###### National Assembly

###### Question Number: 04

**Ms D Carter (Cope) to ask the Minister of Transport:**

In view of the proposed 71,43% increase of the vehicle licensing transaction fee determined in terms of the Road Traffic Management Corporation Act, Act 20 of 1999, read with its Regulations, (a) what has he found to be the rationale for the unacceptable increase and (b) is he prepared to review this determination in light of the public outcry and representations that have been directed to him? NW5E

**REPLY**

1. The transaction fees were introduced in 2007 by the Minister of Finance concurring with a proposal by the Minister of Transport. The Minister of Finance approved and or indicated a fee structure that provided for a 5-year period ending March 2012 which was to be implemented as follows:
* for the years 2007/08 the transaction fee would have been R30.00,
* for the years 2008/09 -2009/10 R36.00; and
* for the financial years 2010/11 – 2011/12 R42.00.

In 2009, the fee amount, as per the provisions of Section 48 of the Road Traffic Management Corporation Act, 1999 (Act No: 20 of 1999) (the “Act”) read with the Regulations was increased to a fee of R36.00 and brought into effect by publication by the First Amendment of the Regulations in the Government Gazette No. R. 930 on 23 September 2009. The significance of the regulation amendment, was that the Regulations was amended to provide that the Minister of Transport, may henceforth, increase the Transaction Fee amount annually by Notice in the Government Gazette.

Due to various operational and administrative reasons, the transaction fees were not increased in 2010, 2011, 2012, 2013, 2014 and 2015. In February 2016 the fee amount was increased by R6 to R42, the same amount it should have been in 2010.

Therefore, over a period the Transactions Fees have not been optimally increased to keep abreast with the ever-rising costs associated with operations and personnel. The R30 increase in 2018, which brings the fees R72, is thus mainly informed by the already approved R6 per annum increase and in fact is less than what it would have been if the increase of R6 per annum was diligently implemented. If the increases had been diligently implemented annually, the fees would have been R96 in 2018

(b) There were no public representation received.