



BUDGET 2010 WISH LIST (FOMCA)

Federation of Malaysian Consumers Associations (FOMCA) has completed its annual wish list for Budget 2010. This budget wish list is to monitor the improvement of government budgeting to be people oriented. As an organization that has been contributing to nation building from 1973, FOMCA would like to raise the following issues as part of vital changes that needs to carry out to ensure real development from grass root.

While FOMCA will improve its assessments annually, betterment to communications to stakeholders will also be improved. The assessment was based on 8 Consumer Rights, the right to choose, the right to safety, the right to be informed, the right to be heard, the right to redress, the right to a healthy environment, the right to satisfaction of basic needs, and the right to consumer education.

We hope that the government will continue to improve its engagement and planning for the people via People First Budget 2010.

Datuk Marimuthu Nadason
President

1.0 GOVERNANCE OF PUBLIC FUNDS

- 1.1 As the government is giving priority to reducing the budget deficit, all public spending and development works must be carried out through open tender basis to enjoy value for money spent, by the Rakyat.
- 1.2 Tender contracts and agreements must incorporate design and construction liability to be borne by the contractors.
- 1.3 All public facilities must obtain all stakeholder feedback to ensure these facilities truly serve the Rakyat and provide right feedback to the implementation agencies to improve their planning and implementation mechanisms

2.0 HUMAN CAPITAL DEVELOPMENT

- 2.1 A clean and safe learning environment in light with rampant cases of food poisoning cases. Focus on food safety and food hygiene in schools – engage with people from hospitality industry, nutrition, food and beverage management background to assist in school canteen management.
- 2.2 Fair education opportunity for all: no preference such as 'sekolah cemerlang' etc. Closely monitor the quality of education in rural areas.
- 2.3 Wean from exam oriented education approach to value based education emphasizing, moral obligations, social ethics and cultivate creativity.

BUDGET 2010 WISH LIST

- 2.4 Improve the quality of text books and their relevance to students and in supporting the education blue print to reduce overdependence of tuition classes and revision books.
- 2.5 Administrative staff should assist teachers so that teachers can focus on educating students not just fulfilling their annual requirement of completing the syllabus every year.
- 2.6 Facilitate contribution by credible NGOs who specialize in society base issues i.e consumerism, health and safety to engage students and enrich their education.
- 2.7 Use allocation to establish and maintain a comprehensive database of all research work carried out in all institutes of higher learning. Special needs groups research, people with disability, woman, and children.
- 2.8 Transparency in spending and independent assessment of spending in both schools and institution of higher learning. This is to ensure the huge bulk of allocation to education sector is wisely spent.

3.0 HEALTH

- 3.1 Increase the annual budget allocations for the healthcare sector proportionally to WHO's minimum recommendation of 5% for developing countries
- 3.2 The National Health Financing Scheme must be transparent to the public. There must also be one package for all to ensure fairness and equity. The Health Care System should reduce the income differential between Health Professionals in the Public Sector and their Private Sector counterparts. Payment of doctors should not be on a fee-for-service basis, as it tends to cause over-investigation and treatment, and leads to escalating costs as well as to iatrogenic injuries.
- 3.3 Adequate and quality technical trainings must be provided to all healthcare support staffs particularly undergraduate nurses from both private and public institutions to quell the rising issue of poor quality of services. Soft skill development is also very crucial to ensure that patients' needs are well taken care of. All medical staffs including doctors, nurses, and AHSPs, must be given adequate motivation and training to better communicate and care for patients. Medical staffs at public hospitals have long been known to lack communication and other soft skills that are corroding the reputation of the public healthcare sector. Soft skill development must be initiated during tertiary education and continued after joining the medical work force to nurture a caring nature in a caring profession.

