

A surcharge on multiple-car owners won't work: Experts

By ROYSTON SIM

LEVYING a surcharge on owners of several vehicles would not only be hard to implement but it also probably would not make it easier for people who need a car to get one, said observers yesterday.

National University of Singapore (NUS) transport researcher Lee Der Horng noted that only about 7 per cent of motorists have more than one car.

He added that a surcharge was unlikely to affect the rich – “at the end, it would really hit the middle-income, those who have

two cars for family purposes”.

An online survey conducted by the Land Transport Authority (LTA) found that over 70 per cent of respondents wanted a surcharge on those who own more than one car.

But the measure was ruled out when it announced changes to the certificate of entitlement (COE) system on Monday. It said it was concerned over how effective such a levy would be and how it might impact larger households.

The LTA also noted that the tiered Additional Registration Fee and higher road taxes for premi-

um car buyers already addressed social equity in car ownership.

Law professor and Nominated MP Eugene Tan said it was unclear that a surcharge would “contribute significantly to more reasonable COE prices”.

A surcharge with loopholes could raise public anger when people see others getting around it, he said. Still, those who feel owners of multiple cars should pay more will be disappointed. “There will still be a sense of unfairness.”

Dr Lee felt that the social equity issue could be addressed by allocating more COEs to Category A

when the new criteria for mass-market cars kick in next year.

Transport economist Michael Li from the Nanyang Business School said academics had struggled to find good reasons to impose a surcharge during focus-group discussions on the issue.

He said the second and subsequent cars are typically used by family members during off-peak periods and so do not contribute much to congestion.

“A levy would create additional social cost... there’s administrative and enforcement costs. And people can find ways to bypass

these restrictions,” added Dr Li.

NUS sociologist Tan Ern Ser said a multiple-ownership surcharge “sounds good, but only on paper”. It can be easily circumvented, he noted.

One way to address the issue of car ownership is to enhance public transport, making it convenient and inexpensive to travel without a car.

“We should think of better ways to reduce heavy vehicle traffic on roads and human traffic on buses, and make using public transport a breeze,” he added.

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