

EDUCATORS' AWARENESS AND ACCEPTANCE TOWARDS GOODS AND SERVICES TAX (GST) IMPLEMENTATION IN MALAYSIA: A STUDY IN BANDAR MUADZAM SHAH, PAHANG

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ABSTRACT

The national budget of Malaysia 2014 had been tabled in Parliament on 25 October 2013 proposing that GST would be implemented commencing on 1 April 2015 at 6% rate. Many people, including educators, were skeptical of their purchasing capabilities as well as the other effects on them. Therefore, this paper aims to investigate the level of awareness and the differences on the acceptance among educators' regarding GST implementation in Malaysia. Respondents for this study were educators (lecturers) from Universiti Tenaga Nasional (UNITEN) Muadzam Shah Campus and also from Politeknik Muadzam Shah (PMS). This study focused on educators from these higher institutions since they represent the private and public educator's respectively. The total population for this study was 244. Data were collected through questionnaires with sample of 51 educators from UNITEN and 62 educators from PMS. Since the data for this study was not normally distributed, this study employed the non-parametric statistical tests such as Mann-Whitney U and Kruskal-Wallis Test to identify the differences between variables. Spearman test was used to find the correlation among the variables. The findings from the study showed that there is low level of awareness among educators towards GST implementation in Malaysia. As for the acceptance, the educators moderately accepted the GST implementation. Furthermore, the results showed that there is a significant relationship between the level of awareness and highest education level, education field, types of employment and monthly income among educators. The findings from this paper suggesting that educators are not ready towards GST implementation due to insufficient and unclear information provided by the Government. Government should provide sufficient information pertaining to GST such as the benefits of GST (to the individuals and nation), the mechanism of charging, collection and others. This paper could contribute on the policy development especially involving fiscal policy that improves government's revenue as well as garnering the public confidence on government. The results, however, could not be generalized to all educators in Malaysia since the study was conducted in Bandar Muadzam Shah only.

Keywords: Goods Services Tax (GST), Educators, Bandar Muadzam Shah, Malaysia.

1.0 INTRODUCTION

Goods and Services Tax (GST) is a consumption tax based on the value-added concept. GST, also known as the value added tax (VAT) in many countries, is a multi-stage consumption tax on goods and services (<http://gst.customs.gov.my>, 2013). GST is imposed on goods and services at every production and distribution stages in the supply chain including importation of goods and services (<http://www.treasury.gov.my>, 2013). In Malaysia, GST will replace the present consumption tax comprising the sales tax and the service tax (SST). The GST implementation is part of the government's tax reform programs to enhance the capability, effectiveness and transparency of tax administration and management. Implementation wise, GST shall be prosecuted and charged on the taxable supply of goods and services made in the course or furtherance of business in Malaysia by a taxable person and it is also can be charged based on the importation of goods and services (<http://gst.customs.gov.my>, 2013). GST is proven to be a better tax system and could spur economic growth as well as increase competitiveness in global market (<http://www.treasury.gov.my>, 2013).

Generally, tax is recognized as one of the main sources of government's income. GST is an example of tax that contributes to the government's income. This tax has been implemented in many countries such as Canada, Australia, and New Zealand. Roughly, 90 percent of the world's population lives in countries with VAT or GST (<http://gst.customs.gov.my>, 2013). In recent years, this issue on GST has been raised by the Malaysian Government as an approach to reduce its deficit. In earlier development, the Malaysian Government was finding the right time to implement GST as they were still conducting studies on the social impact of GST (Saira, Zariyawati & Yoke-May, 2012). During the budget speech 2014, the Prime Minister of Malaysia announced that GST shall be implemented commencing 1 April 2015 at 6% rate.

2.0 IMPLEMENTATION OF GST ACROSS THE WORLD

There are many countries, both the developed and developing economies, implementing the GST or value-added tax (VAT) as a form of revenue stream for the government. As far as the GST or VAT rate is concern, United Kingdom is imposing the highest rate (17.5%). Other countries that implement GST, for example New Zealand and India, apply GST on most of its goods and services, imported goods, and certain imported services. GST is added to the price of taxable goods and services at a rate of 12.5%. Other countries around the world that have implemented GST or VAT and their respective rates are shown in **Table 1** below.