BUDGET 2010 WISH LIST

- 3.4 More grants should be allocated to health and consumer based NGOs to conduct more studies and healthcare programs to educate and empower the people on healthcare issues
- 3.5 To minimize the quality disparity between the public and private healthcare, the government should focus on developing primary healthcare and services (staff ethics, in particular) on par with the private sector to cater for consumers from all walks of life
- 3.6 The government should not further privatize any entity of the public healthcare system. Previous privatization of several healthcare services (clinical waste, laundry, maintenance, etc.) has resulted in ballooned costs over the years without much improvement in quality and efficiency
- 3.7 The growth of private healthcare entities namely MCOs and health tourism must be contained so as to protect the national healthcare from being commodified and privatized
- 3.8 The concept of preventive healthcare must be heavily promoted to consumers and encouraged to doctors. Allocations must be made for long term and sustainable education and awareness campaigns for government agencies and civil society organizations to promote healthy living through preventive healthcare
- 3.9 Place emphasis on educating children on the need and importance of good nutrition. Specific awareness campaigns should be conducted to target all school children nationwide with special focus on healthy eating
- 3.10 The quality of school canteens must be given immediate attention. Sufficient allocations should be provided to schools particularly primary schools to manage and improve the quality of food served to children. A national nutritional assessment program should be introduced to ensure that all canteen foods served at schools are nutritionally sound for optimum growth for schoolchildren. Enforcement activities should also be stricter and more extensive to prevent the sale of junk food to schoolchildren within the school compound
- 3.11 Allocations should be made for public education programs on the rational use of medicines
- 3.12 The easy accessibility of the public to counterfeit and illegal medicines and the rampant sales of such medicines in the market call for a serious improvement and expansion of enforcement units and increased regulatory activities to prevent the sale of counterfeit and illegal medicines

4.0 SOCIAL SAFETY AND POVERTY ERADICATION

- 4.1 Redefining Poverty Level to better reflect social status – the current poverty line is RM 720 (Peninsula), RM 960 (Sabah) and RM 830 (Sarawak). Overall current rate is 3.7%. If the line is moved to the more realistic RM 1,500 per household, it will be 24.3%.
- 4.2 A number of Social Safety Net for the Poor that needs immediate government attention:
 - 4.2.1 Hospitalization benefits
 - 4.2.2 Unemployment benefits
 - 4.2.3 Monthly pension
 - 4.2.4 Special housing loans
 - 4.2.5 Access to micro-credit
- 4.3 Develop a comprehensive database to accurately capture and identify those who are poor
- 4.4 Management of KWSP/EPF and other saving funds such as TABUNG HAJI, must be transparent to ensure good return as additional social safety net.
- 4.5 All subsidies must be gradually reduced and eventually removed. The consumers should be brought back to real market value. The current situation is creating a 'false market' structure. If in near future the government fails to give subsidies suddenly, the public could not live with the actual market prices. This further goes to values of subsidies and differences with actual prices calculations must be kept transparent.
- 4.6 Social Services such as education, public transport, healthcare and housing must be available and affordable to all citizens.

5.0 WATER, ENERGY AND ENVIRONMENT

- 5.1 Green procurement must be implemented in stages to all government agencies. The newly launched Green Technology Policy should be reflected in action such as this. This is an agreed framework between all nations' leaders as stipulated in Agenda 21 and back in Rio Convention in 1992.
- 5.2 Detailed Environment Impact Assessments must be carried out to all possible projects with impact to environment. There is a need to get baseline Environment Impact Assessment done throughout the country to identify actual environmental quality baseline. Currently many small projects that do not require DEIA are approved and collectively they pose high impacts. The DEIA processes must be made more stringent and quantitative. These processes currently are

very qualitative. Reassessment of projects after a duration is vital. Reassessment reports should also be made available to the public to adhere to transparency in implementation.

