



6th Parliament Portfolio Committees Commence

The various Portfolio Committees of the 6th Parliament started meeting and are making headway.

APRAV was there and attended the Portfolio Committee meeting on Transport (PCoT)



Some **APRAV** observations from this meeting:

- The new chairperson, Mosebenzi Zwane conducted the meeting in a focused and professional manner.
- The tone of the meeting was amicable.
- There was no mention of the RABS (Road Accident Benefit Scheme) Bill

Noteworthy was pertinent comments from ANC members:

- Why is the **RAF expenditure** on non-core business issues so high? – see some *staggering numbers below*
- There is concern about the **RAF's soliciting of direct claims**

We share these concerns.

<https://www.aprav.co.za/2019/08/19/road-accident-fund-direct-claims-versus-public-interest/>

This is a fresh departure from the 5th Parliament when members often blindly supported all RAF related proposals and decisions.

APRAV started to interact with key members and will be participating in the following portfolio committees that are pertinent to our causes:

Transport

Health

Finance

Social Development

Justice and Correctional Services

Trade and Industry

For these six committees, there are currently no meetings published until 18 September.

We are monitoring the schedules closely.

Find the latest Parliamentary Programme here - [Parliament Committees programme](#)

The **APRAV projects for 2019/2020 are progressing well** and the next Newsletter will be dedicated to progress reports, deliverables and next steps on all the projects.



RAF EXPENDITURE
The Year 2017/18 at a Glance

<i>p218 of RAF annual report</i>	2018 (R)
Advertising & Marketing	65 669 million
Computer expenses	89 321 million
Consulting and professional fees	46 988 million
Legal costs	10 679 million
Travel local	31 292 million

It remains mind boggling that the RAF continues to plead poverty but spend, amongst others, R65m on PR and R31m on travel – Why!? The RAF is a statutory body without no competitor. They simply need to provide their services as per the RAF Act! The reason is obvious – they're positioning themselves for RABS and in this process they are spending hundreds of millions of taxpayer's money. The cost spent on 'preparing for RABS' over the last five years, is money spent unlawful. It is wasteful expenditure in terms of the Public Finance Management Act; and these costs should be recuperated from the individuals involved! Add to this the massive increase in payroll expense when about 300 employees were taken up in permanent jobs around four years ago, at ±R300m per annum. All in lieu of the **RABS Bill - not approved by Parliament**. This is ludicrous: The Minister and Deputy-Minister of Transport and the Leadership and Senior Management of the Department of Transport and the RAF continues to ignore (and in fact undermine!) the democratically elected Parliament, as well as the rule of law in South Africa...we can just and simply ask again and again...why?

APRAV is actively busy with further steps and is interacting with key stakeholders to create awareness about the disastrous impact of the recent [Practice Directive 2 of 2019](#).

No one should be allowed to limit South African citizen's Constitutional right of access to the courts. Justice delayed is justice denied ...watch this space...

RABS

'Surprisingly' surfaces elsewhere

Although RABS was not mentioned in the recent PCoT meeting, **APRAV** this week discovered the official **RAF Annual Performance Plan 2019 – 2020**, signed off by the Minister of Transport (date unknown).

We are shocked and disappointed. **For a R42 billion organisation, the standard of this document is surely very low?** It looks like rushed copy-paste of content and some high-school kids might have done better. This for an organisation that seldom thinks twice about the expense budget!? *We apologise for the visual quality of the scanned copy, but it is the only*

version that is available online.

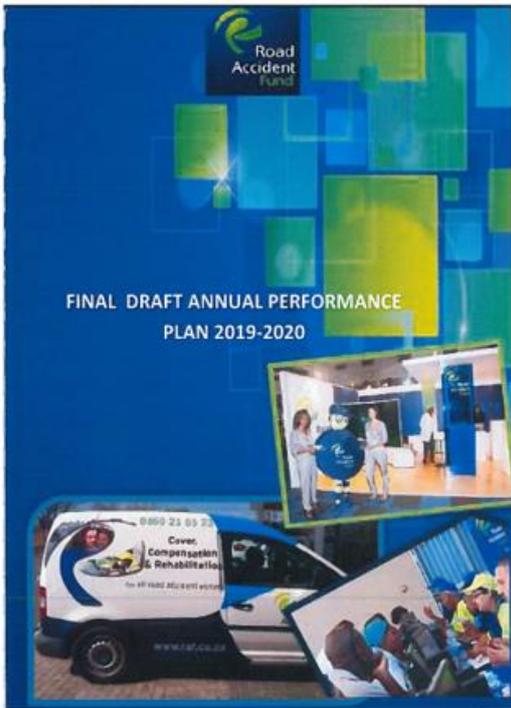
What is most 'surprising' is that **the RABS Bill** – not approved by Parliament and with a Western Cape High Court application pending – **features at least 30 times!** Find the plan here - [RAF Annual Plan 2019-2020](#)

We highlight some excerpts from the 'Plan' and cannot help but wonder **how much of taxpayer money has been spent on planning, developing and promoting the fundamentally unconstitutional RABS bill that has not been approved.**

It must be in the hundreds of millions at least. Imagine how many road accident victims could have received the help they so desperately need.