Nearly 150 countries are implementing GST or VAT around the globe (<http://gst.customs.gov.my>, 2013). The GST was introduced by the Singapore Government on 1 April 1994. According to Low & Carol (1994), the implementation of GST in Singapore was achieved mainly on the following advantages. For example, unlike corporate and personal income taxes, GST does not tax investments and savings. As it is tax on consumption, it encourages saving and investments, rewards enterprise and strengthens economic resilience. Besides that, the other advantage that was discovered by the researchers was that GST taxed only consumption within the country. GST incurred in the process of producing exports can be fully identified and rebated so that exporters are not penalized (Low & Carol, 1994). Hence, the competitiveness of a country can be retained. On the other hand, the introduction of GST could involve some sensitive problems among the taxpayers. The tax authority (representing the government) should take initiatives to educate the public and business about new tax as well as to react appropriately regarding the concerns of taxpayers over taxes already paid before changeover. Besides, there are also problems concerning contract prices and continues supplies that will complicate the changeover (Low & Carol, 1994). They further highlighted some of the factors that influenced GST implementation in Singapore, namely publicity, long-term contracts, and timing of supply and tax invoice. Thus, the same factors may influence other countries that are implementing or about to implement GST.

Table 1: Countries Implemented GST/VAT

Year	Country	Rate
1980	China	17.0%
1985	Indonesia	10.0%
1985	New Zealand	12.5%
1991	Thailand	7.0%
1994	Singapore	5.0%
1994	United Kingdom	17.5%
1996	Thailand	10.0%
2000	Australia	10.0%
2005	India	12.5%

Source: <http://gst.customs.gov.my>

As for India, there are few numbers of indirect taxes that are imposed by the central and state government such as excise duty, custom duty, service tax, sales tax, stamp duty and many more. There are various trials in reforming the indirect tax structure in order to make the tax become simpler, stable and less burdensome. For the GST implementation, the Indian government did not encounter many problems (Syed, Amit & Ravindra, 2013). This is because there was no difference in terms of levying the tax towards the goods and services where both is imposed the same tax rate (Syed et al., 2013).

Meanwhile, GST was first introduced in New Zealand in 1986 during the Fourth Labour Government (Palil & Ibrahim, 2011). There are few exemptions to items that do not fall in the GST. For examples, the exemptions include rent on rental properties, financial services, precious metals and charitable donations. The original GST rate was set at 12.5% and stayed at this level until 2010 until it was raised to 15%. For businesses based in New Zealand, it is common to fill out a GST Return Form (IRD Form: GST101A). Businesses exporting goods and services from New Zealand are able to "zero-rate" their products, meaning that they effectively charge GST at a null rate (0%). This permits the business to claim back the input to GST via the GST return as the non-New Zealand based consumer does not pay the tax.

3.0 ISSUES AND DEVELOPMENT OF GST IMPLEMENTATION IN MALAYSIA

There are many issues put forwards by many parties regarding the GST implementation in Malaysia. For example, the Tax and Malaysia Sdn Bhd chairman Dr Veerinderjeet Singh (2013) said that Malaysia was currently in a period of uncertainty and it was not the right time to reduce income tax, even with the GST in place.

"I hold the view that you should not be reducing the income tax now. If you look at the statistics, we are having a fiscal deficit without a booming economic climate, while expecting slower growth this year....It is better to wait and clear the other issues first, such as reviewing the incentives structures for the future,"

The study from Singh (2013) opined that lower income tax would attract more businesses to Malaysia, but due to the current global economic situation, the desired effect was unlikely to happen or might be less than expected. GST would probably take effect in 2015, if implemented, with the necessary procedures in place on educating the people, which takes at least a year.

The opposition to the implementation of GST of the opinion that the first step that should be taken by responsible government is not to exhausting any avenue with regards to wastages (Joseph, 2013). Furthermore, she mentioned that Credit rating agencies are an important determinant for the economy and funding, but at end of the day it should be looked at holistically. It also would laud the government if it took measures to cut wastages by the ministries. GST needs a very efficient collection regime. It is very complex, and we are talking about the need to pay up and receive payments. Looking at the experiences of Australia and Singapore, the property prices will shoot up as well as inflation.

