



AfriForum's submissions on
THE AMENDMENT OF THE ROAD
TRAFFIC MANAGEMENT
CORPORATION REGULATIONS, 2007

October 2021

Content

Introduction	1
Concerns	1
1. Confusion about the booking fee	1
2. Affordability	2
3. NaTIS system failures	2
4. Vague regulations	3
Invitation to reconsider proposal	3
Conclusion	3

Introduction

The Minister of Transport Fikile Mbalula published a draft amendment to the Road Traffic Management Corporation (RTMC) Regulations 2007 in the *Government Gazette* (no 45085) of 3 September 2021.

The public is invited to deliver comments on this draft amendment by no later than 2 October 2021. In summary, the draft amendment relates among others to the fees payable for services that are provided via the National Traffic Information System (NaTIS). The draft amendment increases the fee of certain transactions and introduces new additional fees for the renewal of a driver's licence.

The proposed fees that were published in the *Government Gazette* include a charge for motorists of R250 for online bookings to renew their driver's licence, as well as R700 for either the online registration of motor vehicles or for online change of ownership of motor vehicles. These fees are in addition to the transaction fee of R72 for every transaction performed, as well as R99 for the delivery of the driving licence card.

From the outset, AfriForum wants to clearly state its discontentment with the proposals that are set out in the draft amendment. One can, for various reasons, not be expected to comprehend that there would be a rational or logic basis for the proposed amendments and the manner in which these were set out.

Concerns

AfriForum has four major issues with the proposed amendment.

1. Confusion about the booking fee

It should be noted that there is some confusion over the R250 booking fee. Soon after the *Gazette* had been published, the public realised that the additional booking fee would effectively mean that a person would be charged double to renew their driver's licence. The Organisation Undoing Tax Abuse (OUTA) calls the proposal "a money-making scheme with the intention of extorting motorists."¹

The Road Traffic Management Cooperation (RTMC) attempted to clarify the confusion by explaining that the R250 is the same fee that is currently being charged when a person applies for a new card and that it is therefore not an additional fee. The RTMC is of the view that the amendments are necessary to improve efficiency and cut the time the public spends queuing at licencing centres. The aim seems to be that motorists will be able to make online payments for renewal of their driver's licence cards or discs, and to have these documents delivered to the address of their choice.

The online booking facility, as we understand it, is an additional service in an attempt to 1) give more structure to the system, 2) prevent individuals from spending hours in queue and 3) assist

¹ *BusinessTech*. 2021. Confusion over R250 driver licence 'booking' fee in South Africa. 7 September. Available at <https://businesstech.co.za/news/motoring/519194/confusion-over-r250-driver-licence-booking-fee-in-south-africa/>. Accessed on 17 September 2021.

with the management of the backlog the system currently has. It is our understanding that the online appointment provides a time by which a person should visit the licencing office in order to apply for the renewal of their driver's licence. The fee is specifically described as a "booking fee" in the *Government Gazette* of 3 August 2021 and not as a replacement of the whole application fee that would now be paid online.

We therefore submit that an additional booking fee of R250 that is payable in addition to the fee that is payable for a new licence is opportunistic, exploitative, and unreasonable. However, if the fee is intended to replace the fee for the application for renewal of your licence (that is usually paid at the licencing office when you attend your appointment to renew your licence) it should be communicated properly, and the wording of the amendment should state this clearly.

2. Affordability

The additional booking fee of R250 has the effect that some people would be prevented from renewing their driver's licence because it is simply unaffordable. South Africa has one of the highest poverty rates in the world, with 18,9% of people who earn less than R800 per month.²

The South African population cannot afford to pay an extra fee of R250 as well as the transaction and delivery fee when they want to renew their driver's licence. The implementation of these amendments will cause discrimination, as it would be excluding poor individuals from the system unreasonably. The proposed booking fee undoubtedly creates a potential barrier of entry for people in South Africa to own a lawful motor vehicle.

