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Subject: (Embargoed) Speech by DPM Tony Tan, 15 Mar 2000, 8.00 pm

# *Singapore Government*

## ***PRESS RELEASE***

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**SPEECH BY DR TONY TAN KENG YAM, DEPUTY PRIME MINISTER  
AND MINISTER FOR DEFENCE AT THE SINGAPORE  
MANAGEMENT UNIVERSITY BOARD OF TRUSTEES DINNER  
HELD ON 15 MARCH 2000 AT 8.00 PM AT RAFFLES HOTEL**

**UNIVERSITIES AND COMMUNITY – PARTNERS IN EDUCATION**

Mr Lim Kim San  
Chancellor, SMU

Mr Ho Kwon Ping  
Chairman, SMU Board of Trustees

Professor Janice Bellace  
President, SMU

Distinguished Guests

Ladies and Gentlemen

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I would first like to thank the Singapore Management University (SMU) Board of Trustees for inviting me to join you at this dinner tonight.

### **Progress of SMU**

The Board and management of SMU can be justifiably proud of the progress made by SMU within a short period of time.

SMU has established strong links with the University of Pennsylvania's Wharton School – the top business school for undergraduate programmes and MBA programmes in the United States. This ranking is done by the U.S. News and World Report in 1999. This ranking is done by the Business Week in 1999. SMU's undergraduate curriculum modelled after that of Wharton's, SMU's students will be able to experience a new and distinctive type of learning experience. The Wharton-SMU Research Centre has also been established to advance research relating to business and management in Asia. Five faculty from Wharton are already in Singapore conducting research in the Wharton-SMU Research Centre.

SMU has adopted admission requirements that go beyond reliance on 'A' level results

SAT I scores, interviews and short essays are employed to enable SMU select students with the right motivation, character and interests. I am happy to note more than 1000 students had applied for the 100 places that SMU has intended for its early admission exercise, and that some of these applicants are of a very high standard. This is a good start for the university.

I would like to congratulate you on the good progress made by SMU. I am confident that SMU's innovations will be studied carefully by our other two local universities, which will undoubtedly adopt or adapt good practices. In turn, I am sure that SMU will also be looking at what other good ideas and practices it can adopt from local or foreign sources. These changes augur well for the higher education sector in Singapore.

### **Education and the Government**

Over the years, the Singapore Government has invested significantly in

providing quality education for Singaporeans. For Financial Year 2000, the total Government budget for education stands at \$6 billion, with 20% of this apportioned to the university sector. The levels of funding provided have helped to raise our university cohort participation rate from 5% in 1980 to the current level of 21%, as well as enhance the quality of education and the research culture in our universities.

The Government will continue to invest in our higher education sector as this is an investment in our future. However, as our universities strive to become world-class institutions, it is also necessary for them to be more innovative and entrepreneurial in raising more of their own funds. In line with giving them more operational autonomy, the universities are encouraged to seek additional sources of funding so that they can have greater autonomy with the use of non-public funds. This will allow them to seize the opportunities that arise, and have the flexibility and nimbleness to move quickly in worthwhile academic and research ventures without always having to wait for additional funding from the Government.

### **Education and the Community**

Successful universities have a common characteristic – they develop strong bonds with the alumni and community, and are resourceful in tapping on resources in the wider community. This applies not only to private universities like Harvard and MIT, but also state-funded public universities in the U.S. and Britain.

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One good example is the University of Illinois in the U.S. In 1935, the University, a state-funded institution, established a Foundation to spearhead fund-raising efforts. The University became one of the first U.S. public universities to take on a capital campaign with the goal of raising US\$1 billion. The campaign has been so successful that the target has been surpassed by some US\$250 million. On average, the Foundation receives 150,000 gifts annually from a diverse range of donors. Many are individuals while some are corporate donors, such as Arthur Andersen, which recruits more of its staff from the University of Illinois than any other institution.