A GST is scheduled to be implemented by the Malaysian government on April 1, 2015 (The Malaysian Insider, 2013). Its purpose is to replace the sales and service tax which has been used in the country for several decades. The government is seeking additional revenue to offset its budget deficit and reduce its dependence on revenue from PETRONAS, Malaysia's state-owned oil company. The Goods and Services Tax Bill 2009 was tabled for its first reading at the Dewan Rakyat (the lower house of the Malaysian parliament) on 16 December 2009 (The Star Online, 2009). It was delayed amid mounting criticism.

According to Tan Sri Arifin Zakaria (2010) Chief Justice of Malaysia, the introduction of GST will be a major tax reform in Malaysia. GST is imposed on goods and services at every production and distribution stage in the supply chain including important goods and services. The GST implementation is part of the government's tax reform program that to enhance the capability, effectiveness and also transparency of tax administration and management. In addition, Palil & Ibrahim (2011) highlights in their study that the purpose of implementing the GST is for the country to have savings in order to prepare the nation in experiencing inflation in future. This is because nowadays the country is having a high amount of debts. Before the GST is implemented, nowadays, the Government is actively involved to carrying out the awareness program regarding the concept and mechanism of GST.

In elaborating the mechanism of implementing GST, Palil & Carol (2011) stated that the most salient feature of GST is its regressive nature with respect to income. As a tax on consumption, households with lower incomes may pay proportionately more tax than those with higher incomes. Each public and private sector employee in Malaysia receives monthly income that varies based on the position hold. Thus, that they may be having difficulties in paying the tax, and finally burden them.

Despite the increasing popularity and success of GST implementation around the world, Malaysian citizens are not entirely convinced with the new tax scheme, (Saira et al., 2010; Hooper and Smith, 1997). According to their study which focusing on public and private sectors employees, the taxes in Malaysia is quite high and very burdensome for them to pay all sorts of taxes other than this goods and services tax (Saira et al., 2010).

Meanwhile, Cullis & Jones (1992) pointed out that tax involves public expenditure and new tax reform creates uncertainty of future expenditure. Saira et al. (2010) stated out in their research that uncertainty would subsequently initiate resistance and poses as a challenge towards government initiative to impose new regulation, such as GST. When a rule is to be implemented, the government should introduce the rule in advance with a simple and/or creative approach to the public so that they will be more aware of the existence and finally help them, especially the public and private employees, in understanding and then able to accept the rule.

4.0 PUBLIC AWARENESS AND ACCEPTANCE OF GST

A taxation study conducted by Cullis & Jones (1992) highlighted the concept of false awareness in citizens which are categorised as optimistic and pessimistic. Optimistic refers to citizens who have overestimated tax burden or inaccurately estimate public services burden with the tax imposed to the public (Saira et al., 2010). The findings from the study showed that many Malaysians do not have a high level of confidence on the government as far as tax is concern (Saira et al., 2010). Therefore, the government should explain clearly and transparently about the taxation matters, so that these public and private employees could have a clear understanding. For example, the government can explain the reasons or rationales for the GST implementation as well as the advantages of taxes that they will receive later on.

Study conducted by Mohani (2003) indicated that one of the fundamental ways to increase public awareness is through knowledge. Tan & Chin-Fatt (2000) asserted that tax knowledge can be imparted through general understanding on the tax regulation. They indicated that the government had always been promoting for the implementation of GST; however the understanding of GST for Malaysian, even in introductory level, is still failed to be delivered (Tan & Chin-Fat, 2000). According to Saira et al. (2010), the proposal of GST implementation by the government actually is not to unduly burden the Malaysians, especially for the lower income group. The government then expected that the consumers will get the benefit from the price reduction for most of goods and services.

Accordingly, increase awareness and knowledge on a new tax initiative is essential to gain public acceptance and confidence, particularly in tax situation (Cullis & Jones, 1992). They further exerted that since taxation involves public expenditure, new tax reform creates uncertainty of future expenditure (Cullis & Jones, 1992).

5.0 RESEARCH METHODOLOGY

In this study, data were collected by using questionnaires-based survey. The samples selected were derived from the educators who are working in Universiti Tenaga Nasional (UNITEN), Muadzam Shah Campus and Politeknik Muadzam Shah (PMS). For this study, convenience sampling method was used. According to Sekaran & Bougie (2013), this method most often used during the exploratory phase of a research project and is perhaps the best way of getting some basic information quickly and efficiently.

