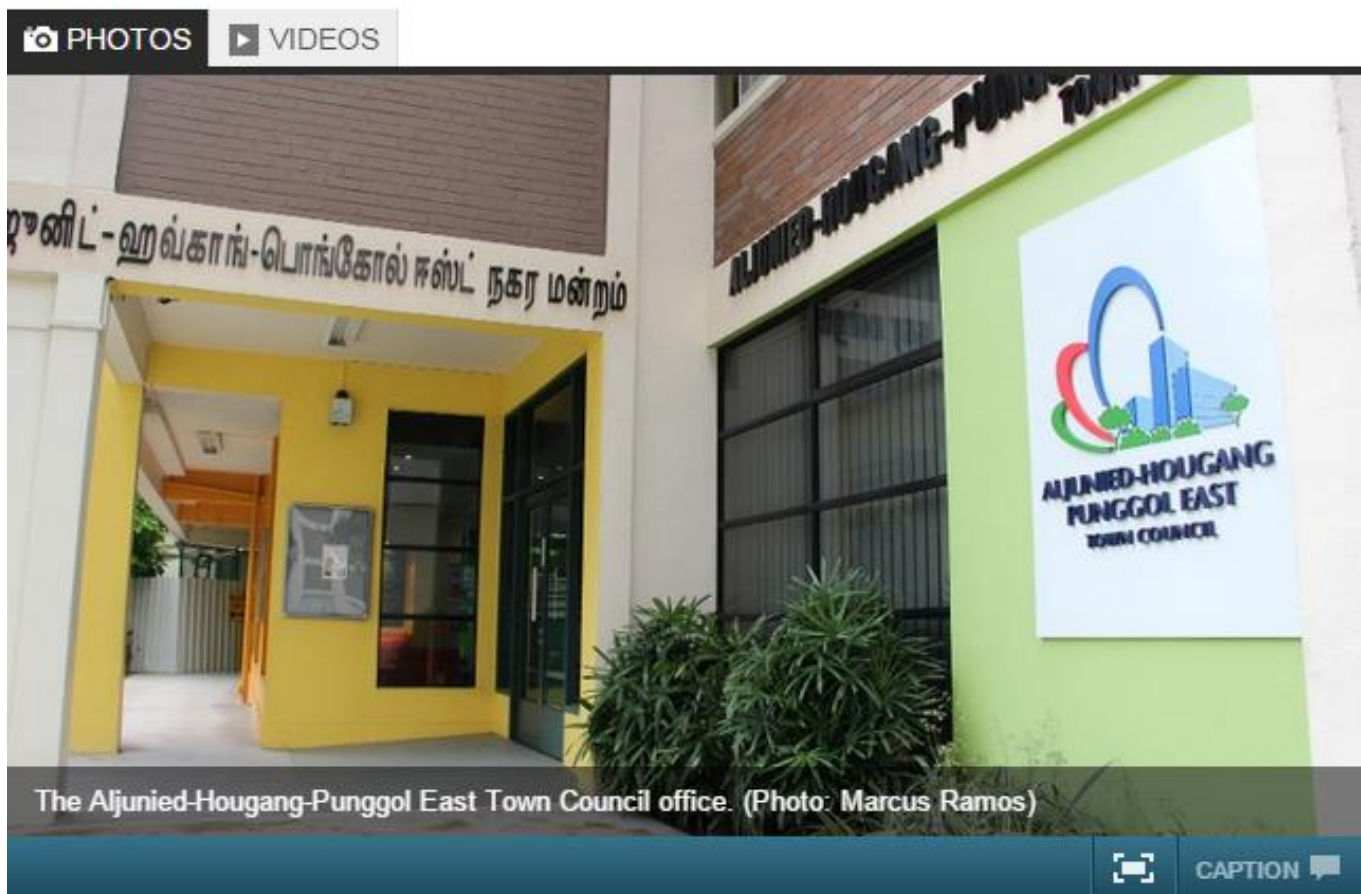


Town Councils Act review: Questions on enforcement, accountability

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With the Ministry of National Development (MND) reviewing the Town Councils Act to strengthen regulatory oversight, one observer says this may signal a "fairly different" town council management regime in the future, and asks if MND would be accountable as regulator if a town council fails.



SINGAPORE: The Ministry of National Development (MND) is reviewing the Town Councils Act to strengthen regulatory oversight, in order to better safeguard residents' interest.

This was announced on Thursday (Nov 20), as part of its response to media queries over the controversy surrounding the management of funds by the opposition-run Aljunied-Hougang-Punggol East Town Council.

In addition to clarifying the formula used to determine the amount of government grants received by Town Councils, MND reiterated that Aljunied-Hougang-Punggol East Town Council's (AHPETC) financial position had deteriorated rapidly, based on the town council's own financial statements.

MND said it does not know the current state of arrears for Aljunied-Hougang-Punggol East Town Council (AHPETC) because the town council had stopped submitting a report on its Service and Conservancy Charges arrears after April 2013.

Under current laws, the ministry has no power to compel town councils to submit information and there are no penalties if a town council refuses to do so. The ministry said this is because the town councils are supposed to be directly accountable to their residents.

EXPECTATIONS AND ACCOUNTABILITY

Singapore Management University's Associate Professor of Law Eugene Tan said MND's review of the Town Councils Act may signal a "fairly different" town council management regime in the future.

A review also raises the question of changes in accountability, he said. "Part of the reason for the formation of town councils in the late 1980s was to decentralise estate management. This was the whole idea of making sure that voters are careful about who they vote into office, because this is going to affect them in a fairly intimate way in terms of how their estate is being managed," he said.

"Will the new rules change that character such that MND takes on greater oversight and will that then also raise expectations among Singaporeans that town councils will be better managed and better governed?" he asked.

"Should the town councils fail in whatever sense, would MND be liable because it exercises regulatory oversight? If the town council does not perform up to par, does that reflect regulatory failure as well?"

PENALTIES AND ENFORCEMENT

Assoc Prof Tan also said there are questions on the extent to which MND will be empowered to take action against town councils.

"The question now arises as to what extent MND would like to strengthen regulatory oversight and to what extent are the penalties they prepare to put forth," said Prof Tan. "In this case, for example, if the town council does not comply under the new regime, certainly we know that the town council, as a non-living entity, would be penalised. But would MND go further to take action against the offices of the town council, including, let's say the chairman of the town council?"

There are currently only three offences that attract fines - one of which is the wilful withholding of information required only by an auditor, and not the authorities, without reasonable cause.