

A BRIEF INTRODUCTION TO THE FEDERAL LAND DEVELOPMENT AUTHORITY (FELDA) SETTLEMENT SCHEME

Jabatan Pengurusan Tanah

FELDA

29th August 2018

Federal Land Development Authority (FELDA)

- A statutory body established under the Land Development Ordinance 1956 [*Act 474*]
- Headquarter in Platinum Park, Kuala Lumpur
- Currently under the supervision of Ministry of Economic Affairs, Malaysia

The Duties of FELDA according to the Land Development Ordinance 1956

- (a) to undertake and carry out land development projects;
- (b) to promote and assist in the investigation, formulation and implementation of projects for development, settlement and management of land in the Federation;
- (c) to promote, stimulate, facilitate and undertake economic, social, residential, agricultural, industrial and commercial development and management and other ancillary activities and services in any area for which the Authority has been vested with the power to carry out land development projects or any other area which has been acquired, purchased, leased by or alienated to or is otherwise held or enjoyed by the Authority or its corporations or companies for the performance of its functions;
- (d) to undertake and carry out such activities as may assist in the modernization of the agricultural sector in the area mentioned under paragraph (c); and in particular activities relating to the production, utilization, processing and marketing of crops, livestock and fresh water fisheries;
- (e) to assist, guide, advise, manage, administer and coordinate economic, social, residential, agricultural, industrial and commercial activities whether within or outside the area mentioned under paragraph (c).

The Early Goals of the Establishment of FELDA

- 1956 – 1960
 - To channel funds from Federal Government to States Government
 - Until the end of 1960, the Federal Government had instructed FELDA to act as fund manager – channeling funds for land development projects implemented by the States Government
- Since 1961
 - Opening of new land scheme for agricultural and residential purposes
 - In 1961, Majlis Tanah Kebangsaan with the approval of States Government has agreed to FELDA taking over the management of land scheme previously under the management of States Government/Agency
 - 14 land schemes were first to be handed to FELDA (Air Kangkung, Air Kuning etc.)

LAND (GROUP SETTLEMENT AREAS) ACT 1960

- Enacted in 1960 to ensure
 - the uniformity of laws and policy of the establishment of group settlement areas
 - The conditions of alienation and occupation of land in such areas and for other matters incidental thereto.

The enactment of this land act is allowable under the article 76(4) of the Federal Constitution of Malaysia.

“(4) Parlimen boleh, hanya bagi maksud memastikan keseragaman undang-undang dan dasar, membuat undang-undang mengenai pemegangan tanah, perhubungan antara tuan tanah dengan penyewa, pendaftaran hakmilik dan surat ikatan yang berhubungan dengan tanah, pindah hakmilik tanah, gadai janji, pajakan dan gadaian berkenaan dengan tanah, isemen dan hak dan kepentingan lain mengenai tanah, pengambilan tanah dengan paksa, perkadaran dan penilaian tanah, dan kerajaan tempatan; dan Fasal (1)(b) dan (3) tidaklah terpakai bagi mana-mana undang-undang yang berhubungan dengan mana-mana perkara itu.”

LAND (GROUP SETTLEMENT AREAS) ACT 1960

- The act is divided into 9 parts
 - PART I – PRELIMINARY
 - 1. Short Title
 - 2. Interpretation
 - PART II – GROUP SETTLEMENT
 - 3. Designated Areas
 - 4. Group Settlement Areas
 - 5. Rural Settlement Areas
 - 6. Urban Settlement Areas
 - 7. Holdings
 - 8. Reservation of land for public purposes
 - 9. Clearance
 - 10. Alienation
 - 11. Titles and conditions
 - 12. Occupation in expectation of title
 - 13. Premia, rent, etc.

LAND (GROUP SETTLEMENT AREAS) ACT 1960

- PART III – RURAL HOLDINGS
 - 14. Restrictions on alienation of rural holdings
 - 15. Restrictions of dealings
 - 16. *(Deleted)*
 - 17. Conditions and obligations
 - 18. Rights of access
- PART IV – OCCUPATION OF RURAL HOLDINGS IN EXPECTATION OF TITLE
 - 19. Qualifications for holding rural holdings
 - 20. Consolidated annual charge
 - 21. Recovery of rent
 - 22. Breach or default
 - 23. Compensation
 - 24. Assignment of rights of occupier in expectation of title
 - 25. Implied conditions and obligations

LAND (GROUP SETTLEMENT AREAS) ACT 1960

- PART V – URBAN HOLDINGS
 - 26. Persons to whom urban holdings may be alienated
 - 27. Restriction of use of urban holding
 - 28. Occupation in expectation of title
 - 29. Assignment of rights of occupier in expectation of title
- PART VI – GENERAL
 - 30. Unlawful occupation of land
 - 31. Other offences and penalties
 - 32. Rules
 - 33. Savings

