

# INTRODUCTION TO ADMINISTRATIVE LAW

## TOPIC 1: Administrative Law and the Administrative Agencies

### 1.5 Public corporations, executive and privatised agencies

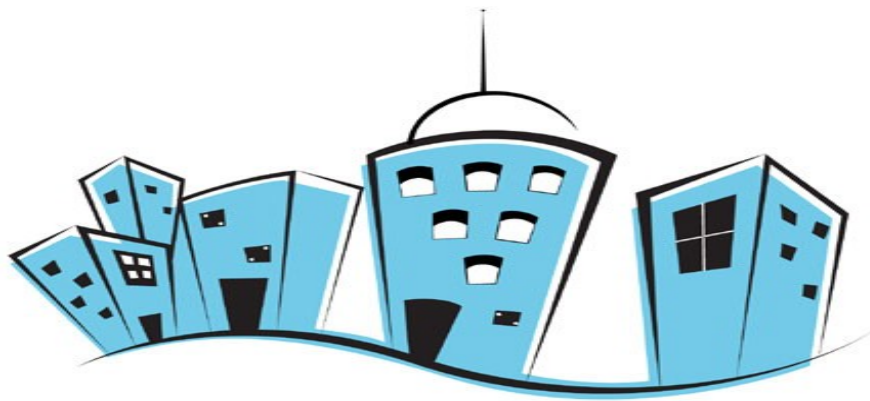


## Lesson 1.5: Learning Outcomes

- At the end of this topic, students should be able to:
  - Define public corporations and privatised agencies.
  - Demonstrate the basic knowledge of public corporations and privatised agencies
  - Develop communication, verbal and written skills, which play an important part in administrative law.
  - Describe about public corporations and privatised agencies in Malaysia.

## Definition of public corporation

- Generally, the administration of the government machinery is driven by **public corporations**.
- Public corporations are **bodies** or agencies owned by the **government** & established for **specific purposes**.



## Purposes of public corporation

- To enable the government to enjoy revenues from the businesses such as oil, gas, and minerals
- To provide for the social and economic welfare of the people such as public utilities (e.g. electricity and water supply)
- To control standard of products or services provided to the people
- To have greater government control in term of transparency, accountability and auditing

# Types of public corporation

- Public corporations can be divided into:
  - Statutory bodies
  - Non-statutory bodies



## Features/ characteristics of statutory bodies

- Established under the Act of Parliament or the State Enactment
- Usually established to assist a certain economic sector without having to be tied down with the government bureaucracy
- All incomes, budgets and programmes are under the scrutiny of the central agencies
- The body is handled by the Board of Directors, headed by a Director appointed by the Public Services Department
- The body is allowed to obtain its own funds and form subsidiaries

# Statutory bodies in Malaysia

Ministry	Statutory bodies	Roles

# Statutory bodies in Malaysia

Ministry	Statutory bodies	Roles



# Statutory bodies in Malaysia

Ministry	Statutory bodies	Roles

# Statutory bodies in Malaysia

Ministry	Statutory bodies	Role

# Statutory bodies in Malaysia

Ministry	Statutory bodies	Roles

# Statutory bodies in Malaysia

Ministry	Statutory bodies	Roles

# Statutory bodies under the Department of Higher Education

- National Higher Education Fund Corporation (PTPTN)
- Public universities: University of Malaya, Universiti Kebangsaan Malaysia, Universiti Sains Malaysia etc
- Malaysian Qualifications Agency (MQA)
- Malaysian Examinations Council
- University hospitals: Universiti Kebangsaan Malaysia Hospital (HUKM), Universiti Sains Malaysia Hospital (HUSM), University of Malaya Medical Centre (UMCC)



## Non-statutory bodies

- Non-statutory body is a body which is not established under statute (written law).
- Also known as government-linked companies (GLCs).



# Characteristics of Non-statutory bodies

- Established under the Companies Act 1965/ 2016
- Purpose: to allow the government to be actively involved in certain projects or businesses
- Main objective: to gain profit through business
- Its functions are similar to other private companies
- It can plan programmes, obtain financial resources and spends its funds
- The scheme of service by its members are more flexible
- Free to form subsidiaries

# Examples of Non-statutory bodies

Sector	Non-statutory bodies	Roles



# Examples of Non-statutory bodies

Sector	Non-statutory bodies	Roles

# Examples of Non-statutory bodies

Sector	Non-statutory bodies	Roles

# Examples of Non-statutory bodies

Sector	Non-statutory bodies	Roles

# Privatised agencies

- Privatisation is the transfer of public assets, operations or activities from the public sector to the private enterprises.
- Privatisation in Malaysia started getting attention when the 4<sup>th</sup> Prime Minister (Tun Mahathir Mohamed) launched the “Malaysian Incorporated Policy”.



# Public Private Partnership Unit (PPPU)

- Objectives of PPPU:
  - Plan, evaluate, coordinate, negotiate and monitor public-private partnership projects implementation;
  - Manage and evaluate projects that requires facilitation fund based on stipulated criteria;
  - Monitor growth corridor projects development ;
  - Provide advisory services on the public-private partnership project at Federal and state level; and
  - Negotiate and administer agreements on facilitation of funds

# Functions of PPPU

- To formulate policies on public-private partnership
- To plan & implement public-private partnership programmes
- To review financial aspects of public-private partnership programmes
- To provide guidelines for public-private partnership programmes
- To research on how to improve public-private partnership programmes
- To negotiate concession agreement



# Methods of privatisation

- **Sale of assets:** Transfer of asset from government to private firm (e.g. quarries in Selangor & Perak)
- **Sale of equity:** Transfer of management from government to private firm (e.g. Tenaga Nasional Bhd)
- **Lease of assets:** Transfer of right to use asset for specified period within specified time (e.g. lease of Port Klang for 21 years)
- **Management contract:** Government appoints private firm to manage government asset (e.g. water plant in Semenyih)
- **Build-Operate-Transfer:** Private firm establish the facility, manage it & transfer to government after specified period
- **Build-Operate:** Private firm establish the facility & manage it.