One Stop Centre Online (OSCO) in Malaysia: A Case Study - Sepang Municipal Council (MPSPG)

Abstract: Among various risks faced by property developers are the ones which are beyond their control. However, in order to assist developers in mitigating their risks, the government through the Ministry of Housing and Local Government has intervened to expedite the development approval process. This initiative begins from the first stage of approval for property development. The new system requires developers to submit their application to the Local Authority (LA) through One Stop Centre Online (OSCO) or One Stop Centre Manual (OSCM) in certain Local Authorities (LAs). This new application mode is an electronic tool to facilitate the activities for OSC departments and technical agencies. It aims to reduce delays and shorten the delivery process.

within public services. However, since the implementation of this new system, no steps have been taken so far to examine the effectiveness of the OSCO initiative. Thus, it is the concern of this paper to look into the time effectiveness and issues encountered by developers in the OSCO system. A qualitative methodology has been adopted to uncover processes and issues faced by the parties involved in the whole process. Meanwhile, six (6) of the important stages in the OSCO system have been identified. There are stages which involve the responsibilities of users and implementers. Some of the issues in this system include lack of understanding during the infant stage, participation and internet application. Recommendations such as upgrading the system, outsourcing and cooperation among different agencies are needed. This is to ensure that property development approval would be given within the specified time.

Keywords: Development approval, time effectiveness, One Stop Centre Online (OSCO), Ministry of Housing and Local Government (MHLG), Sepang Municipal Council (MPSPG)

1.0 Introduction

All property developments in Malaysia must obtain development approval from the Local Authority (LA) as stipulated under the Town and Country Planning Act 1976, Street, Drainage and Building Act 1974 and National Land Code 1966 (Mahmood & Hussain, 2006; Suh, 2011). However, there have been negative perceptions formed by developers regarding the development approval process since there have been delays in getting development approval. This perception is no different from developers in other countries which include those from Australia. It has been identified that one of the property development risks is time delay in getting development approval (Neill and Stegkirk, 2000). The longer the time taken in obtaining development approval, the more losses will be incurred by developers in terms of costs and foregone profits (Asiah, 2006).

It has been observed that developers previously required at least a year and sometimes more than four years to obtain development approval (Chan, 1997). Therefore, the Ministry of Housing and Local Government of Malaysia (MHLG) has suggested to all local authorities (LAs) to implement One Stop Centre Online (OSCO) to overcome issues of delays (Mohd et al., 2008). The OSCO is a system tool for submission and processing of land development through online. It was implemented after the introduction of the One Stop Centre Manual (OSCM) by Special Task Force to Facilitate Business (PEMUDAH). The online system was established in conjunction with the government that aims to enhance the knowledge-based economy (Rashid and Malek, 2008). The newly introduced OSCO system facilitates the Principal Submitting Person (PSP) to make application any time from any place (MHLG, 2011). This OSCO system aims to provide a transparent service and enhance service delivery to clients (MHLG, 2011) and was first introduced in January 2011 at ten pilot LAs. Thirty-two (32) types of online application can be made through OSCO.

2.0 What is One Stop Centre Online (OSCO)?

"One Stop Centre Online" or "OSCO" is a delivery tool for the OSC department in the LAs in Malaysia. The OSC department was established based on the concept of "No Wrong Door" (INTAN, 2009) and aims to provide one-stop experience to clients (Carrie, 2004). It was designed to ensure that customers will be able to obtain services just by travelling to one place or through a phone call. The OSCO has been introduced to ensure supportive and long-term services to customers in one agency (INTAN, 2009).

The first online system for development application is carried out in Perang Municipal Council (MPPP) and is known as e-Lams (Electronic Local Authority Management System). e-Lams was introduced in 2006 for processing of online Planning Permission (UKJ, 2009).
Following through the online system, the OSCO is an improvement from e-Laws. OSCO allows all stakeholders in property development to carry out e-submission and e-processing of development. The OSCO was launched by the former Minister of Housing and Local Government on 2 February 2010 (KPHT, 2010).

There are two main modules within the OSCO system i.e. e-Submission and e-Processing. The e-Submission is a module that consists of eight (8) items, i.e. e-Application, e-Service, e-Reference, e-Guide, e-Enquiry, e-Complaint, e-Payment, and e-Report Card. This module is meant for applicants or Principal Submitting Persons (PPSPs). On the other hand, e-processing is a module for OSCO Secretariat, External Technical Agencies (ETA) and Internal Technical Agencies (ITA) and OSC Committee Members to process applications (KPHT, NA). Internal TAs include the Town Planning Department within the LA and External TAs include Town and Country Planning Department (JPKD), Public Works Department (JKR), Tenaga Nasional Berhad (TNB) and Department of Environment (JAK), etc. This module consists of four (4) items namely e-Submission, e-Processing, e-Communication and e-Monitor modules. The OSCO stores and monitors application data through a centralized data bank system. To promote the OSCO system, the MHLG has taken a few initiatives through roadshows, walk-in labs, hands-on training (HOT) and HDT for professionals, issuing templates of work procedures under MIS (90 901-2008, etc).

