

MALAYSIA



SUMMARY

Malaysia is a parliamentary democracy and constitutional monarchy. The country has three tiers of government – federal, state and local – with regular elections held at the national and state levels. However, there have been no elections at the local government level since they were suspended in 1965. The constitution of Malaysia makes provision for local government and the main governing legislation includes the Local Government Act 1976 (Act 171) for the main peninsula and the Local Authorities Ordinance 1996 and Local Government Ordinance 1961 for the states of Sabah and Sarawak respectively. While the local authorities are under the purview of the respective state governments, the Ministry of Housing and Local Government is responsible for formulating, executing and monitoring all laws pertaining to local government while local authorities in the Federal Territories are subject to the purview of the Ministry of Federal Territories. There are three types of local authority in Malaysia: city councils, municipal councils and district councils. In 2011, 13.1% of the appointed councillors were women. The income of local authorities derives from three sources, namely taxes, non-tax revenue and allocations from federal and state governments. The three types of local government have a range of responsibilities reflecting their size and capacity. All three types must provide basic infrastructure and public utilities, whilst municipalities and cities additionally provide for urban planning, public health and waste management; and city councils further provide revenue collection activity and law enforcement.

KEY FACTS

POPULATION (2017 estimate):

32,049,700

AREA (UN 2006):

330,803 sq km

CAPITAL:

Kuala Lumpur

CURRENCY:

Ringgit (RM)

HEAD OF STATE:

Muhammad V of Kelantan

HEAD OF GOVERNMENT:

Prime Minister Najib Tun Razak

FORM OF GOVERNMENT:

parliamentary democracy with constitutional monarchy

PARLIAMENTARY SYSTEM:

bicameral

STATE STRUCTURE:

federal

LANGUAGES:

Bahasa Malaysia

NATIONAL ELECTIONS:

last: May 2013, turnout: ~80%; next: 2018

WOMEN IN PARLIAMENT (2013):

representatives: 10.4%; senators: 22.1%

LOCAL ELECTIONS:

there is no elected local government in Malaysia

WOMEN COUNCILLORS (2011):

13.1%

LOCAL GOVERNMENT EXPENDITURE as a percentage of total government expenditure 2016/17:

na

1. NATIONAL GOVERNMENT

Malaysia is a federal constitutional monarchy with a bicameral parliament based in the capital, Kuala Lumpur.^{23.1a} The head of state is the Yang Di-Pertuan Agong, commonly referred to as the 'king', and is elected by the Conference of Rulers made up of the nine royal families of the member states of Malaysia on rotation for five years. Four of 13 states within Malaysia, along with the three territories, do not have hereditary royal rulers and are not involved in this process. These four states have governors appointed by parliament, while the three territories are governed directly by the federal government. Parliament comprises an elected house of representatives (known as the Dewan Rakyat) and an appointed senate (known as the Dewan Negara). The house of representatives has 222 members elected by universal adult suffrage for terms of up to five years. The senate has 70 non-elected members two from each of the 13 states, appointed by the state ruler or governor – and 44 appointed by the king on the advice of the prime minister. The members of the senate hold their positions for three-year terms irrespective of the dissolution of parliament. Following the 2013 national elections, 10.4% of elected representatives and 22.1% of senators were women.^{34.1b} Each state has a legislative assembly (Dewan Undangan Negeri) comprising elected representatives from single member constituencies. Both members of the house of representatives and those of the state legislative assemblies are elected via the first-past-the-post system to represent single member constituencies at the federal and state levels respectively.

2. LEGAL BASIS FOR LOCAL GOVERNMENT

2.1 Constitutional provisions

List II, Schedule IX of the Federal Constitution of Malaysia^{23.2a} (the 'State List') makes provision for local government. The constitution also provides for the establishment of a national council for local government (see Section 7 below).

2.2 Main legislative texts

Competency to enact legislation lies with the 13 state assemblies. However, the federal government is empowered to create 'parent laws' in order to unify the laws of two or more states. The uniformity of laws does not apply to Sabah and Sarawak states. Among the most important pieces of legislation relating to local government are:

- Local Government Act 1976 (Act 171)^{23.2b}
- Street, Drainage and Building Act 1974 (Act 124)
- Town and Planning Act 1976 (Act 172)
- State Grants (Maintenance of Local Authorities) Act 1981
- Uniform Building By-laws 1984 (Act 171)
- Local Authorities Ordinance 1996 for the state of Sarawak
- Local Government Ordinance 1961 for the state of Sabah.

Other sector-specific Acts such as the Road Transport Act 1987 (Act 133), the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) and the Environmental Quality Act 1974 (Act 127), among others, prescribe various powers, roles and functions for local authorities.



2.3 Proposed legislative changes

No current legislative changes proposed.