Bandar Muadzam Shah is chosen because the town hosts a number of middle-income earners and also it is starting to become one of the education hubs in Pahang. The town eventually will become a fully established educational center with quality schools and higher academic institutions serving the surrounding rural regions, and having its own fully integrated public administration services. In addition, the study chose UNITEN and PMS because they represent the private and public tertiary institutions respectively. Furthermore, these high institutions are located in the town and would be convenience for the researchers to collect the data.

Apart from that, PMS was selected because it represents the public sector population and it is one of the largest Polytechnics in Malaysia. Furthermore, the Polytechnic offers seven departments which is Information Technology and Communication, Commerce, Mechanical Engineering, Design and Visual Communication, Tourism and Hospitality, General Studies and lastly Mathematics, Science and Computer. As for the UNITEN, it represents the private sector population. UNITEN, Muadzam Shah Campus houses College of Business Management and Accounting that includes five departments which is Accounting, Economic and Finance, Marketing and Entrepreneur, Human Resources Management and General Studies. Besides, the Campus also offers Foundation Studies.

The total number of lecturers in PMS is 109 and the total number of lecturers in UNITEN is 135. Thus, total population of this study is 244. The total samples for this study is 113, consist of 51 lecturers from UNITEN and 62 lecturers form PMS. The samples represent 46.3% of the population. According to Roscoe (1975), sample sizes larger than 30 and less than 500 are appropriate for most research. Thus, the study fulfills the rule of thumb set by Roscoe (1975).

The questionnaire was adapted from the previous study on GST implementation carried out by Junainah (2002). Appropriate modifications were made in order to achieve the research objectives. The questionnaire was designed such a way that the statements are not too long and contain simple words to enhance response rate. The questionnaire is divided into four (4) Sections:

The questionnaires were distributed by hand to UNITEN and PMS educators. Prior to the distribution of the questionnaires, the researcher had obtained written permission from the management of both UNITEN and PMS. The questionnaires were personally administered by the researchers. The personally administered approach in distributing and collecting the questionnaires adopted since it has the added advantages such as opportunity to introduce the research topic and motivate the respondents to give their honest answer. Moreover, the completed responses could be collected within a short period of time and any doubts that the respondents might have regarding any questions could be clarified on the spot.

Data analysis was carried out after collecting the data. The data were analyzed using SPSS version 21.0. Several preliminary tests such as the reliability, normality and validity were conducted before conducting further analyses.

The study utilized statistical techniques such as descriptive analysis and correlation analysis in order to analyze the data. The research applied descriptive statistics which consists of methods for organizing, displaying and describing data by using tables, graphs and summary measures. The purpose of utilizing descriptive statistics was to make sure the accuracy of data entry process by evaluating all the research variables that have been entered into the data. In addition, it offers a set of powerful conceptual tools which one would be able to use in order to extend an understanding of data in a number of important ways. This study used descriptive statistic in order to describe the demographic profiles of respondents as well as other independent and dependent variables.

Based on the results of the normality tests, the data collected for this study was not normally distributed (p -value < 0.05) for awareness and acceptance. Hence, this study applied Mann – Whitney U test to examine significant differences between two related samples and Kruskal Wallis test on the difference between multiple samples.

6.0 RESULTS AND DISCUSSION

6.1 AWARENESS

Part B of the questionnaire includes seven questions regarding the educator's awareness towards GST implementation in Malaysia. Respondent's awareness was obtained from the direct 'Yes/No' question. Based on the percentage scores of the statements, the respondent's level of awareness is divided into three categories:

- (a) High (with percentage scores between 75 to 100)
- (b) Moderate (with percentage scores between 50 to 74)
- (c) Low (with percentage scores below 50)

The detail results of the respondent's awareness towards the implementation of GST among educators are shown in **Table 2** below.

