

ORGANISATION UNDOING TAX ABUSE

29 September 2020

Short Report on Driver's License Preliminary Research 3Consulting

Submitted by:

004

Dominique Msibi OUTA Portfolio Manager: Governance Division Email: dominique.msibi@outa.co.za

Short Report on Driver's License Preliminary Research

3Consulting

Introduction

OUTA performed preliminary research on the best practises applicable to driver's license renewal process for a citizen in various countries. The purposes are to compare the South African process of driver's license (DL) renewals with the best practice internationally in order to:

- Save the SA consumer and Government time and money,
- Improve the manageability of the renewal process and,
- To strengthen a motivation to Government to implement the best practice.

Methods

On line literature research was performed and the results grouped according to geographic and political boundaries. Table 1 lists the different areas and the specific countries studied or investigated.

Area	Countries/States
United States of America	ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, HAWAII, IDAHO, ILLINOIS, INDIANA, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGINIA, WASHINGTON, WEST VIRGINIA, WISCONSIN, WYOMING.
Europa	UNITED KINGDOM, EUROPEAN UNION, SPAIN, FRANCE, NETHERLANDS, PROTUGAL, ITALY, BELGIUM, GERMANY, GREECE.
SADC	BOTSWANA, NAMIBIA, ZIMBABWE, MOZAMBIQUE, MALAWI.
Africa	ETHIOPIA, NIGERIA, DRC, KENYA, RWANDA, MOROKKO.

Australasia	AUSTRALIA, NEW ZEALAND.
Mid-East and Asia	UAE, INDIA, CHINA, RUSSIA, THAILAND, SOUTH KOREA, JAPAN, MALASIA.
South and Central America	ARGENTINIA, BRAZIL, CHILE, COSTA RICA, MEXICO.

Table 1: Summary of the areas and countries or states investigated.

The following information was sourced from each country (if available):

- Maximum period before renewal of the driver's license required.
- Methods available to renew the driver's license.
- Old age restrictions, demerit system and other regulation applicable.
- Costs to renew driver's license.

Results

1. United States of America

a. Cost to Renew DL

	US \$ZAR			
Average	\$ 34.96	R 578.00		
Range	\$ 15 - \$ 75	R 248 – R 1240		

Table 2: DL renewal fees in the United States of America.

b. Maximum Years to DL renewal.

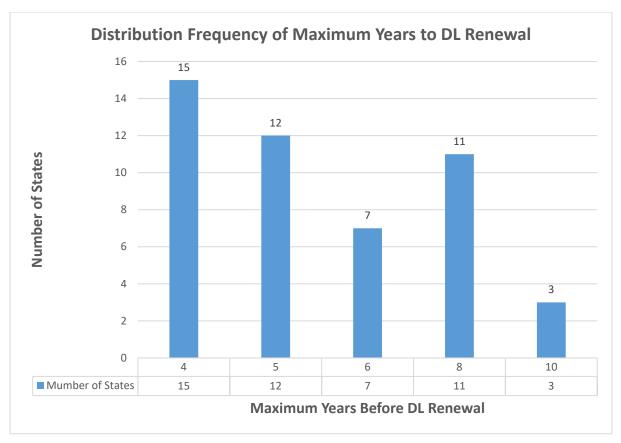


Figure 1: Indicates the number of states in the USA and the maximum number of years before DL renewal is required.

c. Old Age Restrictions on DL Renewal

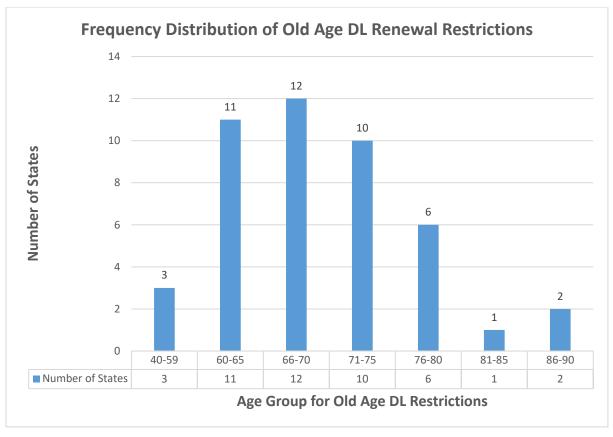


Figure 2: Indicated the age groups and additional restrictions applicable and the number versus the number of states enforcing a restriction.

The USA states has a license demerit point system in place which influence the renewal frequency of your DL based on the penalties accrued on DL over a time period. Renewal, depending on DL penalties can be done on-line, in person or by mail.

2. Europe

a. Cost to Renew DL

	€	ZAR
Average	€ 30.25	R 585.40
Range	€ 15 - € 50	R 290 – R 967

Table 3: DL renewal fees in Europe.

b. Maximum years to DL renewal.

Ten countries have a **10-year** renewal frequency.

Four countries have a **15-year** renewal frequency.

c. Old Age Restrictions on DL Renewal.

Old age restriction or shortening of the renewal frequency starts at **60 years** old with most countries having restrictions at 65 and 70 as well. Belgium introduces their first restriction at an age of 50. European countries have a license demerit point system in place which influence the renewal frequency of your DL based on the penalty accrued over a time period. Greece seems to be suffering from corruption in the DL renewal system.