2.4 National urban policy

Malaysia's second National Physical Plan (NPP-2), prepared in tandem with the Five-Year Malaysia Plan, sets out the national strategic spatial planning policies and broad pattern of land use, physical development and conservation in Malaysia until the year 2020.^{23.2c} Since 1998, the Ministry of Housing and Local Government (MHLG) has run MURNInets (the Malaysian Urban-Rural-National Indicators network for sustainable development), which aggregates indicators across six dimensions of urban wellbeing across the main urban centres of Malaysia.^{23.2d}

3. STRUCTURE OF LOCAL GOVERNMENT

3.1 Local government within the state

Since the 1990s there has been a trend in the local government sector towards achieving greater efficiency in urban services through increased private-sector participation in their delivery. Local Agenda 21 (see Section 5.2 below) and similar programmes have played a significant role in promoting the participation of community-based

organisations, and in identifying the services required.

3.2 Ministerial oversight

The Minister of Housing and Local Government^{23.5a} (MHLG) is responsible for the formulation, execution and monitoring of all laws pertaining to local government; the development of local government policy; and the implementation of all local government functions such as town and country planning, housing, landscaping, solid waste management and fire and rescue services. These powers are granted to the minister by the federal constitution and the Local Government Act 1976. Additionally, Kuala Lumpur City Hall, Putrajaya Corporation and Labuan Corporation are subject to the purview of the Ministry of Federal Territories, a ministry dedicated to overseeing matters within the federal territories.

3.3 Council types

There are three types of local authorities: city councils (including the city halls of Kuala Lumpur, Kota Kinabalu and Kuching Utara), municipal councils and district councils. All types of local government perform the same functions. Clear criteria

relating to population size and financial turnover are given for determining the type of local authority applicable in each area, though exceptions can be made if a particular local authority has the capacity and capability to generate additional revenue and achieve the minimum requirement for the next level of council in the near future.

3.3.1 City councils govern large urban centres, typically state administrative centres or capitals, with populations above 500,000 and annual revenue greater than RM100m.

3.3.2 Municipal councils are in urban areas, possibly state capitals, with populations greater than 100,000 and annual revenues above RM20m. Municipalities can be upgraded to cities once they satisfy the required criteria.

3.3.3 District councils are rural with populations of less than 100,000, low population density and annual revenue of less than RM20m.

Table 23.1a Distribution of councils and population

State	City councils	Municipal councils	District councils	Total councils	Population (m) (2010 Census)	Population (m) (2017 estimate)	% rural (2017)
Johor	1	6	8	15	3.35	na	na
Kedah	1	3	7	11	1.95	na	na
Kelantan	-	1	11	12	1.54	na	na
Malacca (Melaka)	1	3	-	4	0.82	na	na
Negeri Sembilan	-	3	5	8	1.02	na	na
Pahang	-	3	8	11	1.50	na	na
Perak	1	4	10	15	2.35	na	na
Perlis	-	1	-	1	0.23	na	na
Pulau Pinang	1	1	-	2	1.56	na	na
Selangor	2	6	4	12	5.46	na	na
Terengganu	1	2	4	7	1.04	na	na
Federal Territory of Kuala Lumpur	1	-	-	1	1.67	na	na
Sarawak	3	3	20	26	2.47	na	na
Sabah	1	2	21	24	3.21	na	na
Federal Territory of Labuan	-	-	-	1	0.9	na	na
Federal Territory of Putrajaya	-	-	-	1	1.7	na	na
Other agencies acting as local authorities	-	-	-	3	-	na	na
TOTAL	13	38	98	154	28.3	32.0	24.5

Source: MHLG communication with CLGF and 2010 Census^{23.5b}

Table 23.1b Women councillors and mayors during the last two local council periods

	2012		2015	
	#	%	#	%
Councillors				
Female councillors	na	13.1	na	na
Male councillors	na	86.9	na	na
Total councillors	na	100.0	na	100.0
Chairpersons	#	%	#	%
Female mayors	na	na	6	3.9
Male mayors	na	na	148	96.1
Total mayors	na	100.0	154	100.0

Source: MHLG correspondence with CLGF

4. ELECTIONS

4.1 Recent local elections and 4.2 Voting system

Local elections have been discontinued since 1965 under Section 15 of the Local Government Act 1976.^{23,4} For Sabah and Sarawak, the relevant ordinance does not make provision for elections.

4.3 Elected representatives

Councillors are appointed by the state government according to the criteria stipulated by their respective Act or Ordinance.

4.4 Women's representation

In 2012 approximately 13.1% of local councillors were female, up from 9.8% (285/2,921) in 1999. In 2015 one mayor, three municipal council presidents and two district council presidents were female, mirroring the position in 2012.

5. SYSTEMS FOR COMMUNITY INVOLVEMENT

5.1 Legal requirement

Section 10 of the Local Government Act 1976 makes provision for the appointment of councillors to the local authority from amongst the residents of the local authority area.