Table 2: Descriptive Analysis for Respondent's Awareness on GST

Factors	Categories	Frequency	Percentage	Level
General Awareness	Yes	106	93.8	High
	No	7	6.2	
	Total	113	100.0	
Information Provided	Yes	68	60.2	Moderate
	No	45	39.8	
	Total	113	100.0	
Promotional Activity	Yes	40	35.4	Low
	No	73	64.6	
	Total	113	100.0	
Implementation in Malaysia	Yes	90	79.6	High
	No	22	19.5	
	Total	113	100.0	
Tax Payer Responsibility	Yes	74	65.5	Moderate
	No	38	33.6	
	Total	113	100.0	
Self-Readiness	Yes	31	27.4	Low
	No	82	72.6	
	Total	113	100.0	
Malaysian's Readiness	Yes	14	12.4	Low
	No	99	87.6	
	Total	113	100.0	

Based on **Table 2** above, most of the respondents (93.8 per cent) have shown high awareness of the GST implementation system that is being proposed by Government. Similarly, 79.6 per cent of the respondents have shown a high level of awareness on the full implementation of GST (79.6 per cent). Meanwhile, many respondents are still having moderate understanding on their (tax-payers) responsibility as far as GST is concern (65.5 per cent). This is further supported by the moderate level of information provided by the relevant authorities on the GST implementation (60.2 per cent). The result is consistent with the previous study by Saira et al., (2010) which shows that the respondents seems to agree with the implementation of GST proposed by the government if they really understand about the GST. In terms of promotion, the relevant authorities failed in their duties since majority of respondents indicate a low level of awareness (35.4 per cent) due to insufficient promotion. Most of the respondents (27.4 per cent) also felt that they are not ready to embark on GST and hence they also think that Malaysians are not ready as well (12.4 per cent). The result is consistent with the previous study by Palil and Ibrahim (2011), which showed that the respondents also did not ready to support the Government when GST is implemented.

In summary, the results indicate that government must put extra efforts in order to make the Malaysians understand what GST is all about and hence garner their acceptance or commitment. The result is aligned with the previous studies such as Saira et al., (2010); Palil and Ibrahim (2011) which suggest that the level of respondent's awareness were associated with the tax knowledge. Thus, respondents who are lack of knowledge relating to tax will have negative perception towards tax imposed; indirectly their acceptance towards GST will be affected.

Mann Whitney test was used to make comparisons between two groups of items that is gender (male and female) and types of employment (public and private) and the level of awareness on GST implementation. **Table 3** shows the level of awareness on GST Implementation based on gender. The results showed that the p-values for all the awareness variables are greater than 0.05. The results indicate that there is no significant difference between male and female respondents on the level of awareness towards GST implementation.

In terms of the types of employment of respondents, the results showed that p-value is less than 0.05 (**Table 4**). This indicates that there is a significant difference between public and private employment on the level of awareness towards GST implementation.

Table 3: Mann Whitney Analysis for level of awareness on GST Implementation (Gender)

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
Awareness	Female	67	56.54	3788.00
	Male	46	57.67	2653.00
	Total	113		

Test Statistics^a

	Awareness
Mann-Whitney U	1510.000
Wilcoxon W	3788.000
Z	-.184
Asymp. Sig. (2-tailed)	.854

a. Grouping Variable: Gender

**Table 4: Mann Whitney Analysis for level of awareness on GST Implementation
(Type of Employment)**

Ranks

	Types of Employment	N	Mean Rank	Sum of Ranks
Awareness	Public Sector	61	69.24	4223.50
	Private Sector	52	42.64	2217.50
	Total	113		

Test Statistics^a

	Awareness
Mann-Whitney U	839.500
Wilcoxon W	2217.500
Z	-4.375
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: Types of Employment

The Kruskal-Wallis test was employed to examine possible differences among three or more groups in the study and the level of awareness on GST implementation. The Kruskal-Wallis tests were conducted on age, education levels, education fields, monthly income and years of service. The results were tested on the five demographic factors and level of awareness towards GST implementation in Malaysia. Out of five factors, the results revealed that only one factor – education fields - has significant difference between the levels of awareness towards GST implementation, in which p-value is less than 0.05.

Further analysis for the significant item (education fields) indicated that respondents from the technical/science/engineering field are the most aware towards GST implementation (72.20). Meanwhile, respondents from the finance and business field showed the least awareness on GST implementation (37.33). **Table 5** shows details breakdown of the level of awareness toward GST implementation based on the education fields of respondents.

Table 5: The Level of Awareness towards GST implementation among education fields.

	Education Field	N	Mean Rank
Awareness	Accounting	23	47.15
	Finance/ Business	15	37.33
	Human Resources/ Marketing	12	50.96
	Technical/ Science/ Engineering	23	72.20
	Information technology		
	Other	10	61.10
	Total	30	63.78
		113	
Asymp. Sig.		.011	

- a. Kruskal Wallis Test
b. Grouping Variable: Education Field

The Relationship between Demographic Profile and the Level of Awareness among Educators towards GST Implementation In Malaysia.

