

**Volume 79  
No. 11**



**Thursday  
3rd March, 2005**

# **PARLIAMENTARY DEBATES SINGAPORE OFFICIAL REPORT CONTENTS**

**Permission to Members to be Absent (Col. 1314)**

**Estimates of Expenditure for the Financial Year 1st April, 2005 to 31st March, 2006  
(Col. 1314)**

**Considered in Committee of Supply [2nd Allotted Day]**

**Head R - Ministry of Law (Cols. 1314-1343)**

**Head B - Attorney-General's Chambers (Cols. 1343-1347)**

**Head P - Ministry of Home Affairs (Cols. 1347-1407)**

**Head W - Ministry of Transport (Cols. 1408-1489)**

**Committee of Supply Reporting Progress (Cols. 1489-1490)**

**Adjournment (Col. 1490)**

# PARLIAMENTARY DEBATES SINGAPORE

## OFFICIAL REPORT

### TENTH PARLIAMENT

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#### PART I OF SECOND SESSION

#### VOLUME 79

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*Thursday, 3rd March, 2005*

*The House met at 12.00 noon*

PRESENT:

Mr SPEAKER (Mr Abdullah Tarmugi (East Coast)).

Mr Ahmad Khalis Bin Abdul Ghani (Hong Kah).

Dr Ahmad Mohd Magad (Pasir Ris-Punggol).

Mr Ang Mong Seng (Hong Kah).

Dr Balaji Sadasivan (Ang Mo Kio), Senior Minister of State, Ministry of Information, Communications and the Arts and Ministry of Health.

Mr Alexander Chan Meng Wah (Nominated Member).

Mr Chan Soo Sen (Joo Chiat), Minister of State, Ministry of Education.

Mr Chew Heng Ching (East Coast), Deputy Speaker.

Mr Steve Chia Kiah Hong (Non-Constituency Member).

Mr Chiam See Tong (Potong Pasir).

Assoc. Prof. Chin Tet Yung (Sembawang).

Mr Charles Chong (Pasir Ris-Punggol).

Dr Chong Weng Chiew (Tanjong Pagar).

Mr Arthur Fong (West Coast).

Mr Cedric Foo Chee Keng (West Coast), Minister of State, Ministry of Defence and Ministry of National Development.

Mr Gan Kim Yong (Holland-Bukit Panjang).

Mr Andy Gan Lai Chiang (Marine Parade).

Dr Geh Min (Nominated Member).

Mr Goh Chok Tong (Marine Parade), Senior Minister, Prime Minister's Office.

Mdm Halimah Yacob (Jurong).

Mr Hawazi Daipi (Sembawang), Senior Parliamentary Secretary to the Minister for Education and Minister for Manpower.

Mr Heng Chee How (Jalan Besar), Minister of State, Ministry of Trade and Industry.

Mdm Ho Geok Choo (West Coast).

Assoc. Prof. Ho Peng Kee (Nee Soon East), Senior Minister of State, Ministry of Law and Ministry of Home Affairs.

Mr Inderjit Singh (Ang Mo Kio), Deputy Government Whip.

Ms Indranee Rajah (Tanjong Pagar).

Prof. S Jayakumar (East Coast), Deputy Prime Minister and Minister for Law.

Dr Amy Khor Lean Suan (Hong Kah).

*Budget FY 2005 — Committee of Supply —  
Ministry of Law*

[Assoc. Prof. Ho PENG KEE]

opening them up. But that I will leave to the Minister for Community Development, Youth and Sports and also the Minister for Education to consider. But certainly from SLA's point of view, we are more than happy to do our part.

**Mr Ahmad Khalis Bin Abdul Ghani:** Sir, I am pleased to note the Deputy Prime Minister's and Minister's reiteration that insolvency cases are dealt with according to principles, there is no one-size-fits-all policy, and there is such a thing as the red zone and the green zone. I think it is important that the public be continuously educated on this point. People who may be bankrupts one day should know what is in store for them, and that creditors would also know what their rights are.

**The Chairman:** Ms Indranee, would you like to withdraw your amendment?

**Ms Indranee Rajah:** Sir, I would like to thank the Minister for Law and the Senior Minister of State for Law for their responses and for clarifying the Ministry's stance and, in the circumstances, I beg leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

The sum of \$121,244,220 for Head R ordered to stand part of the Main Estimates.

The sum of \$226,104,900 for Head R ordered to stand part of the Development Estimates.

*Head B — Attorney-General's Chambers*

1.00 pm

**The Chairman:** Head B — Attorney-General's Chambers. **Prof. Ivan Png.** **Three minutes.**

*Budget FY 2005 — Committee of Supply —  
Attorney-General's Chambers*

*Outsourcing Civil Work*

**Prof. Ivan Png Paak Liang (Nominated Member):** Sir, I beg to move,

That the total sum to be allocated for Head B of the Estimates be reduced by \$100.

Sir, the Attorney-General is responsible for both criminal and civil legal work on behalf of the Government. The Attorney-General's 2005 budget provides for 143 legal officers. This makes the A-G's Chambers probably the largest in-house legal department in Singapore and possibly in the region.

