

SINGAPORE GOVERNMENT PRESS STATEMENT

MC. JN.37/64(PM)

TEXT OF SPEECH BY THE PRIME MINISTER,

MR. LEE KUAN YEW, IN MOVING THE SECOND READING OF

THE LAND ACQUISITION (AMENDMENT NO.2) BILL 1964 IN

THE LEGISLATIVE ASSEMBLY ON WEDNESDAY,

JUNE 10, 1964.

At the Legislative Assembly meeting on July 24, 1963, we introduced the Land Acquisition (Temporary Provisions) Bill which sought to peg the value of land acquired for public purposes at the value prevailing on January 1, 1961. That Bill lapsed with the dissolution of the Assembly and consequent on the establishment of Malaysia, it was necessary to re-consider the entire question, having regard to the constitutional provisions applicable throughout Malaysia.

At the Legislative Assembly debate on the 1964 Development Estimates on Monday, December 16, 1963, when debating the question of increased land values and the cost of land acquisition, I enunciated two broad principles, namely, (i) no private land-owner should benefit from development at public expense and (ii) that the price paid on acquisition for public purposes should not

be higher than what the land would have been worth had the Government not contemplated development generally in the area. I said I would introduce legislation which would help to ensure that increases in land values because of public development should benefit the community and not for the land-owner. Land is becoming a scarce commodity and with the mounting pressure on land at present, we must try to control land values for public purposes.

Mr. Speaker, Sir, the Land Acquisition (Amendment No.2) Bill, being introduced today, include provisions which embody these two principles. The opportunity has been taken to make other changes in procedural matters and the manner of assessing compensation by the Collector for land acquired for public purposes.

Mr. Speaker, Sir, this Bill proposes substantial alterations in the law, and it is the intention to refer the Bill to Select Committee where it can be considered in greater detail and where public representations on the Bill can be heard. The Explanatory Statement attached to the Bill sets out the contents of the Bill at some length.

Section 5 of the principal Ordinance which provided for the acquisition of lands for "public purposes" has been redrafted to specifically define and enlarge the meaning of "public purposes". This redraft which is more specific follows

the Federation Land Acquisition Act and is considered desirable in view of the increasing tempo of public development and the need to acquire land for a variety of public purposes, including residential development by the Housing and Development Board, industrial development by the Economic Development Board, as well as urban renewal of the city envisaged in the next few years.

The Ordinance has also been amended to provide for a more expeditious procedure of taking possession of lands in cases of urgency. For example, in the case of areas devastated by fire, the provisions will enable immediate possession of such lands to be taken.

A major alteration envisaged is that in respect of the appeals. Under the existing Ordinance, any person dissatisfied with the award of the Collector may ask the Collector to refer the matter to Court. All the consequential administrative work devolves on the Land Office. A single judge of the High Court, sitting with two assessors decides on the compensation payable in cases where the award is not less than \$5,000/-. The amending Bill now provides for an Appeals Board to be presided over by a Commissioner of Appeals. The Commissioner will be assisted in certain cases by two assessors drawn from a panel. This Board would deal with appeals on acquisition awards. Appeal to the High Court against the decision of the Board will only be on points of law. These

new appeal provisions follow the trend in the United Kingdom and Australia of placing questions of this nature involving specialist evaluations before Administrative Tribunals rather than Courts of Law.

The provisions of the law in regard to the assessment of compensation have also been redrafted. The Bill provides that when the value of land has been increased by reason of development of the neighbourhood by the provision of roads, drains, electricity, water, gas, sewerage and social, educational or recreational facilities by any public or statutory authorities within five years preceding the date of the acquisition, such increase shall not be taken into account. We have put in five years, but I would like to state that it may well be that after hearing representations from interested parties and representations from the Economic Development Board and other development organisations of the Government, the preceding number of years may be increased to anywhere between five and ten years. It is also specifically provided that decreases in value due to encumbrances such as occupation by squatters, etc., shall be taken into account. Again, the Ordinance seeks to make it clear that restrictions imposed under the Planning Ordinance which go to affect the market value of the land shall be taken into account. Another major change is that a ceiling to market value has been placed to ensure that the award will not exceed the most recent value declared and accepted for the purposes of assessing tax or duty payable

(where such declaration has been made within two years of acquisition) or in other cases, the consideration or purchase price on its last sale or transfer (if within two years of the acquisition). Another change proposed is that interest payable on the difference between the Collector's award and the award ultimately decided on by the Board would be at the rate of six percent per annum and not, as under the existing Ordinance, at eight percent per annum. This follows the rate payable under the Federation Land Acquisition Act.

A number of minor amendments considered desirable from the administrative point of view have also been made, as well as transitional provisions with regard to declarations of acquisition of land and references to Court made before the coming into operation of this Land Acquisition (Amendment No.2) Ordinance.

Mr. Speaker, Sir, I beg to move.

National Archives of Singapore

10th June, 1964.

(Time issued: 1845 hours)