Spearman's correlation describes the relationship between demographic items. This study used Spearman correlation analysis in order to determine the relationship between the levels of awareness towards GST implementation with demographic factors among educators in Bandar Muadzam Shah, Pahang. This study is using Pallant's rules of thumb in explaining the correlation results (Pallant, 2001). The results from Spearman's correlation are shown in **Table 6**. Based on the table, the respondents' awareness has significant correlations with the levels of education, education fields, types of employment, and monthly income.

**Table 6: Spearman's correlation
Correlations**

Spearman's rho		Awareness	Highest Edu Level	Education Field	Types of Employment	Monthly Income
Awareness	Correlation Coefficient	1.000	-.191*	.258**	-.413**	-.188*
	Sig. (2-tailed)	.	.043	.006	.000	.046
	N	113	113	113	113	113
Highest Edu Level	Correlation Coefficient	-.191*	1.000	-.378**	.580**	.555**
	Sig. (2-tailed)	.043	.	.000	.000	.000
	N	113	113	113	113	113
Education Field	Correlation Coefficient	.258**	-.378**	1.000	-.677**	-.303**
	Sig. (2-tailed)	.006	.000	.	.000	.001
	N	113	113	113	113	113
Types of Employment	Correlation Coefficient	-.413**	.580**	-.677**	1.000	.428**
	Sig. (2-tailed)	.000	.000	.000	.	.000
	N	113	113	113	113	113

Monthly Income	Correlation Coefficient	-.188*	.555**	-.303**	.428**	1.000
	Sig. (2-tailed)	.046	.000	.001	.000	.
	N	113	113	113	113	113

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Analysis of the results (Table 6) showed that there is significant relationship between level of awareness and highest education level ($p\text{-value} < 0.05$) and the coefficient value of -0.191. The result indicated that the relationship is rather low (Pallant, 2001) and the relationship is inverse (negative). This means that as the level of education increases the awareness about GST becomes lesser. In terms of education fields, the results showed that there are significant relationship between level of awareness and education field with coefficient value of 0.258 and positive (see **Table 6**). According to Pallant's rule of thumbs, the relationship is also at low level. The result indicated that different fields of education have different level of awareness on GST implementation. In fact, educators who come from Technical Field are more aware towards GST implementation compared with other fields. Furthermore, the results also reveal a moderate significant correlation between the level of awareness and types of employment with coefficient value of 0.413 (see **Table 6**). However, the relationship is negative. Lastly, the study also revealed a significant relationship between level of awareness and monthly of income with coefficient value of - 0.188. According to Pallant's rule of thumbs, the relationship is rather low. The negative relationship indicates that as the level of income increases, the level of awareness decreases.

6.2 ACCEPTANCE

Part D of the questionnaire contains six questions regarding the educator's acceptance towards GST implementation in Malaysia. Respondents' acceptance scores were derived from their responses on the 5 scales provided, which is 1- strongly disagree, 2- disagree, 3- neither disagree nor agree, 4- agree and 5- strongly agree. The total maximum score should not exceed 30 (6 questions x 5). Based on the summated scores of the statements, the respondents' level of acceptance is divided into three categories:

- High (with summated scores between 24 to 30)
- Moderate (with summated scores between 18 to 23)
- Low (with summated scores between 6 to 12)

Acceptance section total scores are 17.56, which falls under moderate category and it is referring to the educator's level of acceptance towards GST implementation in Malaysia. The results of the respondent's acceptance towards the implementation of GST among educators are shown in **Table 7** below.