My suggestion is that the Attorney-General follows the best practice amongst in-house legal departments. Specifically, my suggestion is that the Attorney-General outsource part of his civil work to private practitioners. This is done by governments in other jurisdictions, for instance, the UK. This measure would align with our objective of a lean Government and the best sourcing principles that Prime Minister Lee outlined in this House yesterday. This outsourcing of civil work will also help to further develop our private Bar's expertise in complex legal issues.

**Prof. Jayakumar:** I thank Prof. Ivan Png. It is a refreshing change from the viewpoint expressed by others yesterday, ie, do not outsource too much.

But let me say first that the Attorney-General is amenable to outsourcing legal work in-principle in appropriate cases. And indeed, he does so in particular cases, for example, in some civil cases involving arbitration work. He outsources also cases in patent applications, claims against the Government such as, for example, claims against MINDEF and also claims before the Appeals Board in land acquisition cases. But we have to remember that the Attorney-General is the principal legal adviser to the Government

and is the Public Prosecutor under the Constitution and these constitutional functions cannot easily be outsourced, or what is the core work of the Attorney-General's Chambers may not be suitable, particularly where they touch on constitutional and administrative matters.

Let me add also that on certain complex cases, the Attorney-General does consult external experts. But even here, some of the cases may involve Government policies. It could be highly confidential, if not, secret and it may not be suitable for outsourcing. Furthermore, from the viewpoint of cost, in some cases, it may not be economical to outsource and obviously, if it is not economical to outsource, then it does not make sense to do so.

The Member says that the Attorney-General's Chambers is the largest law firm or thereabout. Factually, that is not correct because the largest law firm in Singapore has close to 200 lawyers. But the more important point I want to make is that the Attorney-General's Chambers cannot be considered to be similar to a law firm because of the myriad functions which he performs. The AGC's work spans a wide spectrum. It undertakes civil work, criminal prosecutions, track legal developments in other jurisdictions, undertakes legal reform work and it drafts all the Bills that come up to this Chamber for enactment.

And from my personal experience – because I have been involved in the Pedra Branca and in the reclamation cases and ITLOS – they also have to be involved in international law and international legal matters, cases like Pedra Branca, reclamation case with Malaysia, advising Government agencies on FTAs and other international treaties, and so on.

In the area of civil work, the particular concern of Prof. Ivan Png, the Attorney-General has a very lean outfit of only 16

legal officers in the Civil Division and considering that these officers provide legal advice and representation to 15 Ministries, eight Organs of State, including Parliament, the Civil Division cannot be described as anything but efficient, small and lean. If we outsource half, as Prof. Ivan Png has said, I think we will have problems in the quality of Bills and the Bills coming here on time, just to give one example.

But, I repeat, the Attorney-General is, in principle, amenable to outsourcing.

Prof. Ivan Png Paak Liang: Sir, let me clarify. When I said that the Attorney-General's Chambers was the largest, I said it is the largest in-house legal department. I was not comparing the Attorney-General to an independent law firm like Allen and Gledhill. I do again urge the Attorney-General to consider outsourcing. This is the practice in not only the UK but Australia, Hong Kong and other jurisdictions. I was motivated in part by an admiralty case where I understand the Government sent a junior lawyer against one of our most distinguished counsel, and the Government did not fare very well in that case.

Prof. Jayakumar: I think every lawyer's dream is to win every case that he appears before the court. But as Ms Indranee Rajah will tell you, in the nature of legal disputes, we cannot get that ideal from the viewpoint of a lawyer, because in law, the very nature of legal disputes does not lend itself to a 100% perfect or correct answer. That is why we have Courts of Appeal.

Prof. Ivan Png Paak Liang: Sir, I wish to thank the hon. Deputy Prime Minister for so kindly attending to my cut. Sir, I beg leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

The sum of \$46,227,880 for Head B ordered to stand part of the Main Estimates.

[Mr ANDY GAN LAI CHIANG]

Another factor to consider would be on subsidies or rebates on fares for senior citizens and students. This should be forthcoming from transport operators instead of from the Government only. If the transport operators are proactive in their community outreach through transport fare subsidies for senior citizens and students, then the perception and emotions of fare increases may be mitigated.

In order to promote this approach, perhaps the Government could consider giving tax concessions to transport operators for every dollar of subsidy contributed as an incentive for their contribution to society. Thus, with a combination of efforts from the Government and the private sector and a transparent approach to setting public transport fares, future adjustments to the public transport fares could be less controversial. Even with the best intention, any upward revision in transport cost would somehow not be met with understanding from the public, and the more frequent the adjustment of the fares is, the greater the chances of affecting even non-commuters. So I would urge the Public Transport Council to look at the possibility of matching the expectation of the public through constant feedback from users against the result of transport fares through the application of the new formula. Whatever the final adjustment is decided upon, it should preferably be applicable for a long time.

#### *Mass Rapid Transit*

**Mr Charles Chong:** Some of the points have already been raised by the speakers before, and so I would not repeat them.

Sir, the Third and Fourth Schedules of the Competition Act that Parliament passed not so long ago excluded rail services, amongst some other essential services, from the need to have competition. Sir, was this the realisation

that having two or more train operators in Singapore for the sake of competition was not such a good idea after all? The second train operator operating the North-East Line, despite raising productivity by using state-of-the-art equipment and driverless trains, eliminating bus routes that could provide competition to its train routes and cutting cost by not opening, at least, one very important station, is still losing money on its train operations.

