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**SPEECH BY DR LEE BOON YANG, SENIOR MINISTER OF STATE
(NATIONAL DEVELOPMENT & HOME AFFAIRS),
AT THE ANG MO KIO WEST TOWN COUNCIL 2ND ANNIVERSARY
CELEBRATION AT BLK 161 ANG MO KIO AVE 4 #01-500
ON SUNDAY 25 SEPTEMBER 1988 AT 11 AM**

Introduction - Pilot Project

I am very pleased to be here today to join you in celebrating the 2nd Anniversary Celebrations of Ang Mo Kio West Pilot Town Council. Three Town Councils were set up in Ang Mo Kio on 1 September 1986 as a pilot scheme to test the Town Council concept. During the past 24 months, your pilot Town Council has provided estate management services to residents in this part of Ang Mo Kio. It has also come up with numerous ideas to improve the estate environment and to give it a distinctive character. The Ang Mo Kio West Town Council has brightened up its void decks with colourful murals, access to Ang Mo Kio Town Garden West has been improved for residents' convenience and a small Japanese Garden in front of Block 248 Ang Mo Kio Ave 1 has been provided.

I am told that the Town Council has even more exciting projects in the pipeline. One of them is a 4.25 ha leisure park boasting features such as a barbecue garden, gymnastic site, remote controlled car racing track, adventure park and beautiful landscaping. The Town Council has given residents more say in how best the estates should be managed. They can decide on how to allocate resources, the level of services and how to improve the estate environment.

The success of Ang Mo Kio West Town Council and the other two pilot Town Councils has shown that the Town Council concept is workable. I congratulate the MPs for your contribution in pioneering this idea. I also commend the grassroot leaders in the three pilot Town Councils for giving your MPs the support and cooperation which has brought success to your Town Councils. The performance of Ang Mo Kio West and the other pilot Town Councils will be held up as models for other Town Councils to emulate when they are set up in other constituencies.

Implementation Schedules of Town Councils

The Government has already announced that Town Councils will be formed in all constituencies with HDB estates in three phases between now and August 1990. To effect a smooth transfer of the HDB functions to Town Councils, the Ministry of National Development has decided to gazette the formation of Phase I Town Councils in three batches. The Town Councils covering Ang Mo Kio will be the first batch to be gazetted by end October 1988. Some boundary adjustment will have to be made to take into account the constituency changes. The MPs involved have suggested that three Town Councils be set up in the whole of Ang Mo Kio New Town. Cheng San GRC will form a Town Council on its own. Teck Ghee will join Ang Mo Kio to form one Town Council. Kebun Baru will join Yio Chu Kang to form another Town Council. They have decided that these combinations offer better economies of scale and convenience to the residents. My Ministry will accept the MPs' proposal and gazette the Town Councils according to their requests.

The other constituencies included in Phase I will be gazetted between end October and end December 1988 in separate batches.

What Town Councils have to do immediately after Gazetting

Town Councils have up to 180 days after the gazetting to prepare to take over the running of the housing estates from the HDB. During this period, a Town Council must gear itself for the task ahead. The MPs of the constituencies in the Town Council will have to appoint a Chairman from amongst themselves within seven days. The Chairman will then appoint not less than six and not more than 30 Town Councillors within 30 days. The names of the appointed Town Councillors will have to be gazetted within a reasonable time. MPs have the primary responsibility of setting up a Town Council. The Councillors that an MP appoints are chosen by him to assist him in running the Town Council.

With the Council duly established, Town Councillors' next job is to appoint a secretary and/or a Managing Agent to help them to carry out the administrative and operational work. They have to decide on office premises to conduct the affairs of the Town Council. Standing orders for Town Council proceedings and by-laws to regulate the estate and to levy service and conservancy charges will have to be made by the Council.

The pilot Town Councils have an advantage over the other constituencies as they have been in operation for the past two years. I therefore see no difficulty for your Town Council to start up when it is gazetted. Other constituencies must use the lead time before gazetting to make preparations so that transition to Town Councils will be smooth and disruption free.

Provision of services to Town Councils

During the pilot project, a team of HDB staff was attached to each Town Council office to carry out the day to day operations of the Town Councils. Unlike the pilot project, the Town Councils that will be formed over the next two years are separate legal entities. They can therefore choose either to directly engage employees or appoint managing agents to administer their day to day operations. With the formation of Town Councils under the Town Council Act, HDB will no longer second its staff to serve the Town Councils.

Instead it will form a private company to offer estate management services to the Town Councils. HDB will consider private sector participation in this company. In other words, suitable private sector companies may join up with HDB to establish this new service company. The company will be able to provide a full range of estate management services required by Town Councils. It will be tapping HDB's pool of trained and experienced estate management officers to enable it to meet the requirements of Town Councils.

However, this company will have to compete with other companies which are capable of providing similar services. The Town Councils will be free to negotiate for services they need. They are not obliged to engage any particular company. Similarly, no company will be bound to supply its services to any particular Town Council. Whether a company gets to do the work for a particular Town Council will depend on whether the company and the Town Council can reach a commercial agreement.

At \$3M per single-member constituency and \$9M per GRC for the total value of estate management, service and conservancy, Town Councils will be buying about \$250M of such services each year. This is a sizeable business and I expect many private sector companies will want to enter this market. Such private sector participation will be welcomed. I foresee that healthy competition will improve the quality of services and offer Town Councils more options to choose from.

Conclusion

The setting up of Town Councils will herald a new era in the political and social landscape. Elected MPs will now have to prove that they are able to look after their constituents' estate environment. If they manage well, the quality of life in the estates will improve. If they do not manage well, the conditions in the estate will deteriorate. This will underscore the importance of electing the right MPs to lead the Town Councils.

I am confident that Ang Mo Kio West Town Council under the able leadership of your MPs and their team of Councillors, will be able to carry out the task of running the estate successfully and make the estate a better place to live in. I wish you continued success and many more happy anniversaries in the years ahead.