5.2 Implementation

Local authorities have the power to form resident representative councils as a way to increase involvement of the community in local government decision making. Local Agenda 21 ('LA21') is a partnership programme between local authorities, NGOs and communities. Through LA21, local communities work with local authorities to identify and analyse local issues, and formulate and implement action plans to address them. LA21 adopts a simultaneous 'top-down' and 'bottom-up' approach whereby local communities are also involved from the initial planning stage.

5.3 ICT use in citizen engagement

No information is available.

6. ORGANISED LOCAL GOVERNMENT

The Malaysian Association of Local Governments is a voluntary body established to foster greater cooperation among member local authorities. It is recognised in law and funded by annual contributions from members.

7. INTERGOVERNMENTAL RELATIONS

The National Council for Local Government (NCLG) was formed under the federal constitution to coordinate policies and laws between the federal, state and local spheres of government. Committees are established on an ad-hoc basis to enhance coordination. Chaired by the deputy prime minister, the council sits at least once a year, attended by chief ministers of state governments, national ministers and senior officers. In addition to the NCLG, the MHLG has also initiated a forum called the Local Authority Consultative Council (known as the Jawatankuasa Perundingan PBT) chaired by the secretary general of the ministry and attended annually by all mayors and presidents of local authorities in Malaysia. The council provides a forum for the ministry and local authorities to discuss matters relating to policies, development and legislation enforced by local government.

Table 23.2a Aggregate income and expenditure for local government 2016

Income	MYRm	Expenditure	MYRm
Centre-local transfers		Administration	
State and Federal grants	1,096	Current expenditure	9,104
Locally raised revenue		Services	
Own source	9,328	Development expenditure	1,598
TOTAL INCOME	10,424	TOTAL EXPENDITURE	10,702

Source: MHLG communication with CLGF

8. MONITORING SYSTEMS

The Local Government Act 1976 empowers the auditor general to scrutinise the accounts of local authorities.

9. FINANCE, STAFFING AND RESOURCES

9.1 Local government expenditure

In 2016, local government expenditure was 4.3% of total government expenditure, up from 3.8% in 2015 and 2.9% in 2014. See table 23.2b.

9.2 Locally raised revenue

Locally raised revenue consists of both tax and non-tax income and accounts for almost 90% of total local government revenue. Tax revenue includes self-assessed income tax and is the main source of revenue for local authorities. It contributes 60-70% of the total revenue of the 13 city councils. Non-tax revenues include licence payments, trade and investment profit, fines and other fees for chargeable services.

9.3 Transfers

There are both general and specific grants made by state and federal government to local authorities. These include MHLG-administered annual grants, an infrastructure services fund and loans.

9.4 Loans

The MHLG can approve loans for infrastructure development.

9.5 Local authority staff

Individual local authorities recruit their own staff and have the power to discipline and dismiss as necessary. In some cases there is deployment of national civil service staff to local government and occasionally senior civil service staff are appointed as mayors or presidents. Each council is required to have an executive mayor or president who is the head of the paid service as chief executive officer. A typical staffing structure has deputies, a secretary and heads of department reporting to the mayor or president.



Table 23.2b Local government expenditure as a percentage of total government expenditure 2013-2017

	2013 actual RM m	2014 actual RM m	2015 actual RM m	2016 actual RM m	2017 estimated RM m
Total government expenditure	na	258,040	256,283	250,822	265,224
Total local government expenditure	7,835	7,490	9,807	10,702	10,687
Local government expenditure as a percentage of total government expenditure	na	2.9%	3.8%	4.3%	4.0%

Source: Estimated federal and local government expenditure 2019^{23.9}

10. DISTRIBUTION OF SERVICE DELIVERY RESPONSIBILITY

10.1 Overview of local government service delivery responsibility

Local government has responsibility for urban planning, basic facilities and infrastructure, monitoring development, public health, waste management, business licensing, maintaining the peace, urban beautification and encouraging the local economy. City and municipal councils must provide revenue collection activity and facilitate sustainable town planning to provide a safe and comfortable environment for citizens, including waste management. Services provided by district councils focus on infrastructure facilities and public utility.

10.2 ICT use in service delivery

The national government is implementing an electronic system, known as e-PBT, (e - Pihak Berkuasa Tempatan)^{23.10a} to bring local government closer to citizens. The four elements of the system are accounts, taxation, e-submission and complaints.