The Minister and Deputy-Minister of Transport, as well as the Leadership and Senior Management of the Department of Transport and the RAF, continues to ignore (undermine?) the democratically elected Parliament as well as the rule of law in South Africa...we can just and simply asked again...why?

Article published over the weekend - "Critics slam government's 'unfair' new Road Accident Fund bill" - [RABS unfair](#) - Imagine you lose a limb in a car accident, or you are left brain-damaged, can never work again and the maximum benefit you can claim from the Road Accident Fund (RAF) is only R280 000 per annum?



RAF 7 Pillars		p8
Pillars	Outcome indicators	
Efficient Claims Processing	<ul style="list-style-type: none"> • Manage the number of outstanding claims • Increased efficiency of claims processing • Improved claims fraud detection • Improved direct claims management • Improved claims litigation • Improved post-crash care management 	
Accessible Services	<ul style="list-style-type: none"> • Promote RAF services through outreach programmes and other events • Improved Call Centre responsiveness 	
Effective Financial Management/Health	<ul style="list-style-type: none"> • Effective cash flow management • Improved procurement outcomes 	
Optimal ICT Services	<ul style="list-style-type: none"> • Ensured optimal ICT service availability • Implemented Five-year ICT Strategy 	
Improve People Management	<ul style="list-style-type: none"> • Optimised organisational performance • Maintained RAF's contribution towards government's social and economic agenda • Contribute to government priority of youth unemployment 	
RAF Transformation	<ul style="list-style-type: none"> • Transform RAF to RABS 	
Assured Control Environment	<ul style="list-style-type: none"> • Raised ethical standards • Improved Combined Assurance outcomes 	

The Road Accident Benefit Scheme (RABS) Bill was served before the National Assembly on 06 December 2018 for approval. However, the voting on the RABS Bill was postponed due to the Members of Parliament not forming a quorum. On 19 February 2019, the National Assembly debated a motion which provided for a draft resolution for all items that were in the Order Paper at the last sitting of the National Assembly annual session, to be revived. The first item was the "Decision of Question on Second Reading - Road Accident Benefit Scheme Bill (B 178-2017) (National Assembly – sec 75)". The National Assembly adopted the motion in respect of all items on the list, except for the RABS item. The RABS Bill will be considered by the 6th Parliament.

The RABS aims to ensure expanded access to benefits by removing the requirement to establish 'fault' as a determinant to qualify for benefits and making available timely and appropriate health care based on a reasonable tariff. Equally, the RABS will ensure that benefits intended for road crash victims and the intended beneficiaries in contrast to the RAF in fact receive their dependants where numerous intermediaries often unfairly benefit at the expense of the claimant.

In conclusion, the APP outlines the RAF's strategic objectives, key performance indicators and annual targets up to 2020. The DoT will provide support to the RAF with the implementation of this APP.



Mr FA Mbalula, MP

Minister of Transport

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Performance Indicator	Measure	Estimated Performance 2017 / 2018	2018/2019	2019/20
RAF readiness for RABS	Implementation of RABS initiatives	Implement Year 1 RAF Transformation Plan initiatives	Implement 2018/19 Transformation Plan initiatives (Business Model Feasibility, Change Impact Assessment and Medical Treatment Protocols), as per the approved Project Plan	Approved RABS Business Model
		-	-	Approved RABS Skills Transition Plan

Risk	Key mitigation plans underway
<p>Risk 1: Financial sustainability</p> <p>The risk that the RAF may not be able to meet its financial obligations as a result of its unsustainable funding model.</p> <p>The RAF has operated on an unsustainable funding model for years. The RAF Levy is determined with little regard for the main drivers of the RAF's claims expenditure, i.e. the number of accidents on the roads, the number of vehicles driven, the volume and quantum of the benefits payable by the RAF and various other economic factors like the inherent inflation of the benefit levels.</p> <p>Whilst the promulgation of the RABS Bill is at an advanced stage, this will remain a key priority risk until a more sustainable funding model is implemented and a strategy is put in place to address the RAF liability. The fiscal economic outlook for the country is also a key consideration.</p>	<ul style="list-style-type: none"> • Support processes towards promulgation of the RABS Bill • Explore other sustainability initiatives as a medium- to long-term solution to sustain the RAF. • Engage key stakeholders on the appropriate funding model. • Regularly assess and optimise cash management to respond to cash constraints. • Review the SCM function to ensure that it is more effective and efficient. <p style="text-align: right;">p11</p>

<p>Risk 3: Reputational risk</p> <p>The risk that the RAF may suffer reputational damage due to stakeholder pressure and negative media reports.</p> <p>With the DoT continuing with the pursuit of the RABS Bill, pressure from stakeholders that are opposed to the Bill will only escalate. The rise in fuel prices has also resulted in community organisations opposing the use of fuel levy as a revenue stream for the RAF. The current financial year also saw a lot of negative media reporting against the RAF.</p>	<ul style="list-style-type: none"> • Implement Media and Reputation Strategy. • Implement the Stakeholder Engagement Plan of the 2018/19 financial year <p style="text-align: right;">p12</p>
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