3. SADC

a. Cost to Renew DL

	ZAR
Average	R 440.40

Table 4: DL renewal fees in SADC (Excluding RSA).

b. Maximum years to DL renewal

Only Mozambique has a renewal frequency of more than five years (**10 Years**). In most SADC countries maximum years to DL renewal frequency is **5 years**. In Malawi you need to renew your DL every **2** years.

c. Old Age Restrictions on DL Renewal

Old age restriction or shortening of the renewal frequency starts at **60 years** old is some countries. Except for RSA it is not evident that a driver's license demerit system is implemented in the SADC countries.

4. Africa

a. Cost to Renew DL

	ZAR
Average	R 414.00

Table 5: DL renewal fees in Africa (Excluding SADC).

b. Maximum years to DL renewal

Kenia has a renewal period of **3 years**, Ethiopia and Morocco a period of **4 years**, Nigeria and DRC **5 years** and Rwanda **10 years**.

c. Old Age Restrictions on DL Renewal

Only Rwanda implemented restriction on DL renewal from **65 years** and older. On line evidence of a driver's license point or demerit system not clear in these countries. Various sources warn of widespread corruption in the DL renewal system, especially in Nigeria.

5. Australasia

a. Cost to Renew DL

	ZAR
Average	R 510.00

Table 5: DL renewal fees in Australia and New Zealand.

b. Maximum years to DL renewal

Both countries implement a **10-year** renewal system with slight variations. An operational DL demerit points system determines shortening of license renewal period.

c. Old Age Restrictions on DL Renewal.

Both countries deploy an extensive control on driver health and safety once the **age of 60** are reached.

6. Mid-East and Asia

a.	Cost to	Renew	DL
••••			

	ZAR
Average	R 336.00

Table 6: DL renewal fees in the Mid-east and Asia.

b. Maximum years to DL renewal

In India the renewal period is 20 years, 2 countries 10 years and five countries between 7 and 5 years.

DL demerit points system in place and enforced.

d. Old Age Restrictions on DL Renewal.

All countries deploy an extensive control on driver health and safety once the **age of 60** are reached.

7. South and Central Americas

a. Cost to Renew DL

	ZAR
Average	R 557.00

Table 7: DL renewal fees in South and Central Americas

b. Maximum years to DL renewal

The renewal frequency ranges from 3 to 10 years. Brazil has a renewal period of **10 years**. Chile and Costa Rika **6 years** and Argentina **5 years**. Evidence of a DL point demerit systems in most countries.

c. Old Age Restrictions on DL Renewal

Argentina has an extensive age dependant regulation system in place. Some sites caution against DL license fraud in Brasilia.

8. Discussion (SA context)

Summary of Preliminary Driver's License Renewal System

	RSA	USA	EU	SADC	Africa	Aus - NZ	Mid- East and Asia	South and Central America
Cost	L	Μ	М	L	L	L	L	М
Maximum Renewal Period	5	5+	10	5	5-	10	5+	5+
Old Age Restrictions	L	E	E	L	L	E	E	L
Demerit System	L	Y	Y	N	N	Y	Y	L
Method	3	3	3	2	2	3	3	2
ID	DL	DL+	DL+	DL	DL	DL+	DL+	DL+
Cautions	Y	Ν	N	Y	Y+	N	Y++	Y+

Table 7: Summary of the most important DL renewal aspects listed according to geopolitical areascompared with the current South African system. (See key below for interpretation).

KEY

Cost: A license renewal fee of R100 to R150 per year seems to be the norm. However, every area does have countries that can be defined as outliers.

L = Average renewal fee per year lower than the norm.

M = Average renewal fees higher than the norm.

Maximum Renewal Period: The numerical value indicates the average maximum number of years to renewal of a DL. A + or - sign indicates if countries in this area gravitates to a longer or lesser renewal period than the numerical value indicated.

First world countries tend to have renewal periods of 10 years or more. The system is supported by an effective DL demerit system.

Developing and third world countries tend to have shorter renewal periods. The DL demerit system, if present, are often compromised by fraud and corruption.

Old age restrictions: When a driver reaches a certain age additional proof of competence and medical fitness is required and often according to a sliding scale the renewal period shortens.

E = Extensive and well controlled restriction implement and characteristic of a first world country system.

L = Limited old age restrictions, typical of third world countries.

Demerit System: Based on a drivers behaviour and penalty points accrued the license renewal period can be determined.

Y = System implemented an effective, characteristic of first world countries.

L = System implemented by might not be effective for various reasons. Characteristic of developing countries.

N = No evidence of an effective system. If present it is not functional due to corruption.

Method: Three methods are being used to renew DL. In first world countries all three methods are available while in third world countries "In person" renewals are often the only method available.

3: In person, on-line and mail renewals possible.

2: In person and on-line renewals possible.

1: In person renewals is the only option.

ID: Proof of DL in the form of a plastic card or a paper copy.

DL = Drivers license in the form of a plastic card or paper copy.

DL+ = ID card and DL license combined in an electronic chip system. (Some countries in this area moving to an electronic ID/DL system).

Cautions: Effectiveness of the system may be severely compromised by fraud and corruption.

N = System function effective with little no corruption.

Y = Concern over corruption in the system.

Y+ and Y++ = Increased caution and warning against a corrupt system.

The European and Australasian systems should be considered to be the benchmark and it should be note that an effective uncorrupted management of the system is an essential requirement to be efficient.

9. References

Refer to the attached Excel file: "Raw Data Driver's License Research".