The OSCO has its advantages as it allows applicants to keep track of application status and monitor application processes via internet and intranet. Hence, it reduces accusations of delays, uncertainties and inconsistencies of procedures set by the LA. Information on property development in Malaysia is also made available to applicants online (Tan, 2004).

3.0 Research Methodology

This paper is based on a case study and interviews with participants in OSCO. The study aims to determine the time effectiveness of OSCO and to identify the issues of OSCO implementation. This research focuses on Sepang Municipal Council (MPSPG) as this local council is one of the ten pilot LAs that have implemented OSCO. It is also a model OSCO for the middle region of Selangor. Training and conferences were conducted by MPSPG for other LAs. It is observed that more experience online users are readily available in MPSPG. They are willing to seek guidance from the OSCO secretariat. Therefore, MPSPG has been chosen for this study.

The application in OSCO is divided into six (6) stages as shown below. Each stage has different approval durations and the time differences due to delays are then identified. This duration shows the time effectiveness of OSCO.

4.0 Study Area: OSCO in MPSPG

The Sepang Municipal Council (MPSPG) is located within the district of Sepang, strategically located at the south of Selangor. The OSC Department in MPSPG was established on 25 April 2007 to provide property development in the ‘competitive age’. The OSC in MPSPG is responsible for receiving proposed development applications on Land issues, Planning Permission, Landscape Plan, Earthwork Plan, Building Plan and other relevant applications.

Four (4) OSCO projects were taken for the case study comprising concurrent application, planning permission, building plan and earthwork, road and drainage. These are the four major development approvals required in any property development. The case study was analyzed by benchmarking against the online charter determined by the MHLG. The case study is indirectly related to the interview. Interviews were conducted with the participants in the OSCO based on other cases as it aims to identify the issues. These are the OSCO Twenty (20) respondents comprising ten (10) applicants or PPSPs, five (5) OSC Staff and five (5) ITAs and/or ITAs provided responses. It involved a town planner from MPSPG and JPKD, JKR, TNB, JAK and JAS for the ETAs. Those interviewed were knowledgeable on the application of OSCO in MPSPG.

Majority of the respondents have more than six (6) years of experience in dealing with OSCO application and can be considered as being qualified persons for the study. Therefore, this eliminates the element of biasness in the study.

The responses provided by the interviewees have been subjected to a qualitative analysis. It provides non-numerical data that have been identified. The actual time frame taken for each case has been compared against the online charter. The following is the data obtained from the study (Table 1):

To gauge the duration of the time taken for the processing of the four (4) applications, a summary of the application status against as the Online Charter is shown in Figure 1.

From the findings shown in Table 1 and Figure 1, it is revealed that each stage shows delay in the application. The least delay stages of processing were at Stage 1, Stage 2, Stage 3 and Stage 4 (67%). The most critical stages were Stage 2, Stage 3 and Stage 5. More than four (4) stages (67%) faced serious delays. Therefore, the OSCO was not time effective in MPSPG based on their online charter.

The delays occurred differently for each case. Stage 1 shows that the applicants took an average of one (1) day for online submission. However, Stage 2 requires a longer time for OSC Secretariat to verify the online application. They took an average of five (5) to ten (10) days to process the application. It observed that the OSC Secretariats were working within their own timeframe. The delays were also due to the OSC Secretariats inability to cope with the extra workload in OSCO.

Furthermore, none of the applicants managed to submit their hard copy application within three (3) days for processing in Stage 3. The applicants took an average of twenty (20) days to make submission at the OSC counter. There were several reasons for the delays for instance difficulty to obtain the signature of the applicant and land owner, difficulty to collect all the documents from all the PSIP for simultaneous application, etc.

Based on the findings, the ETAs and ITAs need to comply with the online charter. They provided the comments within seven (7) days. There was only one (1) case that required more time for TA to give comments. The reasons for the delayed were because each department adhered to their ISO timeframe rather than complying with Online Charter. Most OSC meetings in Stage 5 faced delays due to postponements. These postponements were due to non-compliance with the requirement of applications for instance fees were due or suggested amendments had not been made to building plans.

The OSCO was unable to deliver the decision of OSC meeting within two (2) days in Stage 6 because OSCO was still unable to support the delivery online. Therefore, delivery approvals still remain to be delivered manually or conventionally, which normally requires four (4) to five (5) days.