Moreover, there is growing concern that South Africa has reached its limit in terms of the amount of tax revenues that it can extract from taxpayers through further tax increases.³ Recent increases in taxes all over South Africa and at various levels pushed tax revenues very close to the top of the Laffer Curve, i.e. the point at which tax revenues are maximised and beyond which tax rate increases will actually result in a decrease in tax revenues.⁴

3. NaTIS system failures

There are various failures associated with the NaTIS system. It has been reported that the system currently had at 30 August 2021 a backlog of 437 819 non-renewed licences out of a total of 980 038 expired licences – in Gauteng alone.⁵

Furthermore, many motorists experience a great deal of frustration with the introduction of the online booking system. Following an investigation by the MEC for Public Transport, corruption by officials with online bookings were identified as one of the challenges that the system currently

² United Nations Development Program. 2020. *Human development report*. New York: United Nations, p. 366. Available at <http://hdr.undp.org/sites/default/files/hdr2020.pdf>. Accessed on 17 September 2021.

³ Organisation Undoing Tax Abuse. 2018. *Taxation ceiling for South Africa*. Outa: Randburg, p. 6. Available at https://static.pmg.org.za/181031Taxation_ceiling_for_South_Africa.pdf. Accessed on 17 September 2021.

⁴ *Ibid.*, p. 4.

⁵ Mahlokwane, J. 2021. Fikile Mbalula extends period for driving licence renewal. *IOL*, 30 August. Available at <https://www.iol.co.za/pretoria-news/news/fikile-mbalula-extends-period-for-driving-licence-renewal-7b352cc4-3a8c-4feb-8795-fc417645d659>. Accessed on 17 September 2021.

faces.⁶ Officials who are entrusted with the system where online bookings are used, allegedly block the slots and sell these to those who are prepared to pay a bribe. Consequently, motorists cannot secure an appointment to renew their driver's licence. The non-renewed licence backlog has an adverse effect on law enforcement.

4. Vague regulations

AfriForum submits that the regulations, particularly the proposed fees, are vague and are consequently open to administrative review if these were to be affected in their current form.

The wording in schedule 1 of the regulations is important to heed, as it appears to have caused a lot of confusion locally. From the proposal, it appears as if booking and issuance are two separate events, especially when regulation 2(3)(d) exclusively mentions *booking* with no mention of issuance.

AfriForum submits that the vagueness of the regulations has already caused widespread confusion not only amongst consumers, but also amongst petrol station owners and employees. This vagueness further creates potential for abuse, unequal treatment and general confusion.

Invitation to reconsider proposal

AfriForum calls on the Minister of Transport to reconsider the proposed amendment and to formulate the amendments to reflect the true position. Furthermore, no amendment would be reasonable and fair if it had the effect that the public would pay for a service that cannot be delivered effectively. If a person is expected to pay for a service in advance, there should be a guarantee that the provider would be able to render this service.

Conclusion

It is quite obvious that it would be absurd to expect people to pay almost R500 every five years for the renewal of their driver's licence towards a system that does not function effectively. Moreover, the public is once again expected to stand in for difficulties that arise as a result of corruption when, in any event, they drive around with expired licences for months while the licencing office is trying to wipe out its backlog.

Were the amendments to be passed and additional fees to be implemented, the public will be compelled to pay more money for a service that would never be delivered up to standard. Moreover, more money in the licencing office will lead to more corruption, while the backlog will never be wiped out.

AfriForum does not support the amendment as it currently stands and calls upon the Minister of Transport to sincerely reconsider and rethink the rationale for such a decision.

⁶ Tlou, G. 2021. Gauteng wages war against corruption at drivers licence centres. *IOL*, 19 March. Available at <https://www.iol.co.za/the-star/news/gauteng-wages-war-against-corruption-at-drivers-licence-centres-8ea45730-d377-4b60-ba74-ef8e728bd51e>. Accessed on 17 September 2021.