

'Balance struck' in latest fare exercise

It helped operators tackle rising costs while providing commuters with concessions, say analysts

By ROYSTON SIM

THE latest public transport fare exercise did strike a balance between helping transport operators meet rising costs and giving concessions to commuters, said transport analysts.

However, they note that the fare increase will cause unhappiness among commuters, who have asked why they should pay more when service quality on trains and buses does not seem to have improved.

On Thursday, the Public Transport Council (PTC) announced a 3.2 per cent fare hike this year, along with a slew of new and enhanced concessions.

National University of Singapore transport economist Anthony Chin said affordable fares must be evened with rising costs faced by the operators.

And operating costs have gone up because operators have to meet higher service standards.

While someone has to pay for improvements, he feels that fines for operators should not be capped so there is a harsher penalty for failing to meet standards.

As regulator, the Land Transport Authority should bear part of the responsibility for system failures, he added.

Singapore Management University law academic and Nominated MP Eugene Tan reckons that from a policy perspective, there is recognition that transport is a

hot-button issue.

For instance, the concessions and providing more vouchers show that commuter interest is taking centre stage again, he said.

"People will still be unhappy, but one cannot deny there is a lot of thought and effort to make sure the increases, which are inevitable, would not hit those who find it the most challenging," he noted.

The PTC has also required the operators to contribute a portion of the \$53.5 million in revenue from the hike to the Public Transport Fund, which is used to help the poorest households.

SBS Transit has contributed 20 per cent, or \$7.2 million, of its revenue while SMRT had to contribute 25 per cent, or \$4.38 million.

On whether both firms should be made to contribute more, SIM University Urban Transport Management Programme head Park Byung Joon felt they must keep a substantial portion of the fares, as the fare hike is meant to give them more revenue.

He said: "In fact, if they did not have to contribute to the Public Transport Fund, the fare hike could have been lower. It may be even seen as a tax on commuters to fund the Fund."

Professor Chin said the percentage of contributions to the fund should be reviewed annually, taking into consideration operating profit and performance.

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