Besides the lack of population catchment, a contributory factor must surely be the lack of economies of scale in such a small area of operation. Would the Minister consider facilitating a consolidation of the train operators so that better economies of scale could be achieved for the benefit of commuters, as well as the single operator?

Sir, I do realise that SMRT and SBS Transit are public listed companies and it may not be appropriate for the Minister to tell these companies what they should do. However, I am sure that the Minister is ingenious enough to be able to come up with incentives for them to do the right thing and, at the same time, with disincentives if they continue to do the wrong thing.

One final point, Sir. Could the Minister also give us an update when Buangkok Station will be opened?

#### *Mini-buses*

**Prof. Ivan Png Paak Liang (Nominated Member):** Sir, I believe that our transport system over-emphasises private transport, by which I mean private cars and taxis. I have a suggestion to offer which addresses also a concern raised by hon. Members Mdm Cynthia Phua and Mr Yatiman Yusof, and that is, to introduce mini-buses.

Mini-buses carry more passengers than taxis. They are both socially and

environmentally more friendly. Hong Kong is on the front page of our newspapers today. We have something to learn from Hong Kong, that is, how to use mini-buses. The Hong Kong land transport system is based on sound transportation economics, that is, hub and spoke. Subway trains connect the hubs, mini-buses provide the feeder. Mini-buses are better than feeder buses, addressing Mr Yatiman's complaint, mini-buses could run more routes, shorter routes and, above all, they could provide more frequent services. So, in this way, it will help to reduce the overall travel time and improve the service to our commuters.

Finally, let me add that if the Ministry accepts this suggestion, the mini-buses routes be awarded not to SMRT, SBS or some large corporation, but to another "S" – SMEs. Let this be another avenue for our local entrepreneurship. Let us award the individuals and, if need be, on an auction basis.

#### *School Buses*

**Dr Mohamad Maliki Bin Osman:** Sir, the safety of school children travelling to and from school is very important to parents like myself. There have been cases of road accidents involving children, causing some deaths.

4.15 pm

Sir, there is another issue that needs to be addressed, ie, the use of seat belts in our school buses. It was drawn to my attention recently that, unlike passenger cars, there is no legal requirement for school buses to be fitted with seat belts. Also, even if there are seat belts, drivers are not required to ensure that the children actually put on these seat belts while travelling in those buses. I asked the bus operators why. Their answer is rather alarming. They said that there are many children in the buses. Often-times, they have to put three children per seat, when

the seats are actually made for two. As such, even if there are seat belts, the children will not be able to use them.

Sir, I do not think this reason is acceptable. The operators do this because they want to reduce the fees to charge parents. I do not think Singaporeans are willing to compromise the safety of their children because of cost. More fundamentally, if it is true that there are no such regulation, it may seem that the Government is also willing to compromise the safety of our children when they travel on school buses.

Sir, I find it hard to explain to my children that whenever they are in my car, I will insist that they buckle up for their safety and also that it is required by the law. But the same message cannot be transmitted when they go on board the school buses. It is as though we are sending conflicting messages that seat belts are only important in daddy's car. Sir, I do not think this is right. We must be consistent in our message to our children. If the Traffic Police tagline is that seat belts save lives, then how can we promote this to our children when the requirement is not put in place?

Sir, I would like to ask whether indeed the Ministry does not have a policy of requiring school buses to be fitted with seat belts and, more importantly, to require the children to buckle up when they travel in school buses. If so, I urge the Ministry to study this matter seriously and act on it urgently.

#### *Taxi Operation*

**Mdm Cynthia Phua:** Sir, with the liberalisation of the taxi industry, the number of taxis has increased. This increase in supply has made it more difficult for the drivers to sustain their earning level which has, in fact, taken a dip. Many of our grassroots leaders have affirmed this fact, ie, the income has

[Mr YEO CHEOW TONG]

to 160 kilometres over the long term, which is really year "x". I am happy to inform him that we have already reached about 130 kilometres now, and the whole system will total 175 kilometres with the completion of the Circle Line and the Boon Lay extension, which is by the year 2010. That means, by the year 2010, we would have exceeded the long-term target of 160 kilometres.

Sir, let me now move on to the point about feeder services. Mr Yatiman Yusof described the woes of his Tampines residents with regard to the feeder services. Sir, I think the transport needs of the HDB towns in many ways exemplify the complexities of planning a public transport system and network. For example, in a single precinct, there may be 2,000 people living there who need to travel to 1,000 different points in Singapore. How do we provide a system that will efficiently and cost effectively link them to those points that they want to go to? I think there are two extremes.

The first is to provide a very personalised service where each of them can have a door-to-door service. In fact, this is available today. The taxi service provides that but, of course, at a very much higher cost than what the bus and MRT would cost. The other way is, of course, through private transport.

The other extreme, the cheapest way, is to have one trunk route which will link that precinct to every point in Singapore. Of course, the last passenger to get off the bus may have to suffer a three or maybe four-hour bus journey. So, that again is not viable.

