



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY**

**ON THE**

**ROAD TRAFFIC (AMENDMENT) BILL, N.A.B. NO 58 OF 2010**

**FOR THE**

**FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY  
APPOINTED ON 22<sup>ND</sup> SEPTEMBER, 2010**

*Printed by the National Assembly of Zambia*

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**REPORT OF THE COMMITTEE ON COMMUNICATIONS, TRANSPORT, WORKS AND SUPPLY ON THE ROAD TRAFFIC (AMENDMENT) BILL N.A.B. NO 58 OF 2010, FOR THE FIFTH SESSION OF THE TENTH NATIONAL ASSEMBLY APPOINTED ON 22<sup>ND</sup> SEPTEMBER, 2010**

*Consisting of:*

Mr B Imenda, MP (Chairperson); Mrs E M Banda, MP; Mr G Chazangwe, MP; Mr J C Kasongo, MP; Mr W Banda, MP; Mr W Nsanda, MP; and Mr A Sejani, MP.

The Honourable Mr Speaker,  
National Assembly,  
Parliament Buildings,  
**LUSAKA.**

Sir,

Your Committee has the honour to present their Report on the Road Traffic (Amendment) Bill, N.A.B. No 58 of 2010, referred to them by the House on 22<sup>nd</sup> September, 2010.

**FUNCTIONS OF THE COMMITTEE**

2. In addition to any other duties conferred upon them by the Honourable Mr Speaker, or any order of the House, your Committee may consider any Bills referred to it by the House.

**MEETINGS OF THE COMMITTEE**

3. Your Committee held a total number of six (6) meetings to consider the Road Traffic (Amendment) Bill, N.A.B. No 58 of 2010.

**PROCEDURE ADOPTED BY THE COMMITTEE**

4. Your Committee, in considering the Bill, requested both written and oral submissions from relevant stakeholders.

**OBJECTS OF THE BILL**

5. The objects of the Bill are to amend the *Road Traffic Act, No 11 of 2002* so as to:
- (a) revise the licence fees payable in respect of motor vehicle and trailers; and
  - (b) provide for matters connected with, or incidental to, the foregoing.

**CONSIDERATION OF THE BILL**

## Background

6. The Road Traffic (Amendment) Bill, N.A.B. No 58 of 2010 seeks to amend the Road Traffic Act No. 11 of 2002. The Road Traffic and Safety Agency (RTSA) collects revenue from road users as licence fees and remits 100% of the fees into the Road Fund which is used for maintenance of roads, transport management and road safety.

The principal Act, among others, provides for the licensing of motor vehicles and trailers. In this respect, the Second Schedule of the principal Act specifies the fees payable per annum for motor vehicle and trailer licences. The Government is of the view that the current motor vehicle and trailer licence fees are too low to meaningfully contribute to the cost of road maintenance. Therefore, in order to raise adequate funds for road maintenance costs, the Government has introduced the Bill so as to revise the motor vehicle and trailer licence fees.

## RATIONALE

7. Further, the enactment of the Road Traffic (Amendment) Bill, 2010, will give legal effect to the Government's pronouncements in the 2011 Budget Address on non-tax measures in relation to road user fees. This will result in more resources for the Road Fund.

The increase in motor vehicle license fees is also intended to reduce dependency on donor funding and eventually make the road sector self-financing.

## SALIENT PROVISIONS OF THE BILL

8. Your Committee wish to highlight the salient features of the Bill as set out hereunder.

Clause 1 provides for the short title and commencement date of the proposed Road Traffic (Amendment) Bill, 2010. The Act shall come into operation on 1<sup>st</sup> January, 2011, which is the date of commencement of the next financial year.

Clause 2 seeks to amend the principal Act by the repeal and replacement of the Second Schedule. As indicated by the Minister of Finance and National Planning in the 2011 Budget Address to the House, the proposed Second Schedule increases the motor vehicle and trailer licence fees by fifty (50) percent.

The table below shows the current taxes payable for motor vehicles and licences as well as the taxes that will be paid if the proposed Road Traffic (Amendment) Bill, N.A.B. No 58 of 2010 comes into effect on 1<sup>st</sup> January, 2010.

