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Getting town councils to raise their game

BY

[EUGENE K B TAN](#)

November 16, 2016

Given that about 80 per cent of Singaporeans live in public housing estates, town councils are an integral part of Singapore life. Last month, the Ministry of National Development (MND) initiated a public consultation on the proposed amendments to the Town Councils Act (TCA), which was first enacted in 1988 to empower elected Members of Parliament and unelected town councillors to run public housing estates.

MND's proposals have four broad aims: To clarify town councils' roles, improve the governance of town councils, strengthen their financial management and enhance MND's regulatory oversight of town councils.

Taken together, they seek to strengthen the regulatory regime governing town councils. What worked well in the 1990s and 2000s may not necessarily be the case today. The current regulatory regime can do with a more robust scheme of checks and balances within and without the town council — and a greater degree of professionalisation of the town council bureaucracy

MND has likened the town councils to charities (for MND, “both entities are run autonomously, manage public funds and consist of volunteers who help out on a part-time basis”) and will adapt relevant parts of the Charities Act for the purposes of the TCA. There will also be a clearer penalty framework for non-compliance with the TCA, such as withholding of information to MND and a failure to submit audited reports.

Despite the proposed changes, town councils will still have a substantial amount of autonomy in how public housing estates are maintained, enhanced and managed.

They do not point to a “backtracking” of the *raison d'être* of town councils, which is to enable elected MPs and the political party running the town council to demonstrate their management nous and financial expertise in bringing vision to reality for a housing estate.

More than three years in the making, the ongoing review of town councils is a long-overdue stock-take of the town councils' functions, powers and responsibilities.

This review comes on the back of MND's 2013 review into the PAP town councils' sale and leaseback of the town council management system software to Action Information Management Pte Ltd (AIM), a PAP-owned company.

The imperative and urgency for a critical review and overhaul of the Town Councils Act and subsidiary legislation are also highlighted by the ongoing issues relating to the financial accounts and statements of the Aljunied-Hougang Town Council, which point to the weaknesses of the current regulatory framework.

Given that town councils are an important feature of local governance, the imperative for robust governance standards and best practices cannot be underestimated.

The running of a town council requires competency in areas as diverse as corporate governance, financial prudence, estate maintenance, safety and health, and procurement of goods and services.

The proposed changes to the TCA seek to improve governance in town councils, which can also depoliticise the town council framework.

However, it will not take the politics out of the town councils. The 2013 MND Review Report into the AIM transaction recognises the inevitability of a "competitive politicised context" under which town council functions are carried out.

As a form of local government in the public housing estates, town councils transform the role of an elected Member of Parliament from being a mere politician and representative to one that includes administrative responsibilities that have an impact on the well-being of voters.

In exercising their democratic choice, voters will not only consider which candidate or slate of candidates would best represent them in Parliament but also those who would be competently running their housing estates.

There are political implications to the quality of estate management, given the abiding concern of Singaporeans with governance and the value of their residential properties. If a town council fares poorly, the political party running it will pay a political price.

In particular, there is a need to ensure that public funds are adequately safeguarded and that residents' interests are paramount, no matter which political party is running a town council.

In this regard, the proposed Code of Governance for town councils could also provide clearer guidelines on the responsibilities of the various stakeholders, such as town councillors, managing agents, other service providers, the Housing and Development Board (HDB) and the MND.

The fundamental tension between the political and administrative functions of the town councils can be healthy. Maintaining equilibrium between the two can bring out the best in our town councils.

Town council management is one key platform in our system of government in which political parties can compete with one another to demonstrate their competency. Such competition should motivate town councils to raise their game and deliver on their promises in an accountable manner.

MND should also consider the establishment of a professional bureaucracy in the town councils. This will help alleviate the current situation where a change in town council management after an election may result in the wholesale change of the staff — resulting in a loss of intimate local knowledge of the estate and its residents.

The disruption to service delivery and the need to adopt new systems and ways of doing things should be reduced to a minimum.

Another area of potential significance is to further develop town councils as a form of local government by requiring councillors to be elected by residents and for residents to be properly consulted on key decisions through general meetings and town hall forums.

The proposed changes do not alter the character of town councils as para-political institutions and the political context in which town councils operate under.

Instead, they recognise the weaknesses and gaps in the existing regulatory framework.

Ultimately residents must also be empowered to play a significant role in shaping the standards of governance, accountability and financial prudence of their town councils.

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