The most efficient, cost effective and prudent model is the hub-and-spoke system which is used in most, if not all, countries. In Singapore, I think our feeder services are in fact very efficient, with the headways during the peak hours

averaging between five to maybe six or seven minutes at the very most. And off-peak, the headways are only about 10 to 15 minutes. So, in actual fact, we have a very efficient feeder bus network. Of course, how long a commuter needs to ride on the feeder bus will depend, firstly, on how far away he lives from the interchange or the MRT station and, secondly, once he gets off the trunk bus or the MRT train, how far away is his destination from the station. If the destination is far away, then of course he may have to have another 20-minute ride by bus. So, the one-hour ride that Mr Yatiman Yusof mentioned also depends very much on where those two points are. I think our system is fairly optimal. It is not perfect. But I think it has met the needs of most people, which is really the aim of a mass public transport system.

Sir, but if Mr Yatiman, or for that matter Prof. Ivan Png — because he did also ask for other operators to be allowed to operate a feeder bus system — if any MP is able to locate a private operator who is prepared to run another feeder service, he is free to go to the PTC and submit an application, because this is available under the competition framework that we established in August 2002. Under this competition framework, any interested party can apply to provide a comprehensive feeder service, ie, he cannot just go in and cherry pick and say "I am going to run this particular service for two hours" because, if that happens, then who is going to run the services off-peak? The residents will have to walk from their home to the MRT station. So, whoever wants to run a competitive service is allowed to do so, but it must be a comprehensive service, it must serve the whole estate, and they must operate within the Quality of Service standards established by LTA, and which are applicable to all public transport operators. And if these operators wish to use mini-buses and the larger buses, they are free to do so.

Sir, with regard to Prof. Png's points about the Hong Kong model of using mini-buses, first, let me clarify the situation in Hong Kong. There are two types of mini-buses, the red mini-buses and the green mini-buses. The red mini-buses are unregulated, and are free to choose their own routes. But these are all the legacies of the 1960s. The Hong Kong government has stopped expanding this fleet, and they charge more than the regular buses.

Sir, let me now move on to taxi services.

First, let me explain why we have fully deregulated the taxi industry. Prior to 2003, the taxi industry was a closed market, with a limited group of taxi companies. LTA determined the number of taxis they could operate. And it was really a very arbitrary decision by LTA, as it had no means of really knowing how many taxis we should have in Singapore. Deregulation has injected competition and will enable the market forces to address the challenges faced by the industry. And to safeguard commuters, LTA introduced a set of Quality of Service Standards (QoS) to ensure that the taxi service levels are not compromised.

Our assessment is that deregulation has worked well. First, the number of taxis has increased by about 1,300 to a total of 20,400. Second, three new companies have entered the market. And third, competition has given both commuters and taxi drivers more choices, and better services from the taxi companies.

Sir, the industry now has full flexibility to determine whether the supply and demand problem mentioned by Mr Ong can be resolved by either increasing the supply of taxis, or, as mentioned by Mdm Phua, through price differentiation through some of the operators increasing their taxi

fares. Of course, this is contrary to what Prof. Chin Tet Yung is looking for, which is lower taxi fares. I think this shows that this is indeed a very complex situation and a very complicated situation too, affecting both the drivers and commuters. As such, the taxi companies will have to consider very carefully before deciding on what is the best way to resolve the demand and supply situation, especially during the peak hours.

I would therefore urge Mr Ong to be patient for a little while, because deregulation is still fairly new, and I am sure with more players in the market, the cartel which Prof. Chin suspected, if it is there, will surely have to contend with the fact that the marketplace is now totally different.

Sir, Mdm Phua mentioned that the competition in the industry is being distorted by the presence of a dominant player. I agree with her. This is certainly true. But this was already so even before we deregulated. Having decided to deregulate, it is better for LTA to let the market develop further, and take stock of the situation. At that time, if Mdm Phua is still not satisfied, she can of course resurface her suggestion that we look at ways on how to deal with a dominant player.

Sir, the other issue raised by both Mdm Phua and Mr Seng Han Thong is the plight of taxi drivers. Mdm Phua mentioned that the increase in the supply of taxis has reduced the income of the drivers, and so did Mr Seng Han Thong. The data collected by LTA showed that the earnings of the taxi drivers did drop during the SARS outbreak in 2003. However, they recovered very strongly last year, with the average gross income of taxi drivers even slightly higher than pre-SARS in 2002. This shows that the general demand has kept pace with the increase in the overall taxi fleet. And, in fact, I do not know where Mr Seng got



[Mr YEO CHEOW TONG]

But as to PTC's ultimate decision, I cannot second-guess them. They are independent, they are autonomous, they have to make up their minds based on the facts given to them.

**Prof. Ivan Png Paak Liang:** I thank the honourable Minister for responding to my suggestion. I only ask that the Minister agree that when routes are awarded, they will not be on this comprehensive basis which is so large that no small independent person can afford to bid for them. Let us offer these routes on a single basis so that small time businessmen can bid on an individual basis.

**Mr Yeo Cheow Tong:** Sir, a reliable public transport system is not one which a small operator, with very limited resources, could afford to operate. He must have enough resources to operate a system which is reliable, because that is what we are promising commuters. The public transport system is a very basic system for those people without private transport and, therefore, reliability must be a given. If we give out only route by route, I think we are going to have a very fragmented system, with very low economies of scale, which is why we have to-date, two operators.

