



Justice Project South Africa NPC

Incorporated as a non-profit company under the Companies Act, 2008
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"Injustice anywhere is a threat to justice everywhere." - Martin Luther King

"All that is required for the triumph of evil is for good men and women to do nothing" - Edmund Burke

Department of Transport
Private Bag X 193
PRETORIA
0001

Attention: Mr. John Motsatsing and Mr. Ngwako Thoka

Per email to: motsatsj@dot.gov.za and thokan@dot.gov.za

28 March 2019

Dear Sirs,

**RE: INCREASE OF TRANSACTION FEES TO BE PAID TO
THE ROAD TRAFFIC MANAGEMENT CORPORATION**

The abovementioned matter as gazetted in *Government Gazette* 42291 of 8 March 2019 has reference.

It is noted that Dr Blade Nzimande, unlike his predecessor, Mr Joe Maswanganyi, at least has a modicum of respect for legislative processes "in an open democratic society" inasmuch as he has not taken an autocratic approach to this proposed increase.

As you are aware, Mr Maswanganyi autocratically increased this transaction fee from R42.00 to R72.00 (71.42% increase) with effect from 1 January 2018, without so much as publishing his intention to do so for comment.

We do however wish to point out that the 2018/19 financial year came to an end on 28 February 2019 for ordinary companies and taxpayers and by my understanding, comes to an end on 31 March 2019 for the Road Traffic Management Corporation ("RTMC"). It is therefore assumed that this proposed increase is applicable to the **2019/20** financial year and that the requisite correction gazette will be published.

Notwithstanding the fact that this proposed increase in the transaction fee to be paid to the RTMC is *only* ten Rand (R10.00), it equates to a 13.88% increase. This is **more**



than three times the Consumer Price Index (“CPI”) inflation rate of 4.5% as reported in December 2018.

As you are aware, as at 28 February 2019, the vehicle population which will be subjected to licensing transaction fees stood at 12,526,748 registered vehicles. This means that at the current rate of R72 per transaction, the RTMC is siphoning almost a billion Rand (R901,925,856) from the motoring public in order to provide little more than a vehicle registry which is offline for considerable time periods during the year.

With the proposed increase, it will be siphoning a further R125,267,480 from the motoring public, if no other vehicles have been and are registered after 28 February 2019, thus escalating these revenues to over a billion Rand per annum.

In return for their money, motorists aren’t even legally entitled to receive the common courtesy of a reminder to renew their vehicle licence discs, nor are they provided with an up-front statement of their account in respect of licensing fees they may owe.

This is without even considering the absence of any value for money that arises out of the licensing fees themselves, which appear to be spent on everything other than the further development and provision of the eNaTIS vehicle **and driver** registry.

On this point, one would think that the cost of providing and further developing the eNaTIS system would have been considerably **decreased** after it was transferred from Tasima (Pty) Ltd to the RTMC, via the Department of Transport.

Instead, it is apparent that this transaction fee is used to prop up a bloated and inept State-Owned Entity which pays its CEO and others in its employ grossly inflated sums of money to not fulfil their own or the RTMC’s mandates.

It is a matter of public record that the CEO of the RTMC was paid R7,969,420 in the 2017/18 financial year and R7,830,000 in the previous financial year. This is an exceptionally handsome financial reward – even for a person employed by a large corporation in the private sector – let alone for a so-called “public servant” running a State-Owned Entity.



As you also know, the South African vehicle population grows substantially each year, and in so doing, exponentially increases the revenues due to the RTMC in transaction fees by a handsome amount, through natural growth alone.

It is peculiar that the RTMC does not appear to have, or care to have a mechanism in place to ensure that registering authorities pay the transaction fees across to the RTMC. This is apparent in the annual reports of the RTMC.

Even when one considers that some vehicle owners may fail to licence their vehicles, this indicates that the revenues received by the RTMC from registering authorities are far lower than the anticipated transaction fees should amount to. By increasing the transaction fee to cater for fraud, misappropriation and maladministration perpetrated by the registering authorities, this appears to indicate that the Department of Transport and RTMC condone these unlawful practices.

It is submitted that this is reprehensible and if this continues to be the case, there exists a high probability that the problem will worsen. Vehicle owners simply cannot be expected to continue to foot the bill for the criminal activities perpetrated by State entities.

It is therefore submitted that if any increase whatsoever is going to be applied to the transaction fee to be paid to the RTMC, this increase should be limited to a maximum of 4.5%, or the current inflation rate as it stands at the time. It is furthermore submitted that any and all future increases should not exceed the CPI.

However, it is submitted that if there is going to be **any** increase in the transaction fee, then the RTMC Regulations **must** be amended to make it peremptory for the RTMC to timeously send vehicle owners a reminder to renew their vehicle licenses annually, driving licence holders to their driving licenses every five years, and holders of Professional Driving permits to renew their PrDPs every two years.

Furthermore, it is submitted that it should be a peremptory provision for the RTMC to provide such persons or entities with an up-front R114 eNaTIS statement of account when it sends such reminders.



It is submitted that if the RTMC gave motorists something in return for their money, such increases will be a little more palatable, and the RTMC and Department may be surprised at how well motorists respond.

“Earth provides enough to satisfy every man’s needs, but not every man's greed.” — Mahatma Gandhi.

Yours sincerely,

Not signed as electronically transmitted

Howard Dembovsky
Chairperson
Justice Project South Africa

