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NMP Thomas Chua's speech in Parliament on August 17 2015

Ministry of Transport

Bus Services Industry Bill

Madam Speaker, bus services, including public transport services, have always been a topic of great concern to the public at large. This year, in particular, the many incidents of disruption to MRT services have brought much inconvenience to commuters. Hence, we should support any efforts which could improve the quality of public transport services!

Last year, during the Budget debate in Parliament, SCCC's Immediate Past President and then Nominated Member of Parliament Teo Siong Seng had raised some recommendations with regard to improving the service level of local public transport, hoping that the government would consider changing the management and operational model. Now, the government has introduced a related Bill for the bus services industry, bringing in the competitive tendering process. This is a good start. Moreover, the Bill specifies that the tender will be made through a two-envelope process. Firstly, it would evaluate the service quality proposed by the tendering party, after which the evaluation would focus on price factors. This selection procedure would then avoid giving the tender to the operator which submits the lowest bid while paying less attention to providing the best service levels; eventually this benefits all public commuters.

The new Bill also reminds local bus operators that Singapore is a totally open market. Attracting MNCs would increase competition, especially in competing for manpower resources. Hence, local enterprises need to get prepared and pay more heed to the

company's operational effectiveness, strengthen HR management, and maintain good rapport with workers.

In May this year, the UK company Tower Transit was awarded the contract for the first bus package, breaking the duopoly held by SBS Transit and SMRT. Tower Transit, given its experiences in operating public bus networks in London and Australia, is likely to provide more stringent and effective management operations. However, local industry players should also realise that the injection of new competition would exacerbate the manpower shortage in the transport sector.

Tower Transit has already indicated its intention of recruiting more than 900 workers, among which 700 would be bus drivers. This would present a great challenge to the operators of current bus services, school bus services, logistics services, etc. The manpower shortage in local drivers is a chronic problem, and in fact it was found that bus drivers of other nationalities find it hard to adapt. Thus I hope that LTA and WDA could cooperate to provide professional skills training for the transport industry, especially for bus operators, in order to develop more manpower resource channels and enable those who are willing to have a career change to become qualified bus drivers.

From a long-term perspective, encouraging people to take public transport would help to solve traffic congestion, be more environment-friendly, and reduce the number of private cars on the road. Hence, the market demand for qualified bus drivers will always exist. Considering the unique nature of this industry, I recommend that bus drivers could also be included in the SkillsFuture training programme.

Changing the rules of the game, improving the service level of public transport services, providing greater convenience to commuters – these are our long-term goals. However,

sometimes changes of government policy tend to set in action a whole chain of repercussions, especially in manpower resource planning. There is a Chinese saying which goes: “Those who are not far-sighted will face problems”. I urge local industry players to take this opportunity to review their management processes, strengthen the bonding among workers, and think of ways, other than through pay hikes, to retain key employees. The injection of foreign competition is a definite challenge. Going forward, other bus packages would also be up for tender. I hope our local bus operators would continue to do their best to bid for the contract and not be easily defeated by foreign players.

In closing, I support the Bus Services Industry Bill.