- 5.3 Rainwater Harvesting Policy should be implemented to reduce usage of treated water for non-potable usage such as toilet washing, flushing, watering plants and other non-hygienic purposes. Amendment to UBBL should also be considered. This should include an effective gravity based system and storm water management. Based on FOMCA's experience in doing rainwater harvesting, it is a viable process and economical. This will contribute to reduction in water demand management. The new housing and development can adopt this system, whereas the older ones can adopt periodically.
- 5.4 The country has to embark on effective water demand management as stipulated in a recent report on groundwater project which is available on the following websites, www.fomca.org.my, www.wecam.org.my, and www.forumair.org.my. High Non-Revenue Water levels and unprotected water catchment are leading examples of bad water demand management. Getting easy solutions such as groundwater resources will not be the answer and it is not viable as the tariff hike will be significantly high. Failure of management should not be a cost that is factored to consumers.
- 5.5 Energy efficient building designs and methods should be encouraged. This will reduce cooling needs that contribute to high energy demand from commercial and domestic sectors. We should avoid copying foreign house designs and develop the suitable version for Malaysia. This is also under the pretext of Green Technology.
- 5.6 Stop approving budget to build incinerators. Burning or any other terms used is not the only method. The Solid waste and public cleansing act was approved to manage waste not to build incinerators. FOMCA was a panel in all 5 projects approved by EIA process. We are not convinced the technological solution pushed by technology provider. The other options were not discussed at all. The EIA process was only focusing on landfill and incinerator. Even for a project in Cameron Highlands, incinerator was seen as the only option. High moisture content and organic content of the waste (mainly agricultural waste) was neglected. Effective Integrated Waste Management must be developed as promised by Ministry of Housing and Local Government. The cost benefit analysis of operating an incinerator will actually avoid implementation of Reduce, Reuse

and Recycle (3R) policies. This is due to the incinerators are designed to suit the growing waste generation capacity and not waste segregation.

- 5.7 The governments stand on nuclear is not clear as it is rushing it through. Nuclear (technically) is a solution for base load energy demand, but the main agenda here is that, is Malaysia 'technically' ready to develop even 200 MegaWatt (MW) nuclear plant. Nuclear Malaysia, a Malaysian government agency in charge of nuclear research is only operating 1 MW plant, this however, does not qualify local experts to run high risk and huge plants which are 200 to 1000 times their current experience, which is 200 MW and 1000 MW respectively. In addition to that, using foreign expert is not a good option as nuclear can pose security threat to nation.
- 5.8 The impact of climate change to the forestry system, agricultural sector, industries, population, health, and other relevant areas should be assessed. The government should look into the matter seriously as most of the populated areas are valleys. This is still a new field for Malaysia. We are not preparing proper mitigation measures. We are more fire fighting. A national integrated and cross sectoral climate change policy in dire need.
- 5.9 Federal and state governments both have failed to preserve the environment. Starting from cable car projects to resorts to groundwater projects. This has to stop. The government must learn to walk the talk when it has already launched 'Green Technology Policy'. Forest reserves and water catchment areas must be protected and ensure that no development can be made in the area. There are ample disturbed lands which are under utilized. Town planning and Environment Impact Assessment must come together. Permanent reserves are needed to sustain Malaysian population's growing demand. Destruction to forest is destroying future generation in totality especially when it is the main recharge area that sustains rivers which in return sustain our lives.
- 5.10 Continuous Consumer Education Program under sustainable consumption should be supported by the government. The program can be incorporated to be a foundation for moral studies, religious studies, and life skill studies. Consumers at large must be enlightened to choose more environmentally friendly goods which in long run gives more return in investment.
- 5.11 Tax incentives and breaks for environmental friendly goods to balance the production cost and selling price. Such can encourage consumers to use products which have less impact to the environment. Create an economical mechanism for local entrepreneurs to develop environmental-friendly products. Life Cycle

Assessment (LCA) should be placed as core statistical analysis to measure environmental impacts.

