



APRAV MOMENT
Newsflash
28 February 2020

The latest development and news on:

- 🌍 RABS in Parliament again
- 🌍 RAF Rescue Plan preparation
- 🌍 Major recent developments
- 🌍 Budget 2020 - Fuel levy



RABS resurfaces in Parliament

In similar fashion to the trend over the last few years, the PCoT 'agenda' was published at short notice and unexpectedly featured the RABS Bill. APRAV's tracking systems picked it up in time and we were able to attend meeting that took place on 18 and 26 February 2020.

Portfolio Committee on Transport,
(National Assembly), [Briefing on the Road
Accident Benefit Scheme Bill [B17B-2017];

Summary of PCoT meeting - 18 Feb 2020

A: A delegation from the Department of Transport's presented the RABS Bill

The Deputy DG for Road Transport and other delegates from the Department of Transport (DoT) presented the Road Accident Benefit Scheme Bill. The history of the Bill (from 2011 – 2018) was presented to members of the committee with no new information.

B: Member comments worth highlighting

- Most Members objected to adopting a no-fault system.

- There was consensus about the urgent need for the Road Accident Fund to receive attention.
- But since there was already a proven system (RAF), there is no need to run a parallel system (RABS).
- The proposed RABS bill would be placing claimants in a worse-off position.
- The RABS Bill totally failed in the public participation process.
- The proposed bill makes no sense in terms of its financial affordability. The Department did not undertake any proper consultation with National Treasury.
- The Committee should avoid a dual system. the country could not afford to run another road accident fund even if the bill was adopted, South Africa would still be compensating people for years under the current RAF.
- There is a lot of interest and support for reviewing and amending the current RAF system.

C: Department's response

- Agreed that the bill should be reviewed, but in the absence of the Acting CEO, could not respond.
- Acknowledged valid points, but disagreed on some - based on what happened during the Fifth Parliament
- The Department claimed:
 - The bill had been properly consulted.
 - The Department did consult with National Treasury
- Most people that are against the proposed bill are lawyers. If the system was switched to "no-fault", there would be no role for lawyers, hence they are up in arms

D: Final comment from the Committee

It was stated that Treasury was never consulted. The discussion was not finalised and carried over to the meeting on 26 February 2020.

The minutes relating to the RAF and RABS discussion are on our website – <https://www.aprav.co.za/whats-on-in-parliament/>

Summary of PCoT meeting of 26 Feb 2020

The RABS discussions was cut short by the Portfolio Committee Chairperson!

- This meeting was full of surprises!
- The DOT arrived with an even 'stronger' delegation to lead the discussion on RABS.
- The Deputy Minister of Transport (previous Chairperson of the Portfolio Committee) also attended the meeting (unannounced & even though RAF/RABS does not form part of her Cabinet portfolio).
- And this time it was the DG (not the deputy-DG) that led the DOT's presentation on RABS.
- The DoT's case for RABS was not well presented and was cut short by the Chairperson, Mr Zwane.
- The DoT presented the same 'old' RABS material and views and offered no new insights, costings, research, facts, transition plan, etc... 'same old same old'.
- Several Members on the Committee was also unimpressed with the general attitude of the DoT.
- The meeting ended with the Chairperson facilitating a short discussion which resulted in the DoT being excused and informed that the Committee will make a final decision on whether to proceed with RABS or not - within two weeks.
- The Chairperson instructed the Committee Members to spend the next two weeks to review all options and to come back with a united proposal on the way forward.
- **The next PCoT meeting is schedule for 10 or 11 March 2020 - Is this the day the RABS Bill finally 'dies'!? OR will it be 'back' with a vengeance!?**

- ARAV is interaction with all Members of this Committee in the lead up to this meeting...(as before)



APRAV is facilitating the development of a RAF Rescue Plan. For this purpose, we are arranging work sessions during the next few weeks - in all the provinces. We value you as a key stakeholder and invite you to participate.

Region	Date	Time	Venue
Pretoria	5 March	16:00 - 18:30	Pretoria Country Club
Johannesburg	11 March	15:00 – 18:00	Webber Wentzel Attorneys
Bloemfontein	12 March	15:00 – 17:00	Honey Attorneys
Durban	19 March	15:30-17:30	Umhlanga Holiday Inn Express
Cape Town, Bisho, Mahikeng, Polokwane, Mbombela	Dates and venues for these Provinces/cities will be confirmed for late March - early April. We will announce it shortly.		

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PURPOSE OF WORK SESSION

- To create an opportunity for stakeholders to discuss the most appropriate solutions for the RAF.
- The ultimate outcome is a practical RAF 'rescue plan' that will lay the foundation for a more sustainable system.
- A further outcome is to ensure coordination and alignment amongