

# GOVERNMENT SERVICE EFFICIENCY COMMITMENT BILL 2025

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## A BILL

*i n t i t u l e d*

An Act to enhance the quality, efficiency and effectiveness of the Government service by addressing bureaucracy, reducing regulatory burden and implementing service performance ratings, and to provide for related matters.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

### **Short title and commencement**

**1.** (1) This Act may be cited as the Government Service Efficiency Commitment Act 2025.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

### **Application**

**2.** This Act shall apply to the Government and Government entities.

### **Act to be read together with relevant written laws**

**3.** This Act shall be read together with the relevant written laws and the provisions of this Act shall be in addition to, and not in derogation of, the provisions of the relevant written laws.

**Interpretation**

4. In this Act, unless the context otherwise requires—

“regulatory burden” means any regulatory or administrative requirements imposed by a regulatory instrument on individuals or businesses which are excessive, irrelevant or inefficient, or have detrimental effects;

“Government entity” means—

- (a) any ministry, department, office, authority or agency, of the Government, or any other entity in the Government service;
- (b) any statutory body of the Government established under an Act of Parliament; or
- (c) the local authorities of the Federal Territories of Kuala Lumpur, Labuan and Putrajaya;

“regulatory instrument” means—

- (a) any subsidiary legislation made under the Federal Constitution or any Act of Parliament; or
- (b) any directive, circular, guidelines, procedure, work process or any other form of administrative instrument issued by a Government entity;

“head of Government entity” means any officer who is responsible for a Government entity, including any officer authorized in writing by the head of Government entity to act on his behalf;

“Minister” means the Prime Minister or any Minister designated by the Prime Minister;

“Principles of Commitment” means the Principles of Commitment specified under section 5.

## **Principles of Commitment**

**5.** Government service delivery shall be based on the Principles of Commitment as follows:

- (a) service efficiency, namely the delivery of services that is efficient, effective and easily accessible;
- (b) responsibility in governance, namely the practice of ethical and high-performance work culture at all levels of Government entities by instilling accountability, integrity and transparency in the delivery of services to individuals and businesses;
- (c) structural reform, namely the implementation of continuous changes and improvement in Government entities and regulatory instruments to reduce bureaucracy and to adapt to technological advancement and current changes; and
- (d) responsibility in regulatory effectiveness, namely the responsibility in reducing regulatory burden guided by the values of efficiency, effectiveness and necessity.

## **Reduction of regulatory burden**

**6.** (1) A Government entity shall, at every three-year interval—

- (a) review the procedures under its regulatory instruments; and
- (b) reduce the regulatory burden by at least twenty-five percent.

(2) The Government entity shall perform the obligations under paragraphs (1)(a) and (b) to ensure that its regulatory instruments are efficient, effective and necessary.

(3) No new regulatory instrument shall come into operation unless at least one regulatory instrument on the same subject matter, as determined in the manner as specified in the guidelines issued by the Chief Secretary to the Government, is revoked.

(4) The Minister may, after consultation with the Chief Secretary to the Government, by order published in the *Gazette*, amend the interval under subsection (1) or the percentage of reduction of regulatory burden under paragraph (1)(b).

### **Service performance rating method**

7. (1) The Chief Secretary to the Government shall establish a rating method which is consistent with the Principles of Commitment to measure, assess and monitor the efficiency and effectiveness of Government service delivery.

(2) The rating method under subsection (1) shall—

- (a) objectively and transparently measure and assess the service performance of a Government entity;
- (b) use clear criteria to measure and assess the service performance of a Government entity which comprise efficiency and effectiveness of service delivery and adherence to the Principles of Commitment; and
- (c) ensure that the result of the measurement and assessment can be used to improve and enhance the quality of service of a Government entity.

### **Duties and powers of Chief Secretary to the Government**

8. (1) The Chief Secretary to the Government shall carry out the following duties:

- (a) to plan, implement and monitor policies in respect of the Principles of Commitment;
- (b) to make recommendations to the Minister on a method of assessment and rating of service performance of a Government entity;
- (c) to advise and recommend to the Minister on the implementation of the Principles of Commitment and any other matter relating to this Act;

- (d) to undertake any other things arising out of or consequential to the provisions under this Act consistent with the purposes of this Act.

(2) The Chief Secretary to the Government shall have all such powers as may be necessary for, or in connection with, or reasonably incidental to, the carrying out of his duties under this Act.

### **Duties of head of Government entity**

**9. (1)** The head of Government entity shall carry out the following duties:

- (a) to ensure that the management and services of the Government entity under his supervision are aligned with the purposes of this Act and Principles of Commitment, and comply with policies as determined from time to time;
- (b) to ensure that the governance at all levels of the Government entity under his supervision is implemented with dedication, integrity, accountability and transparency;
- (c) to provide a framework for structural reform to reduce the regulatory burden together with planning information as well as directions for the structural reform;
- (d) to monitor the implementation of policies and directives in relation to the Principles of Commitment at all levels of the Government entity under his supervision;
- (e) to coordinate and monitor the service performance of the Government entity under his supervision towards achieving the rating targets;
- (f) to prepare and submit to the Chief Secretary to the Government periodic service performance reports for rating purposes;
- (g) to submit any other information as may be directed by the Chief Secretary to the Government;
- (h) to perform any other duties imposed on him under this Act.

(2) The head of Government entity shall have all such powers as may be necessary for, or in connection with, or reasonably incidental to, the carrying out of his duties under this Act.

### **Service performance report and rating of Government entity**

**10.** (1) The head of Government entity shall, from time to time as determined by the Chief Secretary to the Government, submit a service performance report to the Chief Secretary to the Government.

(2) The Chief Secretary to the Government shall cause the service performance report submitted by the head of Government entity under subsection (1) to be examined, assessed and considered for rating in accordance with the rating method established under section 7.

(3) For the purposes of subsection (2), the Minister shall, after consultation with the Chief Secretary to the Government, appoint any person with appropriate qualifications to examine and assess a service performance report of a Government entity, and the person shall submit his findings to the Chief Secretary to the Government.

(4) Upon receiving the findings with regard to a service performance report of a Government entity, the Chief Secretary to the Government shall review and consider the findings and give a rating to the Government entity.

(5) Any Government entity that achieves a rating as determined by the Chief Secretary to the Government may be considered to receive incentives and recognition from the Government.

(6) Notwithstanding the provisions of this Act—

(a) the Minister may use the service performance report of a Government entity as a criteria for determining the granting of Government financial allocation to the Government entity; and

(b) the Minister may cause the service performance report of any Government entity to be laid before the Dewan Rakyat.

**Service performance report and rating of State Government entity**

**11.** (1) Notwithstanding the provisions of this Act, the Chief Secretary to the Government may receive, assess and consider a service performance report submitted voluntarily to the Chief Secretary to the Government by any State Government entity.

(2) The Chief Secretary to the Government shall cause the service performance report submitted by the head of a State Government entity under subsection (1) to be examined, assessed and considered for rating in accordance with the rating method established under section 7.

(3) For the purposes of subsection (2), the Minister shall, after consultation with the Chief Secretary to the Government, appoint any person with appropriate qualifications to examine and assess a service performance report of a State Government entity, and the person shall submit his findings to the Chief Secretary to the Government.

(4) Upon receiving the findings with regard to the service performance report of a State Government entity, the Chief Secretary to the Government shall review and consider the findings and may—

- (a) give a rating to the State Government entity in accordance with the rating method established under section 7;
- (b) determine an incentive or recognition that may be given to the State Government entity; and
- (c) impose any conditions for spending any incentive given to the State Government entity.

(5) Notwithstanding the provisions of this Act, the Minister may use a service performance report of a State Government entity as a criteria for determining the granting of Government financial allocation to the State Government entity.

(6) For the purposes of this section, “State Government entity” means—

- (a) any ministry, department, office, authority or agency, of a State Government, or any other entity in the State Government service;
- (b) any statutory body of a State Government established under State law; or
- (c) any local authority in a State.

### **Government Service Efficiency Commitment Report**

**12.** (1) The Chief Secretary to the Government shall prepare the Government Service Efficiency Commitment Report every three years, which shall contain the following information:

- (a) overall effectiveness of Government service delivery;
- (b) regulatory burden reduction performance;
- (c) details of Government entity ratings;
- (d) details of incentives given to the Government entities that achieve rating targets;
- (e) service performance reports of State Government entities; and
- (f) any other relevant information.

(2) The Minister shall cause the Government Service Efficiency Commitment Report made under subsection (1) to be laid before the Dewan Rakyat as soon as may be practicable.

### **Exemption**

**13.** (1) The Minister may, after consulting the Chief Secretary to the Government, by order published in the *Gazette*, exempt—

- (a) any Government entity or part of any Government entity; or

- (b) any regulatory instrument or part of any regulatory instrument,

from all or any provisions of this Act subject to such conditions as the Minister may specify in the order.

(2) The Minister may, at any time by order published in the *Gazette*, revoke any order made under subsection (1) if the Minister is satisfied that such exemption should no longer be granted.

### **Directives, circulars and guidelines**

**14.** The Chief Secretary to the Government may issue any directives, circulars or guidelines as he thinks beneficial or necessary to implement the provisions of this Act.

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#### EXPLANATORY STATEMENT

This Bill (“the proposed Act”) seeks to enhance the quality, efficiency and effectiveness of the Government service by addressing bureaucracy through the reduction of regulatory burden. The Government is committed to deliver high-performing and effective service in order to enhance national productivity, strengthen the well-being of the people and enhance the confidence of the business community.

2. *Clause 1* contains the short title and provisions on the commencement of the proposed Act.

3. *Clause 2* provides for the application of the proposed Act to the Federal Government and entities of the Federal Government. Under the Interpretation Acts 1948 and 1967 [*Act 388*], “Government” means the Government of Malaysia.

4. *Clause 3* provides that the proposed Act shall be read together with the relevant written laws and the provisions of the proposed Act shall be in addition to the provisions of the relevant written laws.

5. *Clause 4* contains the definitions of certain words and expressions used in the proposed Act.

6. *Clause 5* seeks to provide for the Principles of Commitment. The Principles of Commitment emphasize the responsibility to enhance service performance efficiently and effectively, promote an ethical work culture which practices the values of integrity, accountability and transparency, implement continuous structural reforms and reduce regulatory burden.

7. *Clause 6* seeks to impose on the Government entities the responsibility to conduct a review of the procedures under their regulatory instruments and reduce regulatory burden by at least twenty-five percent every three years. This *clause* also provides for the One-In, One-Out policy which requires that at least one regulatory instrument currently in force is revoked before another regulatory instrument comes into force.

8. *Clause 7* seeks to provide for the establishment of a rating method to measure, assess and monitor the efficiency and effectiveness of service delivery of the Government entities.

9. *Clause 8* seeks to provide for the duties and powers of the Chief Secretary to the Government under the proposed Act which includes planning, implementing and monitoring policies in respect of the Principles of Commitment.

10. *Clause 9* seeks to provide for the duties of the head of a Government entity under the proposed Act which includes ensuring that the management and services of the Government entity under his supervision are aligned with the Principles of Commitment and preparing and submitting periodic service performance report to the Chief Secretary to the Government.

11. *Clause 10* seeks to provide for the submission of a service performance report by the head of a Government entity and the rating of the Government entity based on the report. This *clause* also empowers the Minister to appoint a person who has appropriate qualifications to submit findings on the performance of the Government entity. A Government entity which achieves a certain level of ratings is eligible for a grant of incentives and recognition from the Federal Government.

12. *Clause 11* seeks to provide that a State Government entity may on voluntary basis submit a service performance report to the Chief Secretary to the Government for ratings purposes.

13. *Clause 12* seeks to provide for the preparation of the Government Service Efficiency Commitment Report, which shall be laid by the Minister before the Dewan Rakyat.

14. *Clause 13* seeks to provide for exemption provision to facilitate the implementation of regulatory burden reduction.

15. *Clause 14* seeks to empower the Chief Secretary to the Government to issue directives, circulars and guidelines for the implementation of the provisions of the proposed Act.

#### *FINANCIAL IMPLICATIONS*

This Bill will involve the Government in extra financial expenditure, the amount of which cannot at present be ascertained.