6.0 FOOD SECURITY

- 6.1 Develop an Agriculture Cooperative Fund (at Agricultural Districts)
 - 6.1.1 to provide financial supports and loans for small-scale farmers
 - 6.1.2 to provide financial supports and loans to young entrepreneurs in agricultural production, processing, marketing and distribution
 - 6.1.3 to provide incentives and assistance to farming communities, and rural community development programs
 - 6.1.4 to develop infrastructure and overcome trade barriers, e.g. sanitary and phyto-sanitary requirements.
 - 6.1.5 to develop Post-harvest facilities
 - 6.1.6 to provide Crop insurance protection mechanism and income protection
 - 6.1.7 to encourage and empower farmers to be involved in agricultural production decision-making processes.
 - 6.1.8 Organic Conversion Policy (tax rebates for converting to organic methods)
 - 6.1.9 to overcome the commercial-bank types barriers of loan facilitations
 - 6.1.10 to reduce rural-urban migration
- 6.2 Initiate a Food Security Fund
 - 6.2.1 to be utilized only towards production, processing, marketing and distribution of food agriculture
 - 6.2.2 to encourage and empower farmers to be involved in agricultural production decision-making processes.
 - 6.2.3 to overcome the commercial-bank types of loan facilitations
 - 6.2.4 to reduce rural-urban migration
 - 6.2.5 to reduce production costs
 - 6.2.6 tax Policy on land conversion towards non-food crop (bio-fuel) production
 - 6.2.7 land ownership
 - 6.2.8 poverty reduction
- 6.3 Promote and develop Agricultural Training and Technical Support Schools (Revive Agriculture-Based University with hands-on Training)
 - 6.3.1 to provide training on agricultural technique and innovation in farming (state-level training center)

BUDGET 2010 WISH LIST

- 6.3.2 to provide training on environmental conservation and maintenance
- 6.3.3 to provide training on climate change impacts on agricultural production
- 6.3.4 to train extension workers to engage with agricultural production at grassroot or farm level (at every district)
- 6.3.5 One-Stop Agriculture Center (at every agricultural district)
- 6.4 Establish a Resource Management Center (New or Revive DOA function)
 - 6.4.1 Environmental Impact Assessment of development plans to prevent harmful environmental effects in such areas as irrigation of farmland, dam construction and large-scale agricultural development programs.
 - 6.4.2 Soil, water testing and management
 - 6.4.3 Forest and Biodiversity management
 - 6.4.4 Plant and Pest Management
- 6.5 Establish farmers' market at every township and to re-emphasis the "buy local" philosophy
 - 6.5.1 linking farmers to consumers at household level
 - 6.5.2 community Supported Agriculture Program (seasonal share of harvest)
 - 6.5.3 local Food Purchase Policy for Wholesalers, Hypermarkets - requires all stores to purchase food products from within a 100-km radius.
 - 6.5.4 Adoption of Fair Trade Act

7.0 TRANSPORTATION

- 7.1 Speed up the development of a National Transportation Policy to outline the future of transportation sector. The policy should cross check all available policies and integrate to ensure a smooth implementation. The development process should include all stakeholder participation to ensure representation from all levels
- 7.2 Develop an Integrated Transportation System (ITS) to give a better solution in public transportation issues. One system for all transportation but there are few operators in the system. The consumers have a choice to choose the company accordance to the service satisfaction. The proposed system ensures the ITS is connected as a network. These will easy the consumers difficulties and ensure an increase in public transportation usage. The ITS should not encourage monopoly.
- 7.3 Stronger enforcement of service quality and vehicle safety as it is the backbone for implementation. Services that does not comply or having high non-compliance should have their license revoked.

BUDGET 2010 WISH LIST

- 7.4 Utilise and ensure proper selection of technology. Trains will ensure fast travelling and cross over heavily congested areas. There should also be no vehicle areas, where free public transport such as a slow moving open commuter (in some US cities) to ensure smooth transportation system is applied.
- 7.5 Maintenance must be done to ensure a proper ITS is carried out. The operators should not wait for the system or vehicle to breakdown to start repairing. Scheduled and preventive maintenance plays a role. Upgrading systems as well as introducing new systems should be able to be done by maintaining the basic structure. For instance, in France, the bullet trains use the same railway; however, the bullet train has better system to tackle safety issues.
- 7.6 Adopt an environmentally-friendly approach to better reflect the commitments of the government to reduce pollutant emission levels. Examples set by this industry will encourage people to change habits slowly. This will bring mutual benefit to all. This included End Life Vehicle Scheme.