In England, the University of Warwick derives about 70% of its income from earned income activities organised by the University rather than from external donations. Earned income activities range from graduate professional courses to self-financing, non-profit making activities like student residences and profit making activities such as conference centres.

The University of Pennsylvania, of which the Wharton School is a part, provides another model of University-Community partnership through the strong bonds that the University has established with the wider community. U Penn's Centre for Community Partnerships was founded in 1992 to create new and effective partnerships between the University and the community, and also seeks to strengthen regional, national and international networks of higher education institutions committed to engagement with other local communities. Programmes include University-Assisted Community Schools for West Philadelphia, Penn Volunteers in Public Service and Cluster Resource Boards. Corporate and institutional support for many of these programmes is strong and comes from key funding agencies such as the W.K. Kellogg Foundation, the Rockefeller Foundation and the National Science Foundation.

These examples illustrate how universities can succeed in innovative fund-raising practices that are appropriate to their situations, and also demonstrate how universities can successfully tap on the support of not just their alumni but also the wider community, industry and corporations.

It is important for universities to establish strong bonds and supporting networks with their alumni and the wider community, even if they receive state funding. This helps to establish an increasingly creative and entrepreneurial culture that is in line with a world-class mind-set, and also enhances the opportunities for universities to play a positive role in contributing to the societies of which they are a part.

### **The SMU Endowment Fund**

At NUS and NTU, the Universities Endowment Fund was set up in 1991 to encourage alumni and the community to contribute to the two institutions, and increase the sense of public ownership and participation in their

development. SMU has lost no time in setting up its own SMU Endowment Fund. The income generated by the Endowment Fund will be used to advance SMU's mission, such as in the purchase of additional teaching and learning equipment, specific research projects and special educational programmes.

I am happy to note that three generous donations have already been made to SMU. The first donor, Overseas Union Bank Limited, has donated \$2 million to SMU. This is a reflection of OUB's conviction in developing our human resources as well as its confidence in the new university.

The second donor, Prima Limited, has donated \$1.5 million to SMU. It is heartening to note that Mr Cheng Tsang Man, founder of Prima Limited, has chosen to donate to SMU half of the \$3 million gratuity that he received when he retired as Executive Chairman of Prima last year. The other \$1.5 million was donated to NTU.

The first two donations are testimony to the good network with industry and public that SMU has created over the short period of time since its inception and the strong support that SMU obtains from its partners in the community.

The third donor, Mr Laurence Moh, Chairman of Plantation Timber Products, is bestowing the Endowment in his wife's name. I was told that the gift is to mark the 40th wedding anniversary of the Mohs. Mr Moh is a Wharton alumnus and a strong supporter of the school.

His contribution of \$2 million to SMU tonight illustrates the deep bonding between a university and its alumni that every university hopes to achieve.

Tonight, I am pleased to announce that the Government will be making a one-time contribution of \$50 million to the SMU Endowment Fund. In addition, the Government will match \$3 for every \$1 raised by SMU for its Endowment Fund up to a cap of \$150 million from the Government. In total, if SMU can raise \$50 million, the SMU Endowment Fund will have a total of \$250 million - \$50 million from the one-time contribution of Government and another \$150 million contribution to match the \$50 million raised by SMU. The amount of donations raised by SMU stands at \$5.5 million today. Together with the contributions by Government, the SMU Endowment Fund has

get off to a good start with initial sum of \$72 million.

As SMU continues to build up its Endowment Fund, it will enhance SMU's ability to provide a high quality education for its students and a stimulating teaching and research environment for its staff thus fulfilling SMU's role as a key institution of learning in Singapore society. I trust that in time to come, SMU will develop strong bonds with its alumni and enjoy continuing support from them.

### **Conclusion**

The next few years will indeed be an exciting and challenging time for SMU.

As SMU strives to establish its international reputation, I have no doubt that it will continue to be innovative and entrepreneurial in its educational programmes, management philosophy and in building its network of supporters and advocates, both locally as well as overseas.

I wish you the very best in all your endeavours.

Thank you.

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