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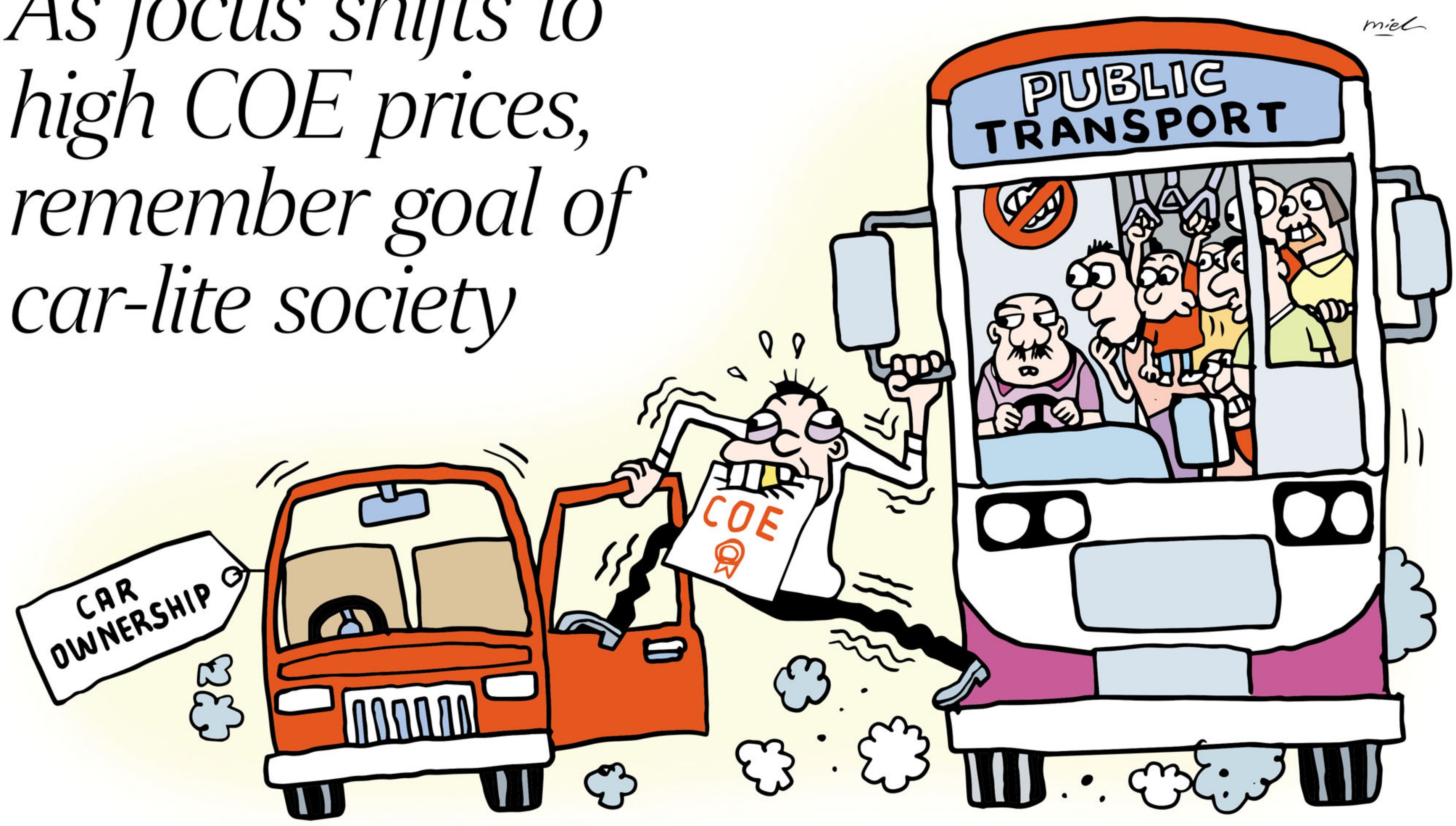
As focus shifts to high COE prices, remember goal of car-lite society



This vision hinges on the efficiency, accessibility and affordability of public transport but calling for a reversal in COE policy threatens it

Raymond Ong

Singapore has long aspired to be car-lite as part of its strategy to combat climate change and to provide a liveable environment for residents.

When this car-lite vision was announced by Prime Minister Lee Hsien Loong in 2014 during the launch of the Sustainable Singapore Blueprint, he articulated a three-pronged approach to get there: Expanding the public transport system, providing alternative modes of transport and cutting dependence on private cars.

After all, Singapore is land-scarce, and creating more roads and carparks to accommodate more cars as the population grows would mean less space for homes, recreation and commerce in the long term.

Furthermore, the growing congestion, air and noise pollution and carbon emissions accompanying vehicular growth made continued growth in Singapore's car population unsustainable. There are also limitations when it comes to the expansion of road networks.

We looked at developed nations and modern cities around the world and told ourselves we wanted to be a people-first society, not a motorist-first country.

Time and time again, this same ethos has come to the fore when issues surrounding road use arise, including incidents involving cyclists, and e-bikes and other personal mobility devices. The design of Tengah new town has even focused on having a car-free town centre.

