

School fees scrapped in Budget 2012

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By Clara Chooi

KUALA LUMPUR, Oct 7 — Beginning next year, parents will no longer have to pay school fees for their children's primary and secondary education in an unprecedented decision announced today by Prime Minister Datuk Seri Najib Razak.

"We will abolish payments for primary and secondary education, making these free for the first time in our history," Najib said when tabling Budget 2012 in Parliament.

At present, students in primary and secondary schools are required to pay RM24.50 and RM33.50 respectively for co-curriculum, internal test papers, Malaysian Schools Sports Council fees and insurance premium, he said.

He said the new measure will kick off when school commences next year and will cost the government some RM150 million.

The prime minister also announced a RM1 billion allocation through a special fund for the construction, improvement and maintenance of schools in need of upgrades.

From the RM1 billion, Najib said 50 per cent or RM500 million would be allocated to national schools while national-type Chinese and Tamil schools, government-assisted religious schools, mission schools and Mara junior science colleges will receive RM100 million each.

He said the education sector will receive an allocation of RM50.2 billion for 2012, with development allocation for schools amounting to RM1.9 billion.

Najib also proposed that all private schools registered with the Education Ministry and which comply with stipulated regulations be given incentives like an income tax exemption of 70 per cent or a 100 per cent investment tax allowance on qualifying capital expenditure for a period of five years.

The prime minister also announced double deduction for overseas promotional expenses, saying it will attract more foreign students, and import duty and sales tax exemptions on all educational equipment.

"The government hopes that the savings accrued to the private school operators will subsequently result in the reduction of school fees to ease the burden of parents," he said.

To encourage more companies to offer financial aid to schools, Najib announced that such contributions would be eligible for tax deductions.

"This facility will be extended to all registered places of worship," he said.

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