### Taxes Paid Per Annum after Adjustments

Item	Existing Fees Units	Proposed Fees Units	Expected Revenue after 50% increase in ZMK Billions	Additional Revenue collections from 50% increase in Billions
Motor vehicle owned by Government	-	-	-	-
For every hand-cart wheel	-	11	-	-
For every Motor-Cycle	-	167	-	-
For every motor vehicle if the manufacturer's permitted gross weight				

(a) does not exceed 800kg	667	1, 000	2.4	0.79
(b) exceeds 800kg but does not exceed 1, 000kg	778	1, 166.7	0.3	0.10
(c) exceeds 1, 000kg but does not exceed 1, 200kg	889	1, 333.3	2.8	0.93
(d) exceeds 1, 200kg but does not exceed 1, 400kg	1, 000	1, 500	25.1	8.38
(e) exceeds 1, 400kg but does not exceed 1, 600kg	1, 111	1, 666.7	8.3	2.78
(f) exceeds 1, 600kg but does not exceed 2, 000kg	1, 222	1, 833.3	9.7	3.22
(g) exceeds 2, 000kg but does not exceed 4, 000kg	1, 389	2, 083.3	46.3	15.42
(h) exceeds 4, 000kg but does not exceed 6, 000kg	1, 556	2, 333.3	5.4	1.80
(i) exceeds 6, 000kg but does not exceed 9, 000kg	1, 778	2, 666.7	7.0	2.35
(j) exceeds 9, 000kg but does not exceed 12, 000kg	2, 000	3, 000	3.4	1.15
(k) exceeds 12, 000kg but does not exceed 15, 000kg	2, 222	3, 333.3	2.7	0.89
(l) exceeds 15, 000kg but does not exceed 17, 000kg	2, 778	4, 166.7	2.2	0.74
(m) exceeds 17, 000kg but does not exceed 20, 000kg	3, 611	5, 416.7	4.5	1.50
(n) exceeds 20, 000kg	8, 333	12, 500	14.1	4.71
Vehicles Arrears and Penalties for less than full Year			21.6	-
<b>Total</b>			<b>155.9</b>	<b>44.8</b>

## CONCERNS FROM STAKEHOLDERS

9. Stakeholders who appeared before your Committee submitted both opposing and supporting views as regards the proposed amendment to the *Road Traffic Act, No 11 of 2002*, as outlined below.

- (i) An increase in licence fees is a good way of raising capital for the construction of urgently needed roads to connect to new areas of development. Government needs to be able to raise more money to maintain the road network in the country as a good road network has a positive implication on the development of other sectors such as mining, agriculture and tourism.
- (ii) Ordinary citizens will enjoy reduced motor vehicle maintenance and repair costs if the country has a well developed and maintained road network as a result of reduced wear and tear and damage to motor vehicles caused by bad roads.
- (iii) While an increase in motor vehicle license fees is not a bad thing in itself, the proposed increase by 50% is not in line with Government's efforts on reducing the cost of doing business in Zambia.
- (iv) Owners of public service vehicles may pass on the increase to passengers through an increase in fares.
- (v) The increase in road user fees may result into reduced compliance by some motorists who may choose to risk driving unlicensed vehicles and avoid paying the new fees, especially, considering that they have to pay other fees such as fitness cover, insurance cover and carbon tax.
- (vi) When reviewing the tax of motor vehicles, key stakeholders like the Police and Commuters' Rights Association should always be consulted.
- (vii) RTSA is not found in all parts of the country such as Chavuma and Shang'ombo. Therefore, one has to travel to Provincial Centres to license their vehicles. Such a situation is not only cumbersome, but also costly. People in such remote areas will naturally take long or simply fail to license their vehicles, particularly, when the fees are too high.

- (viii) The capacity of Road Development Agency staff and of staff from the National Road Fund Agency is questionable going by the audit queries which revealed abuse of funds entrusted to the officers of both organisations.
- (ix) There was concern of putting a heavy load on only one form of tax instead of broadening the tax base by putting up toll gates so that toll fees are also collected.
- (x) The failure to use the released road funds by some provincial administrations, as implementing agencies, was cited as a source of worry.
- (xi) There was no point in raising the road tax licence by 50% because, currently, there are so many vehicles being imported into the country. The number of vehicles has lately increased about a thousand fold per year to an extent where Government is now getting enough revenue from that source.

#### **COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

10. Your Committee wishes to register its support for the proposed amendment. In supporting the Bill, your Committee wishes to make the following observations and recommendations as outlined below.

- (i) The increment being proposed of fifty percent in the road tax licence is necessary. Although the increment appears high, the intention of Government for this upward adjustment in the road tax licence is understandable. Government needs adequate money for road maintenance as a good road network has a positive impact on the development of other sectors such as mining, agriculture and tourism.

However, while your Committee supports the increment, it urges the Government to put stringent measures in place to ensure that all monies collected will be put to good use and for the intended purpose.

- (ii) Compliance with the increased road tax licence might be a problem, going by the perceived public outcry that the fees being proposed are too high. There is a possibility that motorists may opt to drive unlicensed vehicles and engage into bribing law enforcement agencies to get away with it.