5.15 pm

As I have mentioned just now, our competition framework would allow a third operator to come in at the town level. I think the town level does not require as much an investment as a country-wide system. So, if an entrepreneur wants to go into public transport system, I would say, "Yes, look at one of the small towns and provide a service for the whole town." If he wants to provide only one route, then the question is which route? Do we give him the most profitable or the least profitable route? The reason why we package it as one town is that

there would be some routes where the flats are fully occupied, and there would be other routes, which are perhaps further away, where the flats are only half full. That part of the town, which is fully occupied, in a way helps to offset the service to the other part of the town which is not fully occupied. That is why we could not afford to just give one route away. It has to be a system.

**Dr Mohamad Maliki Bin Osman:** I just want to make a point with regard to the seat belts again. The Minister mentioned that right now we have a good record and we do not have accidents involving school buses. But I just want an assurance that we do not want to wait until accidents happen before we act on it.

**Mr Yeo Cheow Tong:** Sir, the system has worked very well. Of course, it could be further improved. I do not doubt that, which is why I said that if any parent or any school wants to have an even safer system, they are free to do so. But I do not think we should impose on all parents the ultimate, when it is something which I think most parents may balk at in terms of the fare increase.

**Dr Lily Neo (Jalan Besar):** Mr Chairman, the Minister said earlier that SMRT offers help to the physically challenged residents. May I ask him whether there are any plans to also make our public buses more friendly to the physically challenged residents, in view of our ageing population, to give them independence? Also, are there feasibility studies done so far on the cost to make our public transport more friendly to this group of people?

**Mr Yeo Cheow Tong:** Sir, as I mentioned in my reply earlier, our public transport system and the bus and MRT systems are mass transport systems and, therefore, the efficiency and effectiveness of the systems must be our priority goal. In terms of making the buses friendly to

our highways be raised to 110 kph during non-peak hours.

#### *Scrapping of Vehicles*

**Mr Lawrence Leow Chin Hin (Nominated Member):** Mr Chairman, Sir, the early scrapping of vehicles, primarily passenger cars, is quite prevailing in recent years. It reached its peak in 2001 as prices of new models plunged when the ARF was cut from 140% to 130%. The ARF is now 110%. Excise duty was also cut from 31% to 20% in 2002 and has since remained at that rate. Since 2000, an average of 95,000 vehicles have been taken off the road each year, many of them before five years. With these cars intended to be on the road for 10 years, this rather premature scrapping of cars is quite alarming. While car buyers are quite happy with the lower prices of new cars, and many have taken the opportunity to switch to newer and bigger models, I am not sure if this early scrapping of cars could lead to an economic loss for us as a whole. The benefits, as I see it, ultimately flow to the car manufacturers, all of whom are offshore operations that do not offer any direct contribution to our economic activities, despite a rise in car sales. Putting an asset, in this case, a car to rest, when it is still in good working condition and with more than half its useful life to run, does seem rather wasteful. Sir, I am just concerned about this trend and implication. Hence, I would like to know if LTA has looked into this matter and whether there are any adverse implication arising from such early scrapping of cars. And, if there are adverse implications, is LTA taking steps to fine-tune the current system?

#### *Pedestrian Overhead Bridges*

**Prof. Ivan Png Paak Liang:** Sir, last month, on my way to this House at Holland Road, I observed an old woman crossing the road from one side to

another. In line with our objective to leave no one behind, I suggest that the Ministry please build all new overhead pedestrian bridges and retrofit existing bridges to make the staircases more gentle and to include a ramp. This would benefit the elderly as well as couples with babies.

I did suggest this idea of ramps to LTA but their reply, in part, said that they were bound by building codes and barrier-free accessibility guidelines which make it difficult to build these. I believe this should not be an all-or-nothing issue. We do not need first class or even business class ramps. I believe most of our citizens would be quite happy with economy class ramps. Could the Ministry please work with the Ministry of National Development for an exemption, if necessary? Let us help all our families with babies and our older compatriots.

5.30 pm

**The Minister of State for Finance and Transport (Mrs Lim Hwee Hua):** Sir, first, I would like to thank Members for raising the different cuts.

Several Members have raised issues relating to our transport and road infrastructure policies.

First, let me address Mr Ong Kian Min's point about the vehicle population growth rate. Since the introduction of the Vehicle Quota System in 1990, our vehicle population growth rate has been set at 3% per annum. When the growth rate was subsequently reviewed in 1999, it was decided that the growth rate could be sustained at 3% till 2005, which is this year. LTA is currently reviewing the allowable growth rate from Quota Year 2006 and beyond. It expects to complete the review by the end of this year.

When deciding on a sustainable growth rate, we need to consider several factors. These factors include how fast

[Mrs LIM HWEE HUA]

variable speed limit signs are used in cities in the US, UK and Australia. The purpose of such variable speed signs is to reduce the posted speed limits at certain times of the day in order to improve road safety and traffic efficiency. I wish to explain that our current paradigm is to set the maximum allowable speeds which motorists can travel at. When there are time- or incident-specific safety concerns, such as when there is road maintenance taking place or where there has been an accident, motorists are warned to slow down. The other approach is to set a lower limit and then vary it at certain times of the day to allow a higher speed limit when conditions permit. Our current approach of setting the maximum speed is preferred to introducing variable speed signs as it allows us to maximise the capacity of the roads while requiring users to vary their speeds according to their own assessment of safety considerations.

