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Introduction

Education is the heartbeat of a nation's progress. It is the foundation upon which we build our economy, empower our citizens, and shape our future. In Tanzania, both public and private schools are integral to this mission, tirelessly nurturing the next generation of leaders, professionals, and innovators.

The recently revised Education and Training Policy of 2023 aspires to transform Tanzania's education landscape by enhancing system efficiency, aligning curricula with national and global standards, and promoting inclusive and equitable learning. But while policy goals are commendable, their full realization requires a critical examination of the real-life conditions in which our schools operate particularly the burden placed on private schools through taxation.

If we are truly committed to national development, we must recognize that private schools are not competitors to public schools; they are strategic partners. This is a call for serious reflection and immediate action to ensure fairness, sustainability, and inclusivity in our education system.

1. The Weight of Unfair Taxation

Unlike public schools, which are largely supported by taxpayer funds and enjoy tax exemptions, private schools in Tanzania operate under the heavy burden of multiple taxes and levies. These include: Income Tax at a rate of 30% annually; Value Added Tax (VAT) on non-educational services (e.g., canteen, transportation, etc.); Business License Fees; Municipal Service Levy at 0.3% of gross revenue; PAYE and social security contributions for staff (e.g., NSSF, PSSF, WCF, etc.)

Public schools are only obligated to remit PAYE and social security contributions. This creates a stark imbalance where private schools are treated like commercial enterprises, despite delivering a public good education.

Ultimately, these taxes are passed on to parents in the form of higher school fees. For many families, especially in urban areas, private schools are not a luxury but a necessity, offering consistent quality and discipline. Yet, these same families, who already contribute to public education through taxes, receive no financial relief for choosing private education. This dual taxation is unfair, unsustainable, and deeply inequitable.

2. A Missing Lifeline

Every year, the government allocates capitation grants to public schools to support operational costs: TZS 10,000 per pupil in primary school; TZS 20,000 per student in secondary school.

These grants are essential for maintaining minimum educational standards. However, private schools receive no such support, despite educating a significant portion of the nation's children.

This absence of financial assistance further increases the operational burden on private institutions, which must cover all expenses including teacher salaries, classroom infrastructure, and extracurricular development without government help.

3. Pillars of National Development

Education is not merely a service, it is a strategic investment. No nation can claim to have truly developed without nurturing its human capital from early childhood through to tertiary education. This responsibility remains one of the core functions of the government.

Private schools in Tanzania are doing exactly that. They complement the public sector, often stepping in where government schools are overcrowded, under-resourced, or absent. Graduates from private and public schools alike enter the same workforce, serve in the same government, and build the same economy.

Yet, private schools continue to face barriers that hinder their ability to expand and improve. If we fail to support them, we jeopardize the quality and accessibility of education for thousands of Tanzanian children.

4. Bureaucracy and Unfair Competition

Private schools often face unnecessary bureaucratic hurdles in registration, licensing, and inspection processes. They are treated less like partners and more like competitors creating an atmosphere of mistrust rather than collaboration.

This mindset must change. The government should be working hand-in-hand with private schools, facilitating their operations rather than erecting roadblocks.

5. Rising School Fees

With no tax exemptions, no capitation grants, and no subsidies, private schools are left to bear 100% of their costs. This leads to continuous increases in tuition fees making quality education inaccessible for many families.

As The Citizen reported on December 20, 2015, this financial strain is felt most deeply by low and middle-income parents who sacrifice heavily to give their children a better future through private schooling.

If the government truly wishes to reduce inequality and promote educational access, it must intervene.

6. What Needs to Be Done

The future of education in Tanzania hinges on strategic reforms, particularly in taxation and government support for private schools. The government must implement policies that acknowledge and support the critical role private schools play in national development. Recent findings in the 2023/2024 Controller and Auditor General (CAG) Report revealed widespread mismanagement of public funds, underscoring that even a modest reallocation of resources could greatly enhance the private education sector.

To this end, the government should consider exempting private schools from taxes that are not levied on public schools, such as Value Added Tax (VAT) and municipal levies.

However, corporate income tax should still apply to private schools that operate for profit, unless they are recognized as charitable organizations through a formal ruling by the Commissioner General of the Tanzania Revenue Authority.

In addition, the government should offer subsidies to support essential costs such as teachers' salaries and infrastructure development, following a model similar to that used for some private hospitals. Per-student capitation grants should also be extended to accredited private schools to help cover operational expenses and ensure sustainability.

Lastly, there is a need to develop a fair and transparent framework for regulating tuition fees to ensure affordability for families, without compromising the quality of education provided by private institutions.

A United Education System for a United Nation

As we approach the 2025/2026 national budget session, the time for action is now. The Finance Bill 2025 must address the tax policy injustices facing private schools. These reforms will not only reduce the burden on parents but also promote equity and quality across the entire education system.

Private schools just like public ones are grooming tomorrow's workforce, thinkers, and leaders. They deserve recognition, support, and respect.

Tanzania's educational future lies in collaboration, not competition. By embracing both public and private schools as partners, and by investing fairly in each, we pave the way for an inclusive, high-quality, and sustainable education system.

"It's time to stop taxing opportunity, and start nurturing it."

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