10.3 The role of local government in achieving the UN Sustainable Development Goals (SDGs)

In December 2016, the Economic Planning Unit within the Prime Minister's Department organised a workshop to engage both federal, state and local government agencies and civil society organisations, the private sector, think tanks and academia in discussing how to achieve the SDGs. The workshop explored what the localisation of Agenda 2030 means in the Malaysian context, including defining, implementing and monitoring at the local level how

to achieve global, national and sub-national sustainable development goals and targets. The workshop highlighted that for a federal state like Malaysia, the relationship between the central and local units and the functional assignments between these two levels are complex. It also looked at how to integrate work towards the SDGs with the national vision to achieve better state-level results, and the implications of policy, legal and institutional arrangements for SDG implementation at the local level. This included exploring monitoring, evaluation and reporting processes and use of various forms of impact assessments at national and sub-national/district levels.^{23.10b}

REFERENCES AND USEFUL WEBSITES

- 23.1a National government portal www.malaysia.gov.my
- 23.1b Women in national parliaments. Inter-Parliamentary Union www.ipu.org/wmn-e/classif.htm
- 23.2a Constitution of Malaysia [www.agc.gov.my/images/Personalisation/Buss/pdf/Federal Consti \(BI text\).pdf](http://www.agc.gov.my/images/Personalisation/Buss/pdf/Federal Consti (BI text).pdf)
- 23.2b Local Government Act 1976 (Act 171) www.agc.gov.my/Akta/Vol4/Act171.pdf
- 23.2c National Physical Plan www.townplan.gov.my/download/National%20Physical%20Plan%28kecik%29.pdf
- 23.2d Sustainable Cities Through the Malaysian Urban-Rural-National Indicators Network for Sustainable Development <http://scdmalaysia.org/wp-content/uploads/2017/05/MURNInets.pdf>
- 23.3a Ministry of Housing and Local Government www.kpkt.gov.my/kpkt_bi_2013
- 23.3b General Report of the Population and Housing Census 2010 Department of Statistics, Malaysia: www.statistics.gov.my
- 23.4 Elections Commission <http://spr.gov.my>
- 23.5 No reference for this section
- 23.6 No reference for this section
- 23.7 No reference for this section
- 23.8 No reference for this section
- 23.9 Estimated federal and local government expenditure 2018 www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html
- 23.10a e-Pihak Berkuasa Tempatan www.epbtonline.gov.my
- 23.10b Implementing the 2030 Agenda for Sustainable Development in Malaysia: Multi-Stakeholder Partnership Conference http://onlineapps.epu.gov.my/sdg/images/sdg_document_november/SDGs_Workshop_Malaysia-Concept_Note.pdf
- 23.11a UN statistics surface area <http://unstats.un.org/unsd/demographic/products/dyb/dyb2006/Table03.pdf>
- 21.11b Commonwealth Local Government Knowledge Hub www.clgf.org.uk/resource-centre/knowledge-hub
- 21.11c Decentralisation or Recentralisation? Trends in Local Government in Malaysia <http://epress.lib.uts.edu.au/journals/index.php/cjlg/article/viewFile/759/1032>
- 23.11d UNDP HDR Malaysia country profile <http://hdr.undp.org/en/countries/profiles/MYS>

Annex 23a Summary of service provision in different spheres of government in Malaysia

Services	Delivering authority					Remarks
	National government	State	City councils	Municipal councils	District councils	
GENERAL ADMINISTRATION						
Police	■					
Fire protection	■					
Civil protection	■					
Criminal justice	■					
Civil status register	■					
Statistical office	■					
Electoral register	■					
EDUCATION						
Pre-school (kindergarten and nursery)	■					
Primary	■					
Secondary	■					
Vocational and technical	■					
Higher education	■					
Adult education						
SOCIAL WELFARE						
Family welfare services	■					
Welfare homes	■					
Social security	■					
PUBLIC HEALTH						
Primary care	■					
Hospitals	■					
Health protection	■					
HOUSING AND TOWN PLANNING						
Housing	■	■	■	■	■	
Town planning	■	■	■	■	■	
Regional planning	■	■	■	■	■	
TRANSPORT						
Roads	■	■	■	■	■	
Transport	■	■	■	■	■	
Urban roads		■	■	■	■	
Urban rail						
Ports	■					
Airports	■					
ENVIRONMENT AND PUBLIC SANITATION						
Water and sanitation	■	■				
Refuse collection and disposal		■	■	■	■	
Cemeteries and crematoria			■	■	■	
Slaughterhouses		■				
Environmental protection	■		■	■	■	
Consumer protection						
CULTURE, LEISURE AND SPORTS						
Theatre and concerts		■	■	■	■	
Museums and libraries	■	■				
Parks and open spaces		■	■	■	■	
Sports and leisure	■	■	■	■	■	
Religious facilities	■	■	■	■	■	
UTILITIES						
Gas services	■		■	■	■	
District heating						
Water supply	■					
Electricity		■				
ECONOMIC						
Agriculture, forests and fisheries	■	■				
Local economic development/promotion	■	■				
Trade and industry	■	■				
Tourism	■	■				

■ sole responsibility service ■ joint responsibility service ■ discretionary service