As regards his suggestion on dedicating one lane for the fast-moving traffic, there is currently no compelling reason to do so. As mentioned earlier, it could reduce our road capacity. Nevertheless, I wish to thank Mr Ang for his suggestion.

Sir, on his comments on the speed limits for commercial vehicles, which was also raised by Mr Ong Kian Min, they have asked whether the speed limits of light commercial vehicles, which refer to light goods vehicles and small buses with seating capacity of up to 15 passengers, can be increased. As we heard earlier in this House, the Land Transport Authority and the Traffic Police regularly review vehicle speed limits taking into consideration the advancements in vehicle technology, geometry of the roads, and the prevailing traffic conditions.

I am pleased to inform Members that the review of the vehicle speed limits for

light commercial vehicles has been completed. The review found that the accident statistics involving such vehicles on expressways were consistently lower compared to cars. It concluded therefore that the speed limit of such vehicles can be increased by a further 10 km per hour, from the current 60 km per hour to 70 km per hour.

The increase in the speed limit will not compromise the safety of such vehicles and other road users. In fact, safety will be further enhanced as the speed differential now between light commercial vehicles and the other vehicles is narrowed. However, to address the safety concerns for some groups of passengers, LTA will continue to subject light commercial vehicles carrying workers on the vehicles' decks as well as small buses without seat belts, to the current speed limit of 60 km per hour. The LTA will be providing the details next week.

Finally, let me take the cut by Prof. Ivan Png on pedestrian overhead bridges. He suggested that, ideally, staircases for all pedestrian overhead bridges should be made gentler and that ramps be included as a standard feature. I agree with the Member on the need for transport infrastructure to evolve with changing demographics. Since year 2000, LTA has revised its design of staircases of new pedestrian overhead bridges to be in line with the BCA's Code of Practice on Barrier-Free Accessibility in Buildings for the design of staircases. This includes the gradient, the height, the width of the steps, the number of landings, etc.

The improvements include reducing the step height from 175 mm to 150 mm and increasing the step width from 288 mm to 300 mm to better serve the elderly and the very young. However, it will be very costly to reconstruct all existing staircases of the pedestrian overhead bridges to meet these new design standards. Some 380 of such bridges

would need to be reconstructed at a cost of around \$60 million, and this excludes the costs associated with diverting utilities. Therefore, the LTA has taken the prudent approach of applying the new standards to new bridges and to old ones when they are due for replacement.

5.45 pm

As for adding ramps to existing bridges, I agree it makes the bridges more accessible for the elderly and for those using strollers. However, the additional land take would be significant, at least 200 square metres per bridge. Aside from this additional land requirement, in most cases, this is not even possible given that the bridges are located in built-up areas. Where there is sufficient space, for example, along the expressways and major arterial roads, LTA will continue to provide ramps for the bridges. In fact, at-grade crossings are more accessible than bridges and are the preferred form of crossing for the elderly and the less mobile. Therefore, to better meet the needs of this group, LTA would try to provide more at-grade crossings at suitable locations wherever possible.

**Prof. Png** has also asked for a more flexible approach to be adopted in applying the guidelines so as to make it less costly and onerous to provide the ramps. Let me just clarify here that the BCA Code was formulated based on international standards and adapted to our local conditions. It was developed through a consultative process involving the key stakeholders like the VWOs and other Government agencies. The mandatory requirements are the minimum standards required in order to meet the special needs of users. For example, a steeper ramp would be difficult for the elderly and the physically challenged, while a narrow one would limit accessibility. Hence, I would like to assure the Member that LTA does not build "business class" ramps and

the standards took into account factors of accessibility and safety.

**Mr Ong Kian Min:** Can I seek a clarification, Sir?

**The Chairman:** Yes.

**Mr Ong Kian Min:** I would like to seek a clarification on the statement that our roads take up 12% of our land space. When you have a piece of land, one kilometre square, and if you want to build roads to serve it, let us say you build around the borders, that would take four kilometres of road. But you want to subdivide the land into four pieces and serve the four components, then you have to build two additional stretches of roads and that would take the roads to six kilometres. So it is not necessarily a bad thing because it is the function of our urban development. In the context of our city state, I would like to ask the Minister of State how do we compare to other cities, in terms of our road space and the utilisation of these roads.

**Mrs Lim Hwee Hua:** Sir, I do not have details of the comparison with other city states, except to mention that at 12% and in view of all the competing land uses, such as nature reserves, we are actually running pretty close to what is physically possible. Besides, those who are campaigning for the environment would probably tell you that 12% is a little too high. My point in raising this 12% is really to highlight that the 15% growth, or the expansion in the road network that we have done over the past 14 years, is unlikely to be repeated. Therefore, the scope for expanding the road network further is likely to be very limited and measured.

