of: <ol style="list-style-type: none"> submission of design approval application (PDC2)/(SWA); or submission of final inspection application (PDC8)/(SWC).
Contribution	a. Contributions shall be made either through Bank Draft/Bankers Cheque or Government Cheque in the name of SPAN-KWSMP	
Supporting documentation requirements	a. SCC Checklist b. SCC Form K-1	a. SCC Checklist b. SCC Form K-2

- For scenarios in which a development is making a connection to a public sewer and having Specific Building premises, the submission of supporting documents must be in accordance to the categories set. However, Bank Draft/Government Cheque can be prepared taking into account the overall total of the KWSMP contribution.
- Developers are responsible for ensuring that:
 - The KWSMP contribution paid is accurate according to the rates in Table 1.
 - Submission of supporting documents required for the purpose of payment of KWSMP contribution must be complete and in order.
 - All information submitted must be accurate and correct. The submission of false or misleading information is an offence and shall, upon conviction be fine not exceeding RM200,000 or imprisonment not exceeding two years or both, as provided under Section 130 of the Water Services Industry Act 2006 (Act 655).
 - From time to time, SPAN may require the submission of all supporting documents such as Sales and Purchase Agreement, evaluation report, advertisement and sales permit, CFO/CCC and any other related documents for review. Such documents must be submitted to SPAN within seven (7) days from the date of the notice issued by SPAN.

Other Matters

1. Application for Sewerage Works Approval

Once the contribution is paid and documents are completed, the Sewerage Certifying Agency will process the application for sewerage works approval without having to wait for the contribution receipt issued by SPAN.

2. Contribution Rates for Small Sewerage Treatment System (SSTS)

SSTS is regarded as a sewerage treatment facility. Therefore, the KWSMP contribution rate for SSTS is set at RM5/PE.

3. Incorrect Amount

- SPAN has the right to request the developer to pay the remaining balance of the KWSMP contribution if the amount paid is not accurate.
- The developer shall pay the remaining balance of the contribution within 14 days from the date of the notification from SPAN.

4. Review by SPAN

SPAN, from time to time (if necessary), will carry out a review on the information submitted by the developer in respect of the KWSMP contribution payment.

The new guideline is effective from **1 September 2014**. To facilitate the calculation of contribution as well as completion of the required declaration form (SCC Form K-1/K-2), SPAN has developed an SCC Calculator which is accessible on SPAN's website at www.span.gov.my. The use of the previous declaration form is permitted up to 30 September 2014. However, with effect from 1 October 2014, the submission of SCC Form K-1/K-2 to the certifying agency, printed via the SCC Calculator, is compulsory.