LAND (GROUP SETTLEMENT AREAS) ACT 1960

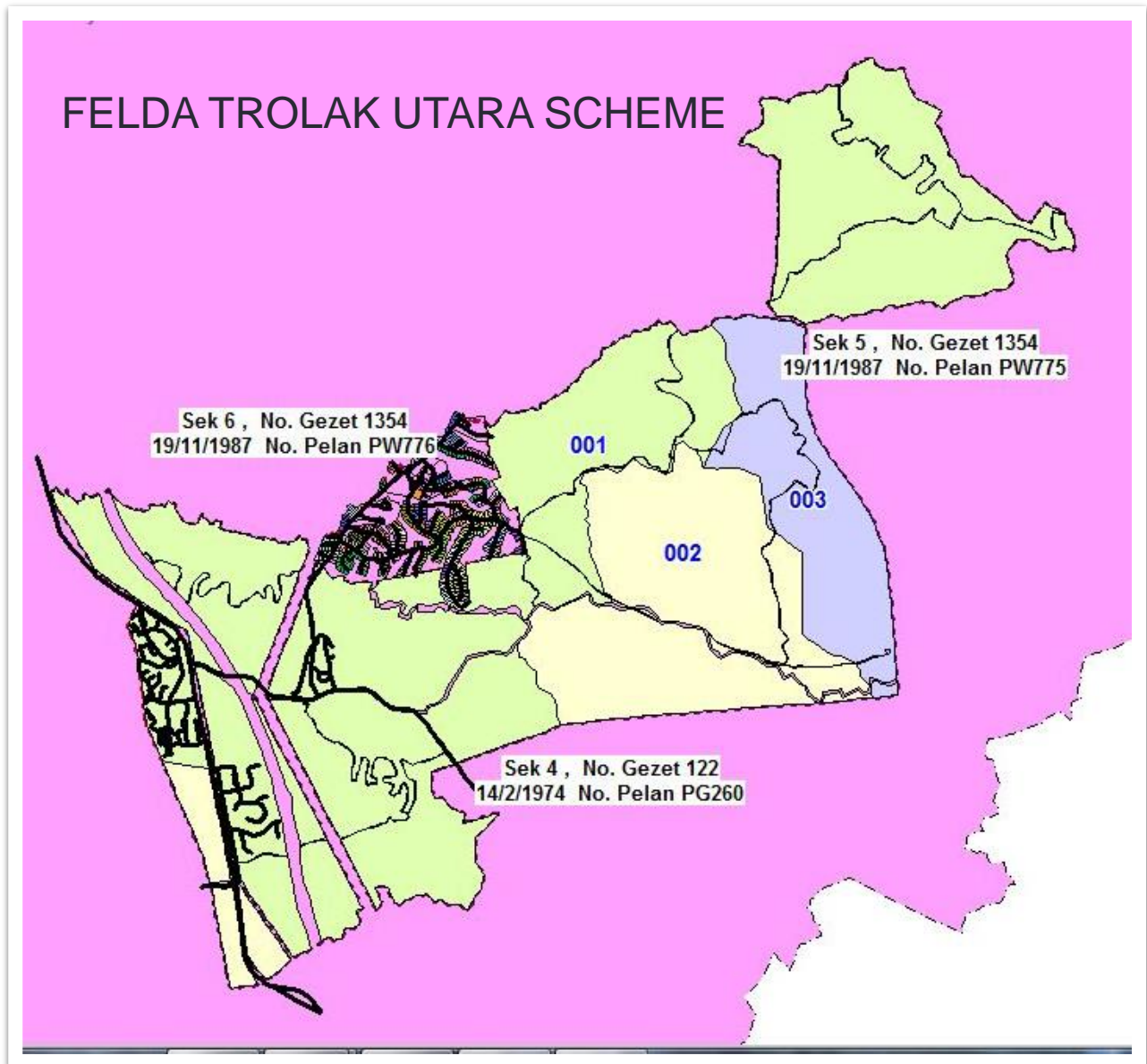
- PART VII
 - 34. Federal development areas and re-vesting of such areas in the State
 - 35. Development of group settlement areas by co-operative societies organized by the Development Authority
 - 36. Manager
 - 37. By-laws
 - 38. Application of Parts I to VI to Federal Development areas
 - 39. Appeal
- PART VIII – SURRENDER OF RIGHTS OF OCCUPIER IN EXPECTATION OF TITLE

LAND (GROUP SETTLEMENT AREAS) ACT 1960

- PART VIII – SURRENDER OF RIGHTS OF OCCUPIER IN EXPECTATION OF TITLE
 - 40. Power to surrender rights
 - 41. Power of Collector to permit occupation by another person
 - 42. Power to exclude surrendered and unoccupied holding from group settlement areas
 - 43. Power to enter into agreement
- PART IX – TERMINATION OF GROUP SETTLEMENT AREAS
 - 44. Power to terminate group settlement areas
 - 45. Continuance of occupation in expectation of title
 - 46. Provisions applicable to holdings occupied in expectation of title
 - 47. Provisions applicable to holdings under document title
 - 48. Right of way