Based on the case study, it can be identified that the delays in the OSCO were caused by the participants and the weaknesses of the system.

5.2 Findings and Analysis for Interviews

The interviews are divided into two (2) groups namely applicants and implementers. The applicants are the PPSPs who comprise engineers, architects, developers and town planners. Their assistants which had been involved actively in OSCO applications were selected for the interviews. The implementers chosen for the interviews were the OSCO Secretariat, ITAs and ETAs that are dealing with OSCO in MPSPG, and implementers. The applicants are the PPSPs who comprise engineers, architects, developers and town planners.
### Table 1: Duration for Case Study compared to Online Charter

<table>
<thead>
<tr>
<th>Stages/Cases</th>
<th>Online Charter determined by the MHLG</th>
<th>Case 1 Street Name Plan</th>
<th>Case 2 Earthwork, Road and Drainage Plan</th>
<th>Case 3 Building Plan</th>
<th>Case 4 Simultaneous Application</th>
<th>Comply</th>
<th>Not Comply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1 Online Submission</td>
<td>1 Day</td>
<td>1 Day</td>
<td>13 Days Not Comply</td>
<td>1 Day</td>
<td>75%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Document Verified by OSC Secretariat</td>
<td>5 Days</td>
<td>6 Days</td>
<td>19 Days Not Comply</td>
<td>2 Days</td>
<td>25%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Stage 3 Hard copy submission</td>
<td>3 Days</td>
<td>45 Days</td>
<td>12 Days Not Comply</td>
<td>6 Days</td>
<td>19 Days</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Stage 4(1) Processing by Internal Technical Agencies</td>
<td>7 Days</td>
<td>7 Days</td>
<td>4 Days</td>
<td>23 Days</td>
<td>4 Days</td>
<td>Comply</td>
<td>75%</td>
</tr>
<tr>
<td>Stage 4(1) Processing by External Technical Agencies</td>
<td>7 Days</td>
<td>53 Days</td>
<td>-</td>
<td>-</td>
<td>7 Days</td>
<td>Comply</td>
<td>50%</td>
</tr>
<tr>
<td>Stage 5 OSC Meeting</td>
<td>14 Days</td>
<td>1 Day</td>
<td>16 Days Not Comply</td>
<td>21 Days</td>
<td>25%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Stage 6 OSCO Decision to Applicant</td>
<td>2 Days</td>
<td>3 Days</td>
<td>3 Days Not Comply</td>
<td>4 Days</td>
<td>25%</td>
<td>75%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Duration/Days</th>
<th>Summary of the Case Study</th>
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<tbody>
<tr>
<td>600 Days</td>
<td></td>
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<tr>
<td>500 Days</td>
<td></td>
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<tr>
<td>400 Days</td>
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<tr>
<td>300 Days</td>
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<tr>
<td>200 Days</td>
<td></td>
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<tr>
<td>100 Days</td>
<td></td>
</tr>
<tr>
<td>0 Days</td>
<td></td>
</tr>
</tbody>
</table>

#### Figure 1: Duration for Case Study compared to Online Charter

Their assistants which had been involved actively in OSCO applications were selected for the interviews. The interviewees chosen for the interviews were the OSC Secretariat, ITAs and ETAs that are dealing with OSCO in MPSGPS.

Sometimes the issues faced by applicants were also faced by implementers. They shared the following issues:

- **OSCO are still in its infant stage**
  - The applicants and implementers faced problems as the system is still new in its implementation. Some users were resistant to change and time is needed to familiarise oneself with the system. It has been highlighted that applicants still had to depend on responses through conventional method namely by postal mail, they were less motivated to check their comments through OSCO. The implementers still receive follow up phone calls from applicants even after comments were delivered online. At the same time, documents that were not relevant to requirements were submitted by the applicants for instance layout plans were submitted as location plans or key plans. Furthermore, using the system will be difficult for those with poor computer knowledge and to the older generation. Time is needed to learn the system.

- **5.2.3 Not all Local Authorities and Technical Agencies implement OSCO**
  - The OSCO is established based on an ad hoc basis. The implementation is not streamlined in all LAs as some LAs still implement the conventional method while only some use OSCO. Time is needed to understand the different procedures for applications in all the LAs.

- **5.2.4 Server and internet connection problems**
  - The users expressed that the server was sometimes hanged when they tried to use the system. When the system hanged, it disturbed their work performance.

- **5.2.5 No platform to update the users**
  - The OSCO does not have any platform to update any changes made by the LA. Thus, the applicants faced difficulties as they do not have the latest information on any changes made. This may cause delays to applicants when extra documents are required on the spot.