#### *Sea Transport*

**Mr Ong Kian Min:** PSA Singapore Terminals operates the world's busiest transshipment hub, handling about one-fifth of the world's total container

[Mr WEE SIEW KIM]

there are any updates on the current developments on our Air Services Agreements and what can we expect to happen in the near future. And beyond air services liberalisation, what other measures, be they creative or liberating in nature, are being taken to ensure that our air hub status grow from strength to strength?

*Workload and Performance Indicators*

**Prof. Ivan Png Paak Liang:** Mr Chairman, the Ministry of Transport has only one performance indicator in the Budget book. This is, amongst all Ministries, probably the shortest list. May I suggest that the Ministry adopt some of the following indicators:

- (1) average travel speed on Singapore roads;
- (2) for buses and MRT trains, average journey time, including both waiting and travel, per kilometre of journey;
- (3) number of passengers and flights at airports; and
- (4) number of containers and tonnes of non-containerised freight handled at ports.

**Mr Yeo Cheow Tong:** Sir, as Mr Ong Kian Min, Mr Wee Siew Kim and Mr Charles Chong have pointed out, the global aviation landscape is evolving and changing very rapidly. Airport competition has intensified, with the opening of many new airports, as pointed out by Mr Wee. The emergence of low-cost travel and new aircraft technology are also key trends affecting our position as an air hub. Let me share with Members our three key strategies to enhance Changi Airport's competitiveness, as asked by some of the Members.

Sir, the first priority is to strengthen our partnership with the airlines by facilitating their growth and reducing their operating costs here. As mentioned by Mr Wee, we had a three-year, \$210 million Air Hub Development Fund and a two-year, \$40 million Growth Incentive Scheme, which incentivised airlines to carry more passengers to Changi. Sir, our airline partners greatly appreciated these two schemes. They have worked very well and they have helped Changi achieve a record 30.4 million passengers and 1.8 million tonnes of cargo last year. Changi's network was also expanded to more than 170 cities, making Changi one of the best connected airports in the region.

Sir, as both schemes will expire at the end of this year, we will launch a new three-year, \$300 million fund to succeed them. About \$100 million will be set aside each year to fund traffic development and cost reduction initiatives. The new fund will further facilitate the growth of our airline partners at Changi and position us for the long haul. We will release details of the new fund later this year.

Secondly, we will continue to upgrade Changi Airport, in both hardware and software. We have started infrastructure works to enable Changi to welcome the new Airbus A380s when they start flying next year.

We will also further improve the "Changi Experience" for passengers as well as airlines. T3 will be completed in 2008 while upgrading of T1 will begin once the upgrading of T2 is completed next year. In addition, training for frontline staff will be stepped up to improve service levels. To better meet the needs of our diverse passengers, CAAS will enhance its services by introducing multilingual signages and having more multilingual staff.

Sir, Changi's hallmark has always been its high standards of service. This

*Budget FY 2005 – Committee of Supply – Ministry of Transport*

includes services provided by various companies operating at Changi. I can assure Mr Charles Chong that we will continue to review and maintain high performance standards on all service providers at Changi, for the benefit of our airlines and passengers.

Sir, the third strategy is that we will continue to liberalise our Air Services Agreements with other countries. This will enhance Changi's connectivity and boost our hub status.

We have always welcomed foreign carriers to operate here in open competition with Singapore carriers. Last year, we facilitated the formation of three new Singapore airlines, namely, Valuair, Tiger Airways and Jetstar Asia. They will expand Changi's network and give passengers greater choice and more affordable fares. Their entry has increased competition, and further enhanced Changi's hub status.

Without a liberal aviation policy, we would have lost out on the wider economic benefits that competition brings. More airlines would mean more business for ground handlers, in-flight caterers, maintenance companies and other aviation-related companies. The economy also benefits from the expenditures from more visitors on hotel accommodation, shopping, food, ground transportation, and so on.

Sir, increased competition therefore helps to grow the market, and brings win-win benefits to the economy and the man-in-the-street. I am hopeful that other countries would also come to realise the wider benefits of competition, and a more open aviation regime.

Sir, let me move on to the specific case of the LCCs.

Mr Wee, Mdm Phua and Mr Ong commented on the contribution of low

cost carriers, or "LCCs", to Changi Airport, and asked about our strategy to facilitate their growth.

Sir, the LCCs serving Changi have grown rapidly in their first year. They now account for 7% of Changi's weekly flights and 5% of Changi's overall traffic. More significantly, traffic growth on key routes served by LCCs exceeded Changi's overall traffic growth.

For example, on the Singapore-Bangkok route, year-on-year traffic for the last quarter of last year grew 18%, much higher than Changi's overall growth of 11%. The growth on the Singapore-Hong Kong route is even more impressive at 26% over the same period.

Mr Charles Chong asked if the LCCs will discourage full service airlines from either coming here or expanding their services here. Sir, let me take the example of Hong Kong. Today, two of our new carriers, Valuair and Jetstar Asia, operate 14 weekly services each to Hong Kong. Have their entry discouraged the airlines? Sir, I do not think so. Not only have SIA and Cathay Pacific maintained their services, Cathay Pacific has, in fact, recently added another seven weekly services, an increase of 20%. I think this shows that increased competition has also grown the overall pie for all the players.

