SINGAPORE GOVERNMENT PRESS STATEMENT BYC/MC.MV.112/60

EMBARGOED TILL AFTER DELIVERY

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TEXT OF A SPEECH BY THE PRIME MINISTER, MR. LEE KUAN YEW, ON THE SECOND READING OF AN ORDINANCE TO PROVIDE FOR THE INTEGRATION OF THE REVENUE AND EXPENDITURE OF THE CITY COUNCIL WITH THOSE OF GOVERNMENT, IN THE LEGISLATIVE ASSEMBLY ON 29TH NOVEMBER, 1960.

Short Title: THE LOCAL GOVERNMENT (FINANCIAL INTEGRATION) ORDINANCE, 1960.

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Mr. Speaker, Sir. I have His Excellency the Yang di-Pertuan Negara's recommendation to proceed with this Bill. I beg to move that the Bill be now read a second time.

It would perhaps be helpful if I were to outline the method and process by which integration of the City Council and the Rural Board with Government

Ministries is to be achieved, as this will put the Bill in its proper perspective and make its purpose clear.

The three stages of integration are first administrative integration, second financial integration and third complete integration by the transfer of staff and property and the establishment of a Public Utilities Board. As regards the first stage His Excellency the Yang di-Pertuan Negara in his address at the opening of the present session of the Legislative Assembly stated that "all departments are now administratively integrated with and directed by the respective Government Ministries". This was achieved at the beginning of this year when all the various departments were allocated to appropriate Ministries and came under their control and responsibility for day to day administration and policies. This was purely an administrative arrangement, but as Minister in charge of the local authorities, legal and formal responsibility lies upon me, and financial and staffing matters have in fact remained under my control. In the course of this year, departments have therefore been functioning within Ministries and have gained valuable experience in advance of complete integration. The Ministries in turn have become acquainted with their new responsibilities, have drawn up new organisational and establishment charts, and are ready to assume formal responsibility for their departments.

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The second stage is that of financial integration and will take effect from 1st January 1961 by virtue of two new Bills namely:-

The Property Tax Bill, 1960,

and

This Bill - the Local Government

(Financial Integration) Bill, 1960.

As regards the Property Tax Bill, 1960, the Minister for Finance will be making reference to this in due course. Its main provision is for a tax on properties to take the place of the assessment on properties as now exists under the Local Government Ordinance and the Municipal Ordinance. The assessment provisions of these Ordinances will no longer apply in 1961, but will be replaced by similar provisions in the Property Tax Bill coupled with the Local Government (Financial Integration) Bill.

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The third stage of integration by which the whole process is completed concerns the transfer to Government or the Public Utilities Board as the case may be of staff, assets and liabilities, as well as the formal transfer of those functions, duties and powers now exercised under the provisions of the Local Government

Ordinance and the Municipal Ordinance. This last stage will be completed by two further Bills namely:-

The Local Government Integration Bill,

and

The Public Utilities Bill.

These two Bills will be introduced either in January or February of next year. The intention is that they should become operative from 1st July,1961. This is the date from which the staff will be formally transferred either to the Government or the Public Utilities Board, and it is also the date from which Ministries will assume formal responsibility for the departments allocated to them and for their functions and duties.

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As regards this Bill - the Local Government (Financial Integration) Bill, 1960, its object and purpose is to enable all moneys received by virtue of the Local Government Ordinance and the Municipal Ordinance - excepting monies specifically excluded in the Bill - to be paid into the Central Government's Consolidated Fund. It also provides for payments connected with local government services and other function performed by the local authorities to be charged to the Consolidated Fund. Section three of the Bill provides for this.

The three trading departments are specifically excluded from the provisions of the Bill since it is the Government's intention to establish a Public Utilities Board comprising the Water, Gas and Electricity Departments. Their monies will continue to be kept separate and they will operate under their own budget. As Honourable Members will notice in the Estimates for 1961, the budgets of the two local authorities have been incorporated in the Government budget. This is an administrative Bill to legalise the fusion of two budgets, the Government's and the City Council's.

Sir, I beg to move."

NOVEMBER 29, 1960.

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