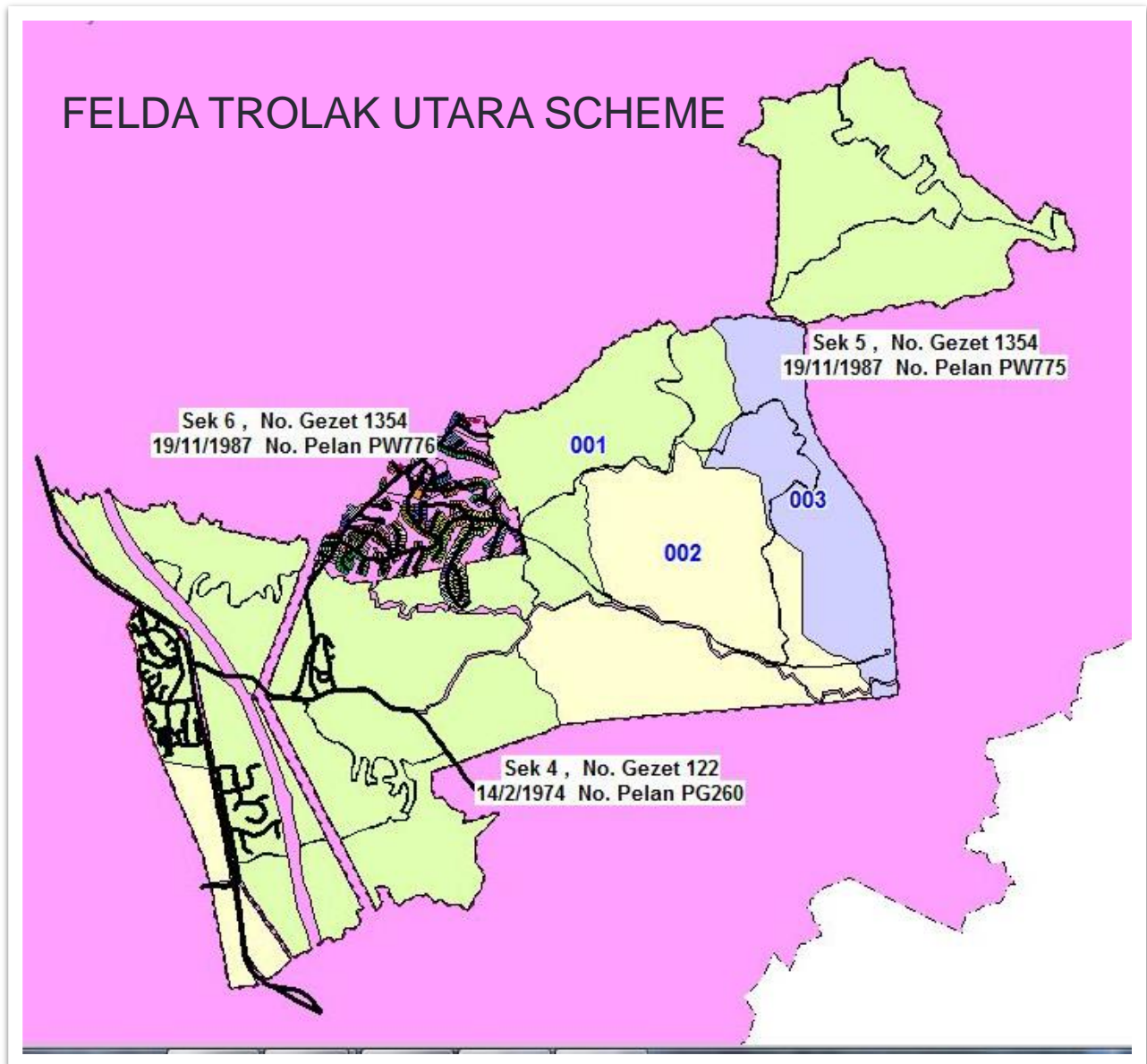
THE STRUCTURE OF A FELDA SETTLEMENT SCHEME

- The area to be developed was vested to the development agency (FELDA) upon the signing of an agreement between the development agency (FELDA) and the state government under the provisions of the section 34 of the Land (GSA) Act 1960.
- This vested area would then be gazetted as a group settlement area under the provisions of section 4 of the act.



