

PRIVATISATION OF MUNICIPAL SOLID WASTE MANAGEMENT IN MALAYSIA



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Professor Dr Azni Zain Ahmed

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Assalamualaikum,

Professor:

**FINAL REPORT FOR THE RESEARCH "PRIVATISATION OF MUNICIPAL SOLID WASTE  
MANAGEMENT IN MALAYSIA".**

With reference to above matter, enclosed are 3 (three) copies of final report of the research,  
**"Privatisation of Municipal Solid Waste Management in Malaysia"** from us in UiTM  
Kelantan branch for your information.

Thank you.

Yours sincere

.....  
**ASSOCIATE PROFESSOR ZAINUDIN AWANG**

Head of Research Project

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## ABSTRACT

### PRIVATISATION OF MUNICIPAL SOLID WASTE MANAGEMENT IN MALAYSIA

Privatisation is a single, but significant element of policies aimed at reducing the role of government and increasing the role of private sectors in a modern economy. In Malaysia, the privatisation policy was promulgated by former Prime Minister, Tun Dr Mahathir in 1983 when the country faced the worse economic crisis in the early 1980s. since then, almost 500 public enterprises had been privatized, including privatisation of municipal solid waste management. Privatisation of municipal solid waste management in Malaysia started in 1994. The principle of privatisation of municipal solid waste management is aimed to improve the quality of service and promote efficiency in municipal solid waste management through taking over the municipal's responsibility and function by the consortium awarded the concession agreement i.e Alam Flora, Northern Waste management, Southern Waste management and Eastern Waste management. Today, privatisation of municipal solid waste management is still in the transition or interim period. The interim agreement between municipalities and consortia is on monthly basis, and municipalities pay consortia every month for the service provided. This study examines the process and rational of privatisation of municipal solid waste management in Malaysia. It looks at the implementation of privatisation during the interim period. The issues and problems emerged during the interim period are highlighted. The study is also analyzed the impact of privatization during the interim period i.e. impact on municipality sector, impact on public workers, impact on solid waste management system and soon. The contextual issues i.e management and institutional context and financial and cost recovery context are also studied. In doing so, similarly efficiency and effectiveness of solid waste management investigated too. Data was gathered from the case study of consortium in MPPJ, namely Alam Flora an Majlis Perbandaran Petaling Jaya. Another case study is done on Majlis Perbandaran Pulau Pinang, Majlis Perbandaran Kota Bharu for effectiveness and efficiency of solid waste collection. The time and motion studies are also done as part of the data collection methods in the above mentioned city councils. Finally, this study posit that full privatisation of municipal solid waste management as a solution towards a more efficient solid waste management system in Malaysia.

## CHAPTER 1

### INTRODUCTION

#### 1.0 Background Of The Study

And when he turned away, his effort in the land is to make mischief therein and to destroy the crop and cattle; and Allah loved no mischief

(Al-Baqarah : 205)

The environmental problems today are not a recent phenomenon. This phenomenon has existed since men utilised the environment for development in improving their standard of living (Sardar, 1984). Principally, men are supported by their environment in order to fulfil the need on their hierarchy of life. To illustrate, men need air, water, food and shelter to meet their biological needs. Thus, all those necessities can be obtained from their immediate environment (Teuku Afrizal, 1995). Men, in achieving their hierarchy of need, have made use their perception, knowledge and technology, which have lead to activities in various types and forms. Therefore, in every activity there are positive impacts such as development, and conversely there also would be negative impacts, namely environmental degradation such as air pollution, water pollution, noise pollution and solid waste pollution (Jamaluddin, 1993).

Solid waste pollution is a pollution produced and generated by human activities (Tchobanoglous et.al, 1993). Solid waste is non-hazardous solid and semi-solid materials or non-liquid waste material arising from domestic, industrial, public services, agricultural, commercial and public street (Flintoff, 1976). The United States Resources Recovery Act 1976 defines solid wastes as garbage, refuse and other discarded solid materials. This includes solid materials from industrial, commercial and agricultural operations and also from community activities, hazardous as well as non-hazardous waste (Gottinger, 1992).

In the recent years, the phenomena of solid waste have become more complicated especially in urban areas in most developing countries. Rapid economic growth, industrialisation and urbanisation not only have generated a massive amount of solid waste but also change the type and composition of solid waste. Rapid economic growth has turned