- **5.2.6 Not user friendly**
  - The system is not user friendly as the applicants faced some difficulties during application. Their application is rejected without reason and for the implementers, many functions were not available. Therefore, OSC cannot insist that the applicants or ITAs comply strictly with OSCO requirements.

- **5.2.7 Lack of Manpower**
  - The OSC Staff have to cope with multiple tasks and they have no time to check applications. Besides giving comments on online applications, they are in-charge of road shows, preparing minutes of meeting, providing counter services to applicants and answering phone calls.

The ETAs also faced shortage of manpower to process OSCO applications. They still depend on hard copy submission for instance JKR, JWK, JPS, etc.

- **5.2.8 The Department Cost has increased**
  - The ETAs no longer received hard copy submission for comments. To conduct discussions with their heads of departments, TA staffs have to print out soft copies of the comments. They also need hard copies for their file record. Thus, printing cost now has to be incurred by TAs while the applicants had saved on printing cost.

- **5.2.9 24-hour Issues**
  - The OSCO was able to increase the speed of submission if the office operates for 24 hours. However, this scenario revealed that online submission came in too fast that has caused the implementers the inability to access all the applications on time. Since the applications can be submitted during weekends and at night, the implementers had to work at home to cope with the workload even though officially, they are supposed to have only it working hours. Furthermore, the calculation of dates took into account 24 hours. Therefore, the respondents could not process applications on time.

Table 2 shows some of the responses collected during interviews with implementers and applicants. It is a translation from Bahasa Malaysia.

### 6.0 Conclusion and Recommendations

In conclusion, this study has identified several stages of the OSCO to be ineffective. The study has also revealed that the applicants and implementers faced several problems in OSCO implementation.
### Table 2: Feedback from Interviews

<table>
<thead>
<tr>
<th>Issues</th>
<th>Feedback from Interviews</th>
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| (a) OSCO are still in infant stage | "Some Local Authorities do not have the infrastructure to support the OSCO system - how do you expect them to do work through online system?" Implementer 8  
"The consultant still does not know how to use OSCO, they will still come to us and get the comment. But we have actually given our comments online. Maybe the consultants are not aware of it." Implementer 3  
"Whatever the applicants attached is different from the requirement..." Implementer 3  
"It will be a hurdle for the older generation to use the OSCO. They will prefer hard copy submission..." PSP 1 |
| (b) Not all Local Authorities and Technical Agencies implement OSCO | "Facing difficulty because not streamline, the software should be the same for the whole Peninsular Malaysia. If everybody uses the same software, everybody submits the same documents, everybody submits to the same procedure then it will be good!" PSP 9  
"Public Work Department (JKR), Department of Irrigation and Drainage (JPS) and Indah Water Konsortium Sdn Bhd (IWK) are facing problems to review applications online. Even though the PSPs submit online application, they still have to submit extra hard copies of documents to JKR, JPS and IWK." Implementer 7 |
| (c) Server Problems | "We face problems with the main server, we try several times to submit the application, however the system does not enable submissions or break down often. We can't log into the server..." PSP 6  
"The server is fragile, sometime we open the webpage, and it appears to have errors. Then we have to try many times, open and close the window to access the system. The system is not strong... It will affect our work performance. Our mood will change..." Implementer 1 |
| (d) Internet connection problems | "...Internet has problems, loading takes time, information unable to send, it logs out automatically." Implementer 5  
"Our Internet line is always down. We share the server with the Occupier in the Building..." Implementer 2 |
| (e) No platform to update the users | "When we run through this system we suffer, e.g. last week we did not have this but this week we have a new requirement." PSP 6  
"The online system will change from time to time, however, the PSPs were not updated regularly through any resources." PSP 2 |
| (f) Lack of Manpower | "We are unable to cope with the system because we are short of manpower." Implementer 2 |
| (g) The Department Cost has increased | "We usually accept hard copies from the applicants, however, now we have to print out all the applications that are delivered by the MPSPG, i.e. Development Proposal Report (LCR) and Relevant Plan. The printing cost in the department has increased tremendously. This benefits the applicants because they do not need to print the hard copies." Implementer 1  
"Our discussions with our directors are purely based on hard copies because it will be easier for checking and face to face discussion. We have to save one hard copy for our record." Implementer 1  
"We will print a copy of the application for our record. If something bad happens to the system then we might not be able to trace it back the application." Implementer 5 |
| (h) 24-hours Issues | "The online application come in too fast, the application cannot be accessed on time. The online system increases the back log, sometime hard copies are distributed first before online comment is made." Implementer 9  
"It is good to have 24-hour submission to increase the speed and the reliability. However, our office hour is only 8 hours and it's impossible for us to check the application all the time even at home." Implementer 2 |