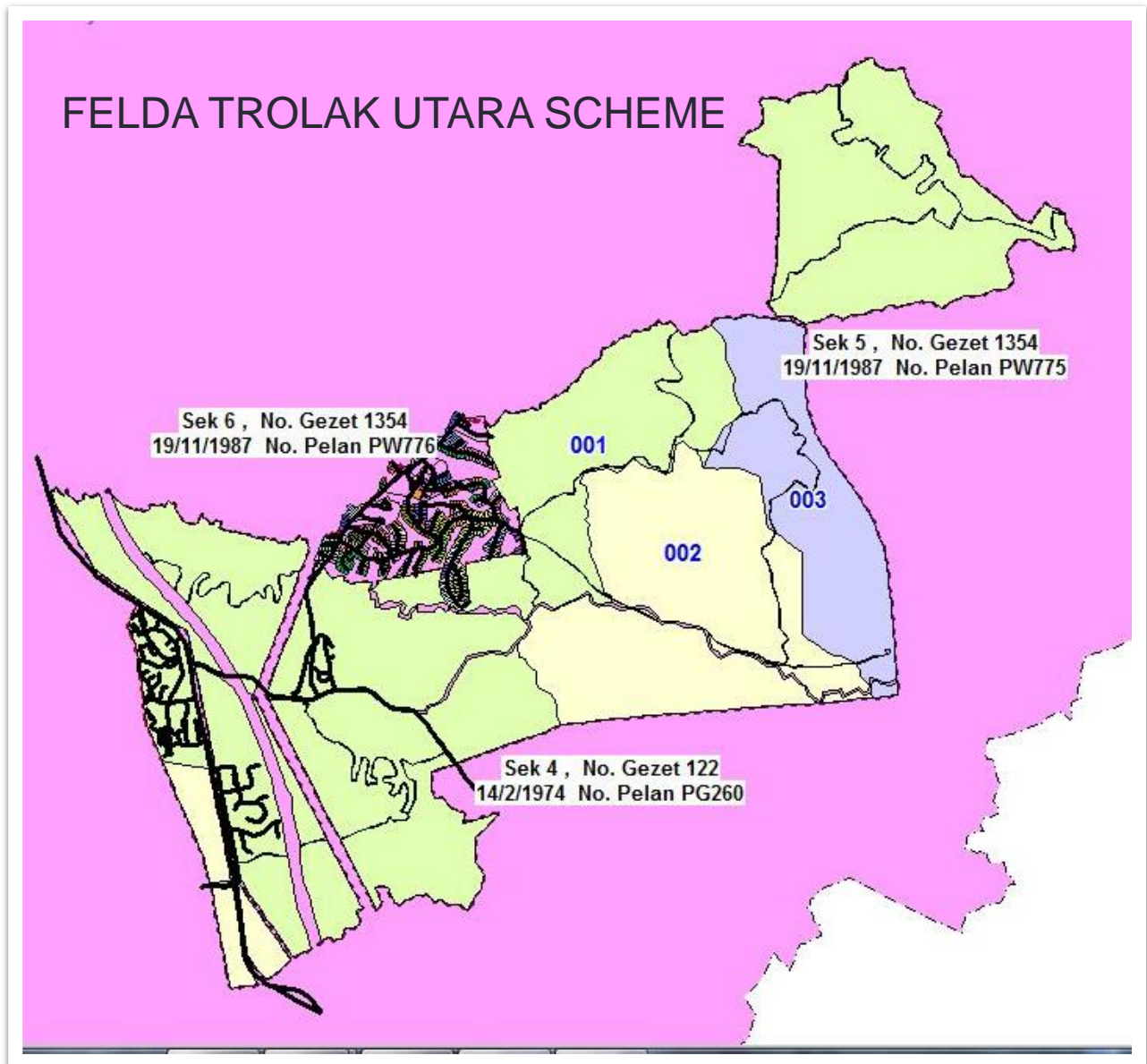
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- FELDA would advanced payment of premiums and quit rents of the land which to be alienated later to the settlers.
- Every years, FELDA would advanced payment of consolidated annual charges to the state government.
- The advanced payments would be claimed back from the settlers in stages.



