

**Government must learn from past privatisations**  
**Malaysiakini.com**  
**Dec 23, 2008**  
**Koon Yew Yin**

I refer to Malaysiakini report Cabinet hits pause button on IJN sale.

As reported, the cabinet has postponed the privatisation of Institut Jantung Negara (IJN) after considering the public's outcry. Even Dr Mahathir Mohamad has expressed his misgivings of this proposal by Sime Darby, although during his regime he had given out several juicy privatisations.

The people are angry about privatisations because almost all the past privatisations have not resulted in cheaper prices for the consumers, eg the water and electricity supplies etc. We cannot get the best price for any deal if the concessionaires were not selected through competitive tenders. Everyone can see that negotiations involving large sums of money would encourage corruption.

Privatisation of the Selangor water supply to Puncak Niaga is a classic example. After consumers have been paying higher water rates according to the terms negotiated by the previous state government, the current state government is trying to undo the damage.

Otherwise, the water rates will be increased by 38% from Jan 1, 2009. How do you like it? Yet negotiated deals like the new Penang Bridge costing about 4 billion ringgit can be approved by Parliament and no one, including the ACA can raise any question.

That is why more people have shown their frustration by voting for the opposition in the last general election. Considering the proposed IJN privatisation only shows that the government has not learned the bitter lesson. I am not saying that privatisation is not good. It is good if the marriage is arranged after honestly taking both parties' interest into consideration.

In this case, Sime Darby, like any business entity, is profit oriented and IJN's main object is to discharge the government's social responsibility in providing the best medical service for heart disease in Malaysia. How can they marry when their basic objectives are so different?

Unfortunately a large number of people do not really understand the meaning of profit. They think profit is a bad word and IJN should not make any profit. We must remember that IJN is a business of producing medical services for sale. Unless IJN is well managed and all its employees work efficiently to produce good services at competitive cost, it cannot make profit.

Without profit, IJN cannot continue to survive on its own unless the government is willing to keep pouring in more money. But we wish IJN can continue to improve its efficiency to make more profit so that it can afford to do more charitable cases to help the needy.

How well is IJN performing?

IJN must publish its annual account to show the essential details including the actual cost for each surgical operation or procedure. Is its unit cost of operation lower than that of last year? And generally who are the patients?

Moreover, consumers must know the charges for each type of procedure and how they can qualify to be admitted to IJN. All taxpayers are shareholders and they must have the right to know how efficient is IJN.

The general manager of IJN said that their cost of each operation is between RM25,000 to RM 45,000 as published in the media. For your information, the Ipoh Specialist Hospital charges less than RM 25,000 for a quadruple bypass operation and the surgeon has a track record of less than a two percent casualty rate.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
Source : <http://www.malaysiakini.com/news/95335>