

11 NOV 1997

PRESS RELEASE

Release No.: 30/OCT

03A-1/97/10/14

97-MBT-26

**SPEECH BY MR MAH BOW TAN,
MINISTER FOR COMMUNICATIONS,
AT THE LTA'S SECOND DINNER AND DANCE
AT RAFFLES BALLROOM, WESTIN STAMFORD
ON TUESDAY, 14 OCTOBER 1997 AT 7.30 PM**

I am pleased to be here tonight to celebrate the Second Anniversary of the Land Transport Authority (LTA).

In these last two years, LTA had to deal with many challenges typically encountered by a young organisation. You had to set up new work systems, restructure and re-organise the team, and develop a new corporate culture and identity. But in successfully overcoming these challenges, you are helping to shape the future role that LTA will play in touching the lives of almost every Singaporean in the next decade.

The challenges that LTA will continue to face in fulfilling the promise of the White Paper on Land Transport are demanding. The promise to Singaporeans is a bold one - to deliver a World Class Land Transport System in the next 10-15 years.

Your Chairman has just outlined the various projects which are underway, or in the pipeline. They are the first few instalments in your efforts to deliver on your promise. While LTA will have its hands full coping with all these projects, I am confident that LTA will deliver.

One area where LTA has achieved remarkable progress is in the development of rapid transit. Work on several new projects has commenced. Between 1999 and 2002, several new lines and stations will be opened, including the Bukit Panjang Light Rail Transit (LRT), the Changi Extension Line, the North East Line, the Polytechnic Station and the Sengkang LRT. This will increase the rail transit network by more than 50 per cent to about 130 km in five years time. Compare this with the first few phases of the Mass Rapid Transit (MRT) network. It took us 10 years to build the first 67 km of the NS-EW lines, over six years to build the next 16 km Woodlands extension. Now, we are planning to complete about 45 km more in five years.

However, we cannot rest on our laurels. We should always ask ourselves whether we can do more. I have asked LTA to look at all potential sites for development of MRTs and LRTs, including existing housing estates, as well as other high density commercial and industrial areas. LTA will study these sites to see whether they can support rapid transit systems, based on the financial viability guidelines set out in the White Paper.

LTA should study how we can expand the MRT/LRT network to the maximum extent possible. We should send out a strong and clear message - that we are dead serious about building an outstanding public transport system, one that will offer a highly reliable and comfortable service, that will save commuters time and money and that will make the best use of our limited land.

To meet this challenge, LTA will need more resources, including more skilled technical and managerial manpower to plan, design and manage new projects, and more financial resources to build new lines. To do this, it may have to tap outside sources and involve other parties and developers, as

well as consider other modes of financing, such as Build-Operate-Own (BOO) or Build-Operate-Transfer (BOT). For instance, in the tender for the Sengkang LRT, LTA has invited bids to build, operate, maintain and fund the system. If the response is good and the scheme is successful, we can consider extending this to other rail projects. Other possibilities of tapping private investment funds to finance part or the entire rail network should also be explored.

Accelerating the development of rail projects, in an economically viable way, will be a great challenge to LTA. If LTA can deliver on average the equivalent of one rapid transit project each year, we will double our rail network in 10 years' time. This would mean building in 10 years what other countries have taken 40 to 50 years to achieve. This is far more than what has been spelt out in the White Paper. If we can achieve this, our people will be able to benefit earlier from an integrated, comfortable, convenient and reliable public transport system.

But the greater challenge facing us is not whether LTA can deliver the various projects it has promised, on time and within budget. Rather it is whether our people will continue to support the restraint measures on private transport, measures like the Vehicle Quota System (VQS) to control ownership of cars and Electronic Road Pricing (ERP) to control their usage.

Demand management works fundamentally against the aspiration of people to own and use cars, but it is absolutely necessary in order to bring about a sustainable transport system in Singapore. We have to ensure that our overall land transport system is cost-effective, efficient and sustainable in the long term.

Therefore, one of LTA's key strategies is to manage the demand for private transport. There are three stages to this strategy. First, the true cost of travelling on the various forms of transport, especially private transport, must be made more transparent. At the moment, a lot of costs are hidden, especially to motorists. Second, attractive public transport alternatives which offer quality service at competitive prices must be made available. This is why all efforts must be made to expand the rail-network as much as possible. Thirdly, motorists will then be able to make more accurate and informed decisions about the various transport alternatives and be encouraged to switch some, if not all their trips to public transport. As more people switch to public transport, public transport operations will become more viable, fares can be kept low and service levels improved. This will in turn encourage even more people to use public transport.

Having a right policy mix is essential to creating a self-sustainable and virtuous cycle, if we want lower congestion, a cleaner environment and a more efficient transport network. This must be the ultimate goal of LTA, given the billions we will spend to build a world class land transport system.

In this regard, a comprehensive and thorough review of all transport policies is necessary. LTA is currently working on the restructuring of our vehicle tax system. It has completed canvassing a wide range of views from various interest groups as well as the general public. It is finalising its proposals taking into account the feedback obtained. The proposals are expected to be presented to Government before the end of this year, and if adopted will be implemented sometime next year.

This is a complex exercise. It involves every vehicle owner, every mode of transport, from motorcycle to car, taxi, buses of all types, and

commercial vehicles of all types. It aims to fundamentally change the tax system in order to make it fair and objective and to reflect the correct relativity of each of these different modes of transport. In this way, every commuter can make the choice which is best for him and for the nation. I want to take this opportunity to thank all who have given so generously their feedback and suggestions on the restructuring. I would also like to request for the understanding of all affected, as we implement these changes when they are approved.

Together with the ERP, the new tax structure will form one of the twin pillars of our traffic management system, the other being the Vehicle Quota System. With ERP plus VQS, we have in place a long-term sustainable means of managing our traffic situation. By suitable fees and charges, we can encourage judicious use of private transport so as to minimise congestion during certain times of the day and along certain roads. The majority of commuters who choose not to use private transport will not be worse off. They will be well served by a range of reliable, convenient, comfortable and affordable public transport means. This is the vision we have of the future when all the elements of our world class land transport system are in place.

Finally, I would like to thank the Board members, led by Mr Fock Siew Wah, and the management and staff of LTA for your hard work and dedication this last two years, and wish you all the best in the years ahead. What you have done so far and what you will achieve in the years to come will help keep Singapore on the move. But, that must be far from your thoughts tonight, for tonight is a time to sit back, relax, and enjoy yourself as a small reward for another successful year.

@@@@@@@@@@@@@@@@@@@@