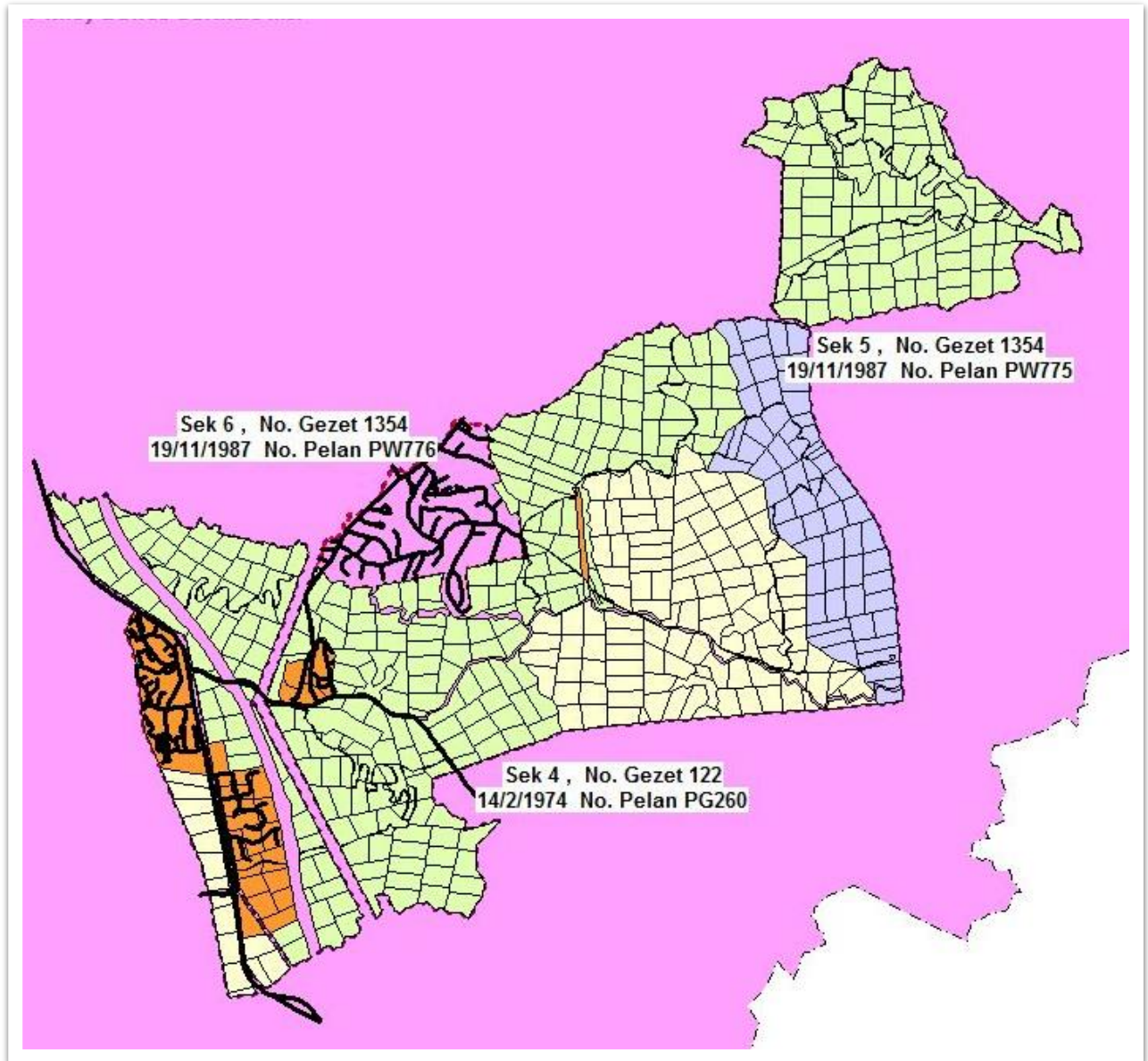
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- The group settlement area is gazetted via section 4,5 dan 6 of the Land (GSA) Act.
- Section 4 gazette covers the perimeter of the whole scheme.
- Section 5 gazette covers only the rural holding area.
- Section 6 gazette covers the urban holding area.



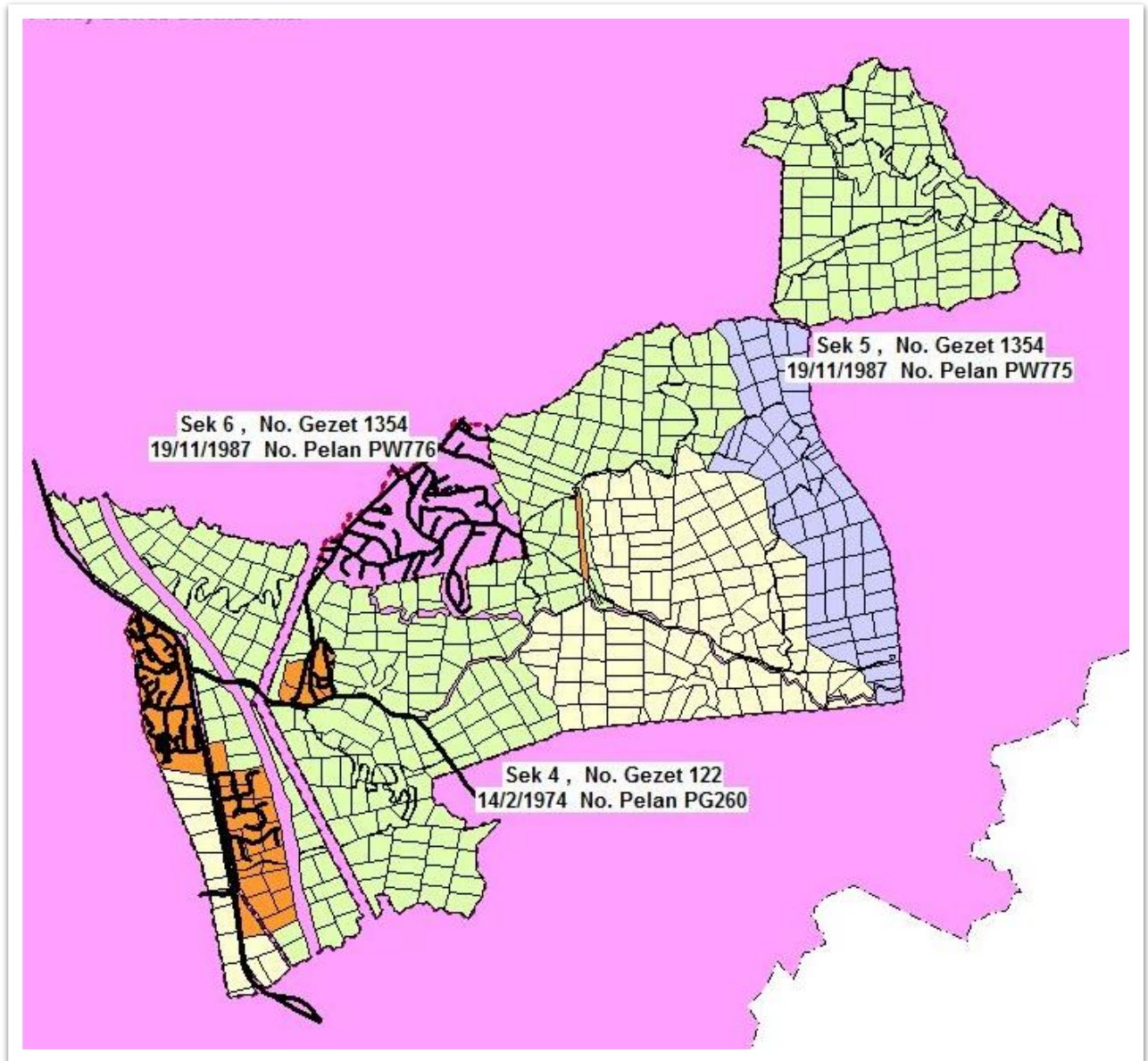
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- The rural holdings used for agricultural purposes are divided as allowable under the section 7(1) of the act into parcels of not more than 10 acres.
- The occupiers of these parcels are from eligible citizens as mentioned in the section 19 of the acts.



