

PKR: Kuis can't reduce fees due to RM508m concession awarded by Khir Toyo
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PETALING JAYA, May 2 — PKR challenged Umno today to order its Permatang assemblyman Sulaiman Abdul Razak to cancel a RM508 million concession to operate a student hostel as awarded in 2007 by Dr Mohamad Khir Toyo's Selangor government.

The party that leads the current administration in the state said this in response to Umno's challenge that it scrap fees at state government-owned higher education institutes after PKR had unveiled plans to offer free tertiary education should it take over federal power.

PKR strategic director Rafizi Ramli told a press conference that Sulaiman's Rehda Resources Sdn Bhd (RRSB) was given a contract in 2007 to build a student college and centre to accommodate 6,000 at Selangor Islamic University College (Kuis), one of two institutions run by the state.

"The agreement under Khir Toyo gives RRSB a 33-year concession to build-operate-transfer... at an annual rate of RM15.4 million," he said of the company 51 per cent-owned by Sulaiman whose wife holds another six per cent stake.

Rafizi added that Bina Puri, which owns the remaining 43 per cent, was paid RM96.1 million to build the hostel according to the construction firm's 2006 annual report.

"RRSB... will receive a windfall of RM508 million even though the initial cost was just RM96 million, which is a 524 per cent profit. Kuis and other independent bodies have estimated the reasonable rental to be RM6 million a year, less than half the current rate," he said.

He also pointed out that according to the 2010 annual report by the Selangor Islamic Religious Council (Mais), which runs the school, the rental accounted for nearly half of operating expenditure.

"Umno's greed in Selangor in selling out education is the reason why the fees are high and burden students. This is rent-seeking. I challenge Umno to order Sulaiman to pull out of this concession as Kuis would cancel the concession if they can," he said.

Opposition leader Datuk Seri Anwar Ibrahim has led the line in calling for the end of PTPTN, which critics say has saddled many fresh graduates with heavy debt, even before they are gainfully employed.

The Najib administration has insisted that Pakatan Rakyat's (PR) plans to end the federal student loan scheme will cost RM43 billion and bankrupt the nation.

But PKR says its plan to wipe out student debt under PTPTN would only cost RM25 billion as the RM43.6 billion figure quoted by Barisan Nasional (BN) represented all approved loans and not the real amount disbursed.

However, its coalition partner PAS has said PTPTN cannot be abolished without a proper replacement process in place, suggesting that PKR's proposals may not have been fully agreed upon.

Rafizi added that similar deals "happen at a lot of private higher learning institutes owned by leaders who are close to BN."

"They use the National Higher Education Fund (PTPTN) to saddle students with debt while giving them profits," he said.

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