Table 7: Descriptive Analysis for Respondent's Acceptance on GST

Factors	Item	Mean
Acceptance	GST in Malaysia	2.63
	GST is Fairer	2.93
	Bridging the Gap	2.85
	Contribution of Additional Revenue	3.31
	Understandability of the System	2.88
	Development of Economy	2.96
	Total Mean	17.56

Based on **Table 7** above, the means of respondents scores are all above the average (2.5). This indicates that majority of respondents have a high level of acceptance on the implementation of GST in Malaysia. First item relates to the implementation of GST in Malaysia, this shows the acceptance of respondent's towards it considered low with a mean of 2.63 which indicates

that respondent's answer is more towards agree. Meanwhile, the second item is pertaining to the fairness of GST compared to SST. The mean scores of 2.93 shows that the respondent's answers more towards agree. The third item is questioning the respondent's whether the implementation of GST will bridge the gap between low and high income earners. The mean scores of 2.85 shows that respondent's agree for the implementation of GST system since they believe that it will help to reduce the gap between low and high income earners. The highest mean score (3.31) was for question 4 (contribution of additional revenue) which means that the respondents believes that GST implementation would help government by contributing an additional revenue to offset government budget deficit. Meanwhile, the fifth item is to test the respondent's whether GST system proposed is easy to understand. Based on the results as shown in **Table 7**, the mean scores are 2.88 which indicates that respondent's acceptance are more than average mean and they agreed that GST system implementation proposed by the government is easy to understand. Lastly, item that asking respondent's whether they agree GST implementation will contribute in developing Malaysia's economy. The mean score is 2.96 which indicate that respondent's agreed that GST implementation will help Malaysia's economy.

7.0 SUMMARY, CONCLUSION, RECOMMENDATION

In summary, the results indicated that most of the respondents (93.8 per cent) have shown high level awareness of the GST implementation system that is being proposed by Government. Similarly, 79.6 per cent of the respondents have shown a high level of awareness on the full implementation of GST. Meanwhile, many respondents are still having moderate understanding on their (tax-payers) responsibility as far as GST is concern (65.5 per cent). This is further supported by the moderate level of information provided by the relevant authorities on the GST implementation (60.2 per cent). The result is consistent with the previous study by Saira et al., (2010) which shows that the respondents seems to agree with the implementation of GST proposed by the government if they really understand about the GST.

In terms of promotion, the relevant authorities failed in their duties since majority of respondents indicate a low level of awareness (35.4 per cent) due to insufficient promotion. Most of the respondents (27.4 per cent) also felt that they are not ready to embark on GST and hence they also think that Malaysians are not ready as well (12.4 per cent). The result is consistent with the previous study by Palil and Ibrahim (2011), which showed that the respondents also did not ready to support the Government when GST is implemented.

On the acceptance level, total mean scores are 17.56, which fall under moderate category. The individual items mean scores are all above the average (2.5). This indicates that majority of respondents have a moderate to high level of acceptance on the implementation of GST in Malaysia.

As for the correlation, the results from Spearman's correlation showed that the respondents' awareness has significant correlations with the levels of education, education fields, types of employment, and monthly income. For other demographic factors (age, gender, years of service), the correlations are not significant. For the acceptance, the results revealed that the respondents' acceptance has no significant correlation with all the factors.

In conclusion, the results indicate that government must put extra efforts in order to make the Malaysians understand what GST is all about and hence garner their commitment or acceptance. The results are aligned with the previous studies such as Saira et al., (2010); Palil and Ibrahim (2011) which suggest that the level of respondent's awareness were associated with their tax knowledge. Thus, respondents who are lack of knowledge relating to tax will have negative perception towards tax imposed; indirectly their acceptance towards GST will be affected.

Based on the findings from the study, it is proposed that the relevant authorities such as the Treasury Department, Ministry of Finance or even the Malaysian Government should aggressively promote GST in order to increase the awareness, perception and acceptance of the Malaysians towards GST. There are many channels that can be used by the authorities or government such as advertisement in television, radio, billboard and also in the social network. Based on this study and other studies such as Palil and Ibrahim (2011), the findings showed that when citizens can get the information regarding GST easily, they will be more interested to explore the tax system introduced by government. Furthermore, government should come out with solid reasons why previous tax system (SST) should be replaced with GST. The replacement is one of the government strategies to reform tax programmed in enhancing the capability, effectiveness, and transparency of tax administration and management. Next, government need to change the perception of citizens towards GST implementation. It is crucial for the government to clear the citizen's perception that GST will not burden them. Government should expose and clearly explain how they allocate the source (revenue from GST), that is to be used for citizen's future benefits such as development and infrastructure facilities. Finally, government should revise and restructure private and public employee's salary scheme especially for those who earned minimum basic pay. Due to the extra income they earn, this will reduce their burden in paying GST since government already highlighted that basic foodstuff, agriculture, education and healthcare services are not subjected to GST.

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