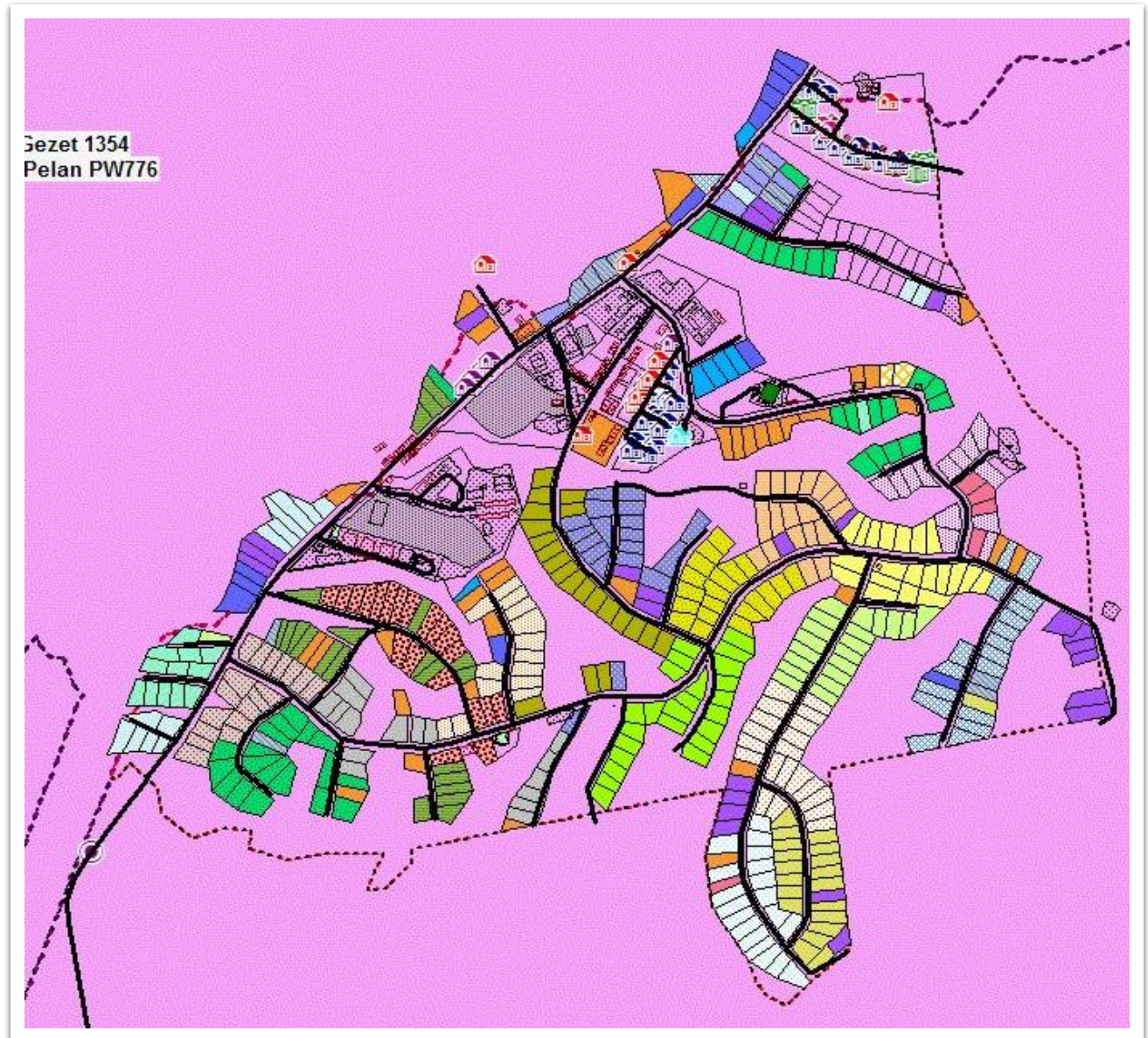
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- The occupiers (the settlers) of these parcels entered into agreements with FELDA of which the settlers would need to adhere to such as selling produces to FELDA etc.
- FELDA would place a manager (as in section 36 of the act) to oversee the operation in the scheme.