Led by this public consensus for a car-lite nation, the authorities imposed a gradual reduction in the vehicle growth rate for private cars under the quota system. Cut from 3 per cent to 1.5 per cent in 2009, it was further reduced a few times to 0.25 per cent by 2015 before a zero-growth rate policy was finally implemented in 2018.

These moves, together with existing congestion pricing strategies such as the Electronic Road Pricing system, formed the basic premise of our land transport policy, to regulate traffic on the road and tax car ownership and use by those who can afford this luxury.

HIGHER COE PREMIUMS OBSCURE CAR-LITE VISION

Yet this vision of a car-lite Singapore may have been forgotten by many, as higher COE prices have come into sharper focus.

In recent months, COE premiums have exceeded $100,000 for Category A comprising smaller cars with engine capacity up to 1,600cc and 130bhp as well as for electric vehicles of up to 110kW of power, and hovered around $120,000 for Category B comprising larger and more powerful cars.

Existing and aspiring car owners have raised concerns over the affordability of cars, as well as questions on whether foreigners or private-hire vehicle operators have pushed up demand.

Many have asked if there can be help for average Singaporeans who might be priced out of the market. Others have called for regulation to limit the number of cars for each household so that more families can own a car.

PUBLIC TRANSPORT EXPANSION MUST KEEP UP

Watchful observers have pointed out that the car-lite vision hinges on the efficiency, accessibility and affordability of public transport. Despite vast improvements over the years, public transport is still in the midst of a transition towards a car-lite society, they say.

But this negates the reality that as public transport commuters, we can reach more places by rail today compared with a decade ago. Young families with children in prams, seniors and people with disabilities can now board a low-floor bus and head to MRT stations with greater ease.

Heavy investments in increasing new rail and bus fleet and network capacity while improving reliability are paying off. Rail reliability has improved from clocking 67,000 mean kilometres before failure a decade ago to more than one million mean kilometres today as a result. Peak waiting times for buses have decreased from 30 minutes a decade ago to 15 minutes today.

Ride-hailing services have also become a significant part of this car-lite ecosystem and supported our desire for fast, convenient and direct commutes while reducing the need for car ownership. Using an app to book a ride and being able to track where the driver is has been a boon, and it is exactly this ease that has forced traditional taxi firms to adapt.

The overall numbers look healthy, with the number of private-hire vehicles on the roads here exponentially increasing from 16,396 in 2013 in the early stages of ride-hailing services to 72,632 in 2022, even as the taxi fleet has been reduced from its 2014 peak of 28,736 to 14,084 in 2022.

Cars should certainly still be accessible for those who really need them. Stronger support to ensure families with young children, seniors and people with disabilities can get to where they need to and remove further last-mile encumbrances in their journey must continue.

To be sure, we are still some way from that vision. Older rail lines (the East-West, North-South and North East lines) are due for infrastructure renewal, and there are still underserved areas – such as the north-eastern parts which are slated to be connected via the Cross Island Line.

The reality is that during this teething period of infrastructure expansion and renewal, some commuters might still feel public transport to be less than ideal.

PAINS OF HIGH COE PRICES

The private car market situation we are in is similar to that in 2013, when COE premiums exceeded $90,000 for Categories A and B. That same year, the median monthly household income in Singapore was $7,870, roughly translating to a COE-to-income ratio of about 11.

The ratio today is comparatively better at 9, although the inflationary conditions Singapore finds itself in have pushed up the prices of everything, from food to fuel to mortgages. So it is understandable that aspiring car owners might feel more pain over the current situation, and see foreigners, multi-car owners and private-hire vehicle operators as the villains fuelling high COE premiums and thus depriving them of the opportunity to own a car.

But it would be wrong to point the finger at foreigners or owners of multiple cars. Sixty-three per cent of allocated COEs went to Singaporeans and permanent residents, with less than 3 per cent to foreigners and the rest to companies, including for business-owned cars and private-hire vehicles. Less than 12 per cent of car-owning Singapore households have two cars, and less than 3 per cent have three or more cars.

The pressures on COEs today stem from two factors. First, we are currently in the midst of a COE drought, brought about by both the low quota available from the last drought from 2010 to 2015 and the effects of the zero-vehicle growth policy in 2018.

Barring a drastic demand control policy, few measures can be taken that will cause a drastic drop in COE premiums. The authorities can consider abating the rise in COE premiums by releasing more slots available from the future and placing curbs in the years ahead, but this might simply kick the can down the road and extend this period of COE volatility. A similar move to adjust the COE quota calculation to reduce supply volatility by the Land Transport Authority has had limited effects.

LIFESTYLE CHOICES NEEDED

What is perhaps more worrying about recent public discussion on COE premiums is that it feels as though the focus of the conversation has shifted back to championing the ownership of cars among Singaporeans, and we have forgotten our collective desire to move towards a car-lite society.

The emphasis on the high cost of COE premiums has obscured the fact that such a goal has always required a lifestyle choice we ourselves must make.

Cars should certainly still be accessible for those who really need them. Stronger support to ensure families with young children, seniors and people with disabilities can get to where they need to and remove further last-mile encumbrances in their journey must continue.

But public transport must become the travel mode of choice. Let's not let high COE prices obscure the longer-term vision for a car-lite Singapore.

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