Your Committee urges the Government to step up efforts to build the internal capacity of RTSA officers and other law enforcement agencies to ensure compliance is achieved in a firm, but amicable manner.

- (iii) Your Committee observes that there was little or no consultation carried out with key stakeholders when this proposed increment of fifty percent in road tax license was being drawn.

In view of the foregoing, your Committee urges the Government to always consult key stakeholders when an exercise of this nature is being undertaken. Stakeholders such as the Police, the Commuters' Rights Association and the Passengers, Pedestrians and Cyclists' Association of Zambia need to be consulted if an effective and a well accepted adjustment has to be workable.

- (iv) Your Committee urges the Government to find a mechanism of ensuring that commuters on public service vehicles are not made to pay for the increase in licence fees through exorbitant hikes in transport fares.
- (v) Your Committee observes that there is over-reliance on road licence fees as regards monies going to the Road Fund. Your Committee is of the view that other avenues of raising revenues should be explored and, therefore, urges the Government to expedite the drawing up of a Bill relating to toll gates.

## **CONCLUSION**

11. Your Committee wishes to express its gratitude to all the stakeholders who appeared before it and gave invaluable information to your Committee. The Committee also thanks you, Mr Speaker, for affording it the opportunity to consider the Bill. Gratitude goes to the Clerk of the National Assembly and her staff for the services and advice rendered to your Committee throughout the deliberations.

We have the honour, Sir, to be your Committee on Communications, Transport, Works and Supply mandated to consider the Road Traffic (Amendment) Bill N.A.B. No 58 of 2010.

Mr B Imenda, MP  
(Chairperson)

Mrs E M Banda, MP  
(Member)

Mr G Chazangwe, MP  
(Member)

Mr J C Kasongo, MP  
(Member)

Mr W Banda, MP  
(Member)

Mr W Nsanda, MP  
(Member)

Mr A Sejani, MP  
(Member)



**November, 2010  
LUSAKA**

**Mr B Imenda, MP  
CHAIRPERSON**

## **LIST OF OFFICIALS**

Mr S M Kateule, Principal Clerk of Committees  
Mr G Lungu, Deputy Principal Clerk of Committees  
Mr S C Kawimbe, Committee Clerk (SC)  
Mr M K Phiri, Assistant Committee Clerk  
Mrs D Mukwanka, Assistant Committee Clerk  
Mrs C K Mumba, Assistant Committee Clerk  
Ms R Tembo, Typist  
Mr R Mumba, Committee Assistant  
Mr C Bulaya, Committee Assistant  
Mr S M Likunyendo, Parliamentary Messenger

## **APPENDIX I**

### **Witnesses**

#### **Ministry of Justice**

Mrs W M Mbololwa, Principal Parliamentary Counsel  
Ms B L Musopelo, Parliamentary Counsel  
Ms P Goma, Parliamentary Counsel

#### **Road Development Agency**

Mr N Balaslui, Acting Chief Executive Officer  
Mr M K Musonda, Legal Counsel

#### **Passengers, Pedestrians and Cyclists' Association of Zambia**

Mr Lawrence Kaoma, Association President

#### **Commuters' Rights Association**

Mr A Kamuti, National Chairperson  
Mr D Banda, National Coordinator  
Mr C Mutemwa, Member

#### **Ministry of Local Government and Housing**

Mr Peter Lubambo, Director  
Mr J Chulu, Assistant Director (PLO)

#### **Ministry of Works and Supply**

Eng W Ngambi, Permanent Secretary  
Ms B Kaonga, Director – Planning and Monitoring Development  
Ms Y M Chuulu, Acting Director – Cabinet, Parliamentary and Gender  
Mr D Musanshi, Senior Economist

#### **Road Traffic and Safety Agency**

Mr F Mwalusaka, Chief Executive Officer  
Mr K Lumayi, Head – Finance  
Mr J Sichilima, Revenue Accountant

#### **Zambia Police**

Mr F Kabonde, Inspector-General  
Ms C Katanga, Director – Legal  
Mr P Siandenge, Service Traffic Officer  
Mr G Malama, Divisional Traffic Officer

#### **National Road Fund Agency (NRFA)**

Mr V Nyambe, Acting Director  
Mr E Kaunda, Manager – Monitoring and Evaluation

#### **Ministry of Finance and National Planning**

Mr E Ngulube, Permanent Secretary (BEA)  
Mr F Nkulukusa, Chief Budget Analyst

#### **Ministry of Communications, Transport, Works and Supply**

Mr D Sichinga, Permanent Secretary  
Mr R Nyundu, Road Traffic Commission  
Mr N Nyangu, Director – Planning  
Mr L Soko, Director – Communications