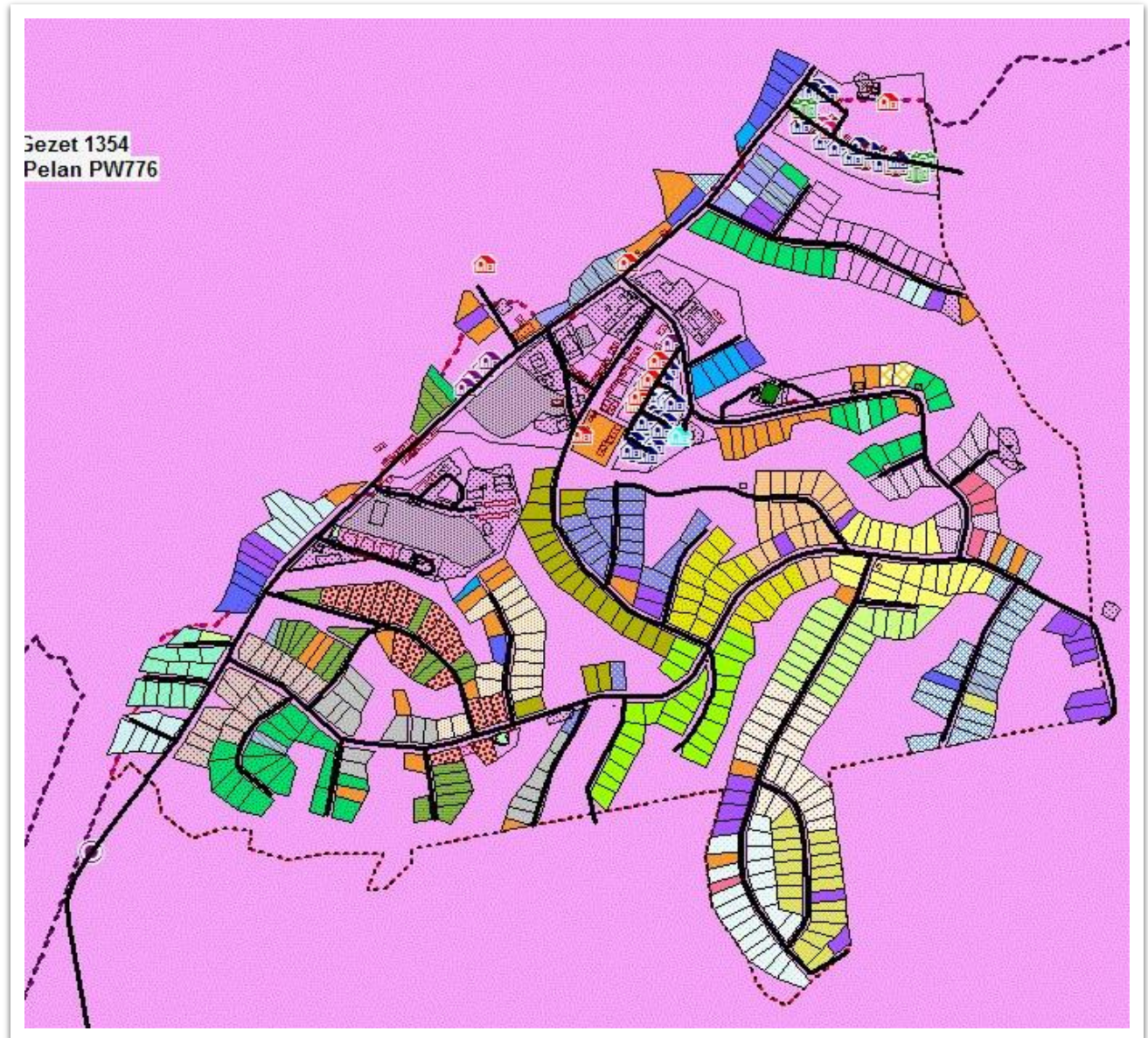
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- The settlers are provided a residential parcel as stated in the section 7(2) of the act.
- The urban areas may also comprise of commercial, industrial areas and also areas for purposes of public utility.