We also recognise that the operating model of LCCs is different from the full service carriers. Many charge low fares by doing away with "frills" such as aerobridges, in-flight meals, and assigned seating. And as Mr Wee mentioned, by having faster turnaround of aircraft, I am happy to inform Mr Wee that we have been able to satisfy the LCCs in terms of aircraft turnaround time. And to meet the more basic needs of LCCs, we are building a "no frills" low-cost terminal, which will be completed early next year. The new terminal will also allow for even quicker embarkation and disembarkation

[Mr YEO CHEOW TONG]

of passengers, and even faster aircraft turnaround times. So this will definitely help anchor us as a LCC hub in the region.

Sir, Mr Ong Kian Min asked what assistance we will give to the LCCs should they face problems. Sir, our aim is to work with our airline partners, whether they are full service or LCCs, to anchor their growth and position here, and make sure that they are here for the long term. And as we have shown during the SARS crisis, if and when there are new crises which result in a drop in business, we will step in with temporary relief measures to help all our partners, whether they are LCCs or full service.

Sir, Mr Ong also asked whether the airlines and the LCCs negotiate new air links on their own. Let me clarify that it is the job of the Government to negotiate Air Services Agreements with other countries. But before we do so, we will consult our carriers, both full-service and low-cost, about their future plans. And once we have obtained the additional air rights, the carriers will have to make their own commercial calculations as to which specific route to apply for. I believe our holistic approach will enable us to also develop into a key hub for regional LCC operations.

6.30 pm

Sir, Mdm Cynthia Phua asked how do we avoid cannibalisation of businesses by the LCCs. Sir, the LCCs are here to stay. They are a fact of life. If we do not have our LCCs, the LCCs of other countries will fly here and they will take the business. So it is better that we have our own LCCs and we work with them and the other LCCs of other countries to further grow the market. This way, the pie will grow and, in the process, our economy will benefit greatly from such growth.

Mdm Cynthia Phua also was worried about the safety of the LCCs and asked

whether, basically, they are riskier. Sir, CAAS adopts a stringent safety regime in the interest of the safety of the travelling public. Our safety standards are in line with international standards established by the ICAO. All Singapore-registered carriers, whether they are full-service or low-cost carriers, are subjected to thorough inspections, audits and safety oversight. CAAS conducts comprehensive and systematic evaluation on our carriers before issuing them the operating licences, and it also carries out periodic safety inspections thereafter.

Sir, with regard to the foreign carriers, the airworthiness of foreign carriers operating in Singapore, including LCCs, is certified by their own national civil aviation authorities. CAAS only conducts initial checks on new foreign carriers, such as the verification of relevant documents issued by their national regulators. Nevertheless, as an added safety measure, periodically, CAAS will visually conduct safety inspections on foreign aircraft arriving at Changi.

Sir, Prof. Ivan Png commented that we only have one work performance indicator and he asked for a few of them to be included in the Budget book. Sir, let me explain to him that my Ministry and our statutory boards do, in fact, routinely monitor the performance indicators that he mentioned, as well as many other key indicators. The key performance indicators for our land transport, airport and port are presented on the websites of MOT, LTA, CAAS and MPA to allow the public and interested parties convenient access to the up-to-date data. So, instead of once a year, we have the data there and we update them. The information is also available in various public domains, for example, the annual reports of the statutory boards and the Annual Economic Survey published by MTI.

The performance indicators of CAAS and MPA are not included in the Budget book as they are self-funding statutory

*Budget FY 2005 – Committee of Supply –  
Ministry of Transport*

boards. So, in any case, there is no way that we can put them there. For land transport, I will definitely ask MOT to consider including some of the indicators currently displayed on the website in the Budget book as well.

**The Chairman:** We have some time for clarifications. No clarification. Mr Ong, can you withdraw your amendment?

**Mr Ong Kian Min:** I would like to thank the Minister and the Minister of State for their comprehensive replies to the matters raised and for clarifying the Ministry's position on transport issues. I beg leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

The sum of \$290,418,390 for Head W ordered to stand part of the Main Estimates.

The sum of \$1,776,154,600 for Head W ordered to stand part of the Development Estimates.

**COMMITTEE OF SUPPLY REPORTING  
PROGRESS**

**The Second Minister for National Development (Mr Lim Swee Say) :** Sir, may I seek your consent to move that progress be reported now and leave be asked to sit again tomorrow.

*Adjournment*

**The Chairman:** I give my consent.

Resolved,

That, notwithstanding the resolution of the House on 2nd March 2005, progress be reported now and leave be asked to sit again tomorrow. — [Mr Lim Swee Say].

Thereupon Mr Deputy Speaker left the Chair of the Committee and took the Chair of the House.

**Mr Yeo Cheow Tong:** Mr Deputy Speaker, Sir, I beg to report that the Committee of Supply has made further progress on the Estimates of Expenditure for the financial year 2005/2006, and ask leave to sit again tomorrow.

**Mr Deputy Speaker:** So be it.

**ADJOURNMENT**

Resolved,

"That Parliament do now adjourn." — [Mr Yeo Cheow Tong].

Adjourned accordingly at  
Twenty-Four Minutes  
to Seven o'clock pm.