

Looking to operators to help more commuters

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A government-appointed panel that is looking at making buses and trains cheaper for a wider pool of commuters believes there is a case for public transport operators to share their gains to help pay for this.

The Fare Review Mechanism Committee (FRMC) is considering the principles for operators to do so in a "meaningful and impactful manner".

The chairman of the Government Parliamentary Committee of Transport, Mr Cedric Foo, proposes looking at the operators' returns over a longer period of a few years instead of annually.

Public transport operator SMRT's net profit in financial year 2012 fell 25.6 per cent to \$119.9 million, and SBS Transit's fell 49.4 per cent to \$18.6 million.

While the operators face rising manpower and other costs, they could gain from a rise in ridership as the rail network expands or by renting out shop space in MRT stations.

Mr Foo tells Insight: "There should be positives and negatives. It should not be a situation where public transport operators have the Government bear all the negatives."

Groups being studied for cheaper public transport include low-income earners, tertiary students and the physically disabled. The burning question is: Who will pay for the largesse?

"We need to carefully balance the social aspects and the economic considerations of our public transport system," the FRMC said on its blog on Wednesday.

SMRT and SBS Transit reportedly give out more than \$160 million in concessions each year to the elderly, children, students and full-time national servicemen.

Senior citizens get a 25 per cent discount on adult fares, while children and primary, secondary and Institute of Technical Education students get 50 per cent.

Full-time national servicemen and tertiary students, including polytechnic students, are eligible for monthly concession passes.

The Transport GPC is pushing for concessionary fares for polytechnic students.

Mr Seah Kian Peng, an MP for Marine Parade GRC, says looking after polytechnic students will cover many average-income families as well. He adds that the low-income already receive transport vouchers, paid for by operators and the Government.

The committee also asked if commuters are willing to pay slightly more to fund more generous concessions and if the Government, which already pays for infrastructure and the initial rolling stock, could chip in.

Transport economist Anthony Chin thinks the model of publicly listed operators, which must get a reasonable rate of return for shareholders, needs a re-look.

He thinks it could go along the lines of port operator PSA International, a former statutory board that was corporatised in 1997.

He says: "If public transport operations can be run as efficiently as port operations, there's no need for a private entity to run it."

Question of fairness

Hand on heart, as a society, do we think it is fair and just for someone to pay the same COE premium for his or her second or third car while depriving (others) of their one family car?

- Mr Soon Sze Meng, 35, a director of a multinational firm, who supports levying a surcharge on multiple-car owners. He notes that the rich can do well only in a stable society. Sharing their benefits is one way to ensure this stability.

Sentiments clouding issues

I was brought up in a generation where we try not to flash our wealth. I may own these cars for my pleasure, but I don't race them on the road. Maybe some people are put off by the new rich being too in your face in displaying wealth. It's also unfortunate that the competition for jobs and resources has generated so much angst that it's now dividing Singaporeans into two camps - the haves and the have-nots. This clouds the issues and detracts from real solutions to the underlying problems.

- Finance professional Adrian Tan, 39, on the sentiments fuelling calls for greater social equity in the COE system. The Singaporean is based in Hong Kong and owns three cars there. He believes the focus should be on improving public transport and controlling car usage by levying a surcharge on parking in popular areas or imposing even higher Electronic Road Pricing charges.

Help lower-income group move up

Some public intellectuals seem to suggest that the top must be brought down, but it is a negative, deficit-model of dealing with things. I think, better yet, we should redouble or triple our efforts to bring the people in the lower 40 per cent income percentile of our country up.

- Senior research fellow Gillian Koh of the Institute of Policy Studies, on dealing with the politics of envy, a larger issue behind the calls for greater social equity in the COE system.

It won't solve ownership problem

If the whole idea is to give people a semblance of equity, fine. But at the end of the day, it's not going to solve the ownership problem. What's to prevent someone from owning a car under another name? Do you go house to house to check? Policing and administrative costs will increase.

- Economist Anthony Chin of the National University of Singapore, on the limits of measures such as requiring people to pay more for a second or third car. He prefers having just one COE category and letting the market allocate COEs to those who are most willing and able to pay. He thinks equity concerns are best addressed with good public transport and real-time travel information systems.

Middle-class gauge

Most Singaporeans want to achieve a fairly secure, comfortable middle-class lifestyle. It entails having a more level playing field in which merit, rather than social background, largely determines success. How the middle class fares is a good gauge on how we are doing as a society. We are a stratified society, but what matters is whether the middle class sees itself sinking or thriving.

- Sociologist Tan Ern Ser, who does not think Singapore is in danger of going down the route of "punishing the rich" in calls for more equity in public policy.