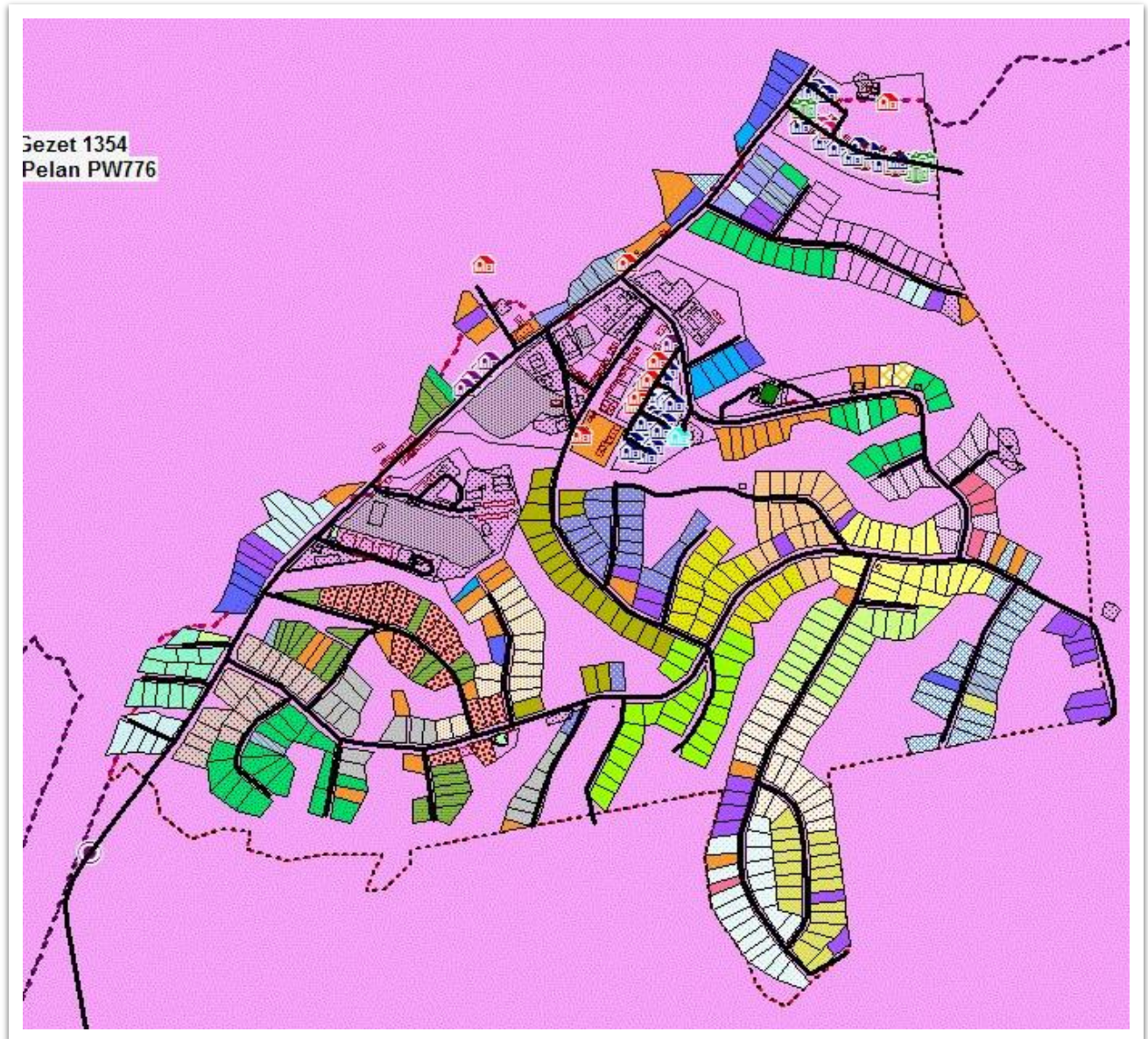
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THE STRUCTURE OF A FELDA SETTLEMENT SCHEME

- When settlers and their families entered into a FELDA settlement scheme, FELDA would facilitate the schemes with basic infrastructure such as water, electricity, schools.
- FELDA has also provided social services, education, skills training and also consultation to the settlers and their families resided in the FELDA settlement schemes.



ALIENATION OF LAND WITHIN THE GROUP SETTLEMENT AREAS

- The power to alienate land is on the state governments.
- However, FELDA would make recommendation to the state governments on the alienation of land to the settlers when these conditions are fulfilled:
 - The development costs initially borne by FELDA were fully repaid by the settlers. The development costs may consists of
 - Land premiums, the cost of building homes, costs of developing land (planting trees, land clearing etc)
 - While settlers are paying the development costs in stages, FELDA would implement survey and works relating to land alienation.

STATUS SO FAR...

Regions	Nos of schemes	Nos of settlers	Total Areas (Ha)	Percentage of land alienated to settlers
Alor Setar	13	4,042	16,884.80	88.94%
Trolak	21	7,846	37,219.19	93.51%
Raja Alias	49	16,432	76,590.56	95.11%
Segamat	36	11,418	50,884.14	94.67%
Johor Bahru	42	17,551	79,023.74	85.62%
Kuantan	42	15,050	69,750.95	79.39%
Jengka	37	14,957	69,684.65	96.16%
Mempaga	36	13,119	63,577.04	90.31%
Gua Musang	11	3,114	17,092.15	48.75%
Terengganu	21	7,459	35,058.37	70.45%
Sahabat	9	1,647	12,721.42	47.12%
GRAND TOTAL	317	112,635	528,487.01	87.12%

FELDA SETTLEMENT SCHEMES IN MALAYSIA

