

ISSUES AND RESPONSES

NEW CONCEPT OF NCR LAND DEVELOPMENT

- Q. What is the New Concept of NCR land development?
- A. *The bringing together of NCR landowners with their land and the private sector with their capital and expertise, to develop NCR land for commercial farming on a joint venture basis. The Government will appoint its agency to be the Trustee for the landowners.*
- Q. How does it work?
- A. *All rights and interests of NCR landowners will be merged into one parcel of land and this forms the NCR Land Bank. This ONE PARCEL of LAND will be issued with a title in favour of the Joint Venture Company rather than having the landowners issued with individual titles. As consideration for the use of their land, the NCR landowners will be allocated collectively 30% equity in the company.*
- Q. Why should the land title be issued in the name of Company instead of NCR landowners?
- A. *Development cannot take place without its being carried out in a systematic manner. Investors would not put a cent in any land over which they have no security and where their investment would not give them a fair return. This arrangement will give absolute right to the implementing company to manage the plantation WITHOUT interference from the NCR landowners over a period of 60 years. The rights of the NCR Landowners, however, are looked after by the Government appointed agency as their Trustee. This is simply to ensure the orderly commercial development of the land while conferring benefits to the NCR landowners in the form of dividend and employment opportunities.*

PROPORTION OF SHARE OR INTERESTS IN THE LAND

- Q. How do we know of our proportion of the share or interest in the said land?
- A. *All rights and interests of NCR landowners which will be merged into one parcel of land will be recorded in a DEED which will be signed by the State Government, NCR landowners and the Trustee.*
- Q. How do you determine our individual share or interest in that one land title?
- A. *Your individual share or interest is determined by the number of parcels and sizes of land owned within the Land bank.*

TERMS FOR THE DOCUMENT OF TITLE

- Q. How long is the term for the document of title?
- A. *For sixty (60) years.*
- Q. Why should the term be for sixty years and not a shorter term say 30 years?
- A. *This is to allow for two (2) crop cycles for oil palm as one cycle would take at least 25 years.*
- Q. After expiry of the term of sixty (60) years, can the said land be alienated to us?
- A. *After the expiry of the term of 60 years, with majority decision of the NCR land owners, the said land may be alienated to:*
- (a) all the NCR landowners in their joint names, as registered co-proprietors thereof; or
 - (b) the company or another company or entity agreed upon by the NCR landowners; or
 - (c) to the NCR landowners or their nominees individually, after sub-division.

- Q. As there is no individual land title issued, how do we know the original locality of our land?
- A. *Every parcel of land you include in the project for development is picket surveyed to determine its exact location, size, and boundary with other adjoining landowners. Information gathered from the picket surveys are translated into a plan showing the locality, the name and address of the owner, the adjoining landowners, and the size of each parcel of land. This plan is kept by the Managing Agent/Trustee over the 60 years period. A copy of that plan is also given to the Area Development Committee. Therefore, you will not encounter any difficulty in finding out the original locality of each parcel of your land that you include in the project.*

STATUS OF LAND

- Q. What will be the status of the land?
- A. *The land will be classified as NATIVE AREA LAND.*

CUSTODY OF THE LAND TITLE

- Q. Who will keep the land title?
- A. *The Joint-Venture Company that implements the project shall have custody of the document of title. The NCR landowners' interests and rights in this parcel of land will be recorded in the Trust Deed.*
- Q. Since the Joint-Venture Company has the custody of the document of title, will they not use it as a collateral for the purpose of securing loan for the Company?
- A. *The Company cannot charge the land as security for loan to implement the project without the prior written approval of the Minister. This should help to protect the interests of the NCR landowners.*

TRANSFER OF RIGHTS AND SHARES OF LAND OWNERSHIP

- Q. Can we transfer our undivided share in the land?
- A. *Yes, but only to your next of kin. You need to apply for the transfer to the Managing Agent/Trustee which will arrange the transfer accordingly and update their records.*

VALUE OF NCR LAND BANK

- Q. In consideration for using our land for sixty (60) years, how much will the Company pay for the value of the said land?
- A. *In consideration for the use of your land, the Joint-Venture Company (JVC) will pay RM1,200.00 per hectare.*

SHARES IN THE COMPANY

- Q. We are given to understand that the NCR landowners shall be allocated with shares in the Company?
- A. *Yes. They shall collectively own 30% of the equity in the Company.*
- Q. In the event that the total value of the said land is less than the issued price of the shares allotted to NCR landowners, to constitute the 30% equity of the Company, who shall pay up the difference?
- A. *The Trustee shall arrange with the Company for loans and other form of financial assistance to pay up the difference. Such loan shall be repaid by the Trustee on behalf of the NCR landowners out of the dividends declared by the Company for the said shares.*
- Q. How do you determine our individual shares in the Company?

A. *The number of shares which each of the NCR landowners shall be entitled to, will be in proportion to the size of land owned by an individual which will collectively form a 30% equity in the JVC.*

Q. Under whose name shall our shares be registered?

A. *All shares to the NCR landowners shall be registered in the name of the Trustee who shall hold the same in trust for them.*

THE DEED

Q. What is a 'Deed'?

A. *It is a document which will be executed by the State Government, NCR landowners and the Trustee (Management Agent). It will set out and record the respective undertakings, duties, obligations, commitments, rights, benefits and responsibilities of the parties involved.*

TRUST DEED

Q. What is meant by 'Trust Deed'?

A. *It is a document which will be executed between the NCR landowners and the Trustee pertaining to the development of the said land and for the protection of the interests of the NCR landowners in the said development.*

COMPENSATION

Q. Is there any compensation for our existing crops (Rubber, cocoa etc.) within the NCR development area?

A. *There shall be no crop compensation*

EMPLOYMENT OPPORTUNITIES / AWARD OF CONTRACT

Q. Will preference for the jobs be given to us over other persons?

A. *As a matter of policy, priority will be given to you if you are competent for the jobs.*

Q. Will preference be given to us to do contract works involving quotations and tenders?

A. *You may participate in both. However, the Company cannot commit itself by awarding the contract to you outrightly. The Company may award the contract to you if your offer is considered competitive and you are capable of undertaking the contract works.*

WORKERS ADDITIONAL BENEFITS

Q. What other benefits will a general worker get by working in the plantation?

A. *The employment in the Company is governed by the Labour laws and other related Government regulations. The Company will contribute to EPF and you will be covered under SOCSO in the event of accidents/injuries while working in the plantation.*

RETURN PER HECTARE

Q. How much is the return from one hectare of land developed for oil palm plantation?

A. *With efficient management and with crude palm oil price ranging from RM1,100 to RM1,400 per tonne, you can expect a dividend at a rate of between RM5,000 and RM8,000 annually for every 10 hectares owned. A land owner having 50 hectares should receive a dividend of between RM25,000 and RM40,000 annually. These returns can be expected upon full maturity of the oil palm trees.*

BOARD OF DIRECTORS

Q. Who shall represent us in the Board of Directors of the JVC?

A. *In addition to the Trustee, the NCR landowners will have a representative from among themselves to sit in the Board of Directors of the JVC.*

CAN WE BELIEVE THAT OUR NCR LAND INCLUDED IN THE NCR DEVELOPMENT WILL NOT BE TAKEN AWAY?

A. *The State Government has **NO** intention of misleading its own people. The Government will strive to meet objectives and requests that are reasonable. The Government will take necessary safeguards to ensure that the NCR landowners will not lose their land during the entire lifetime of the project. In addition, investors selected to implement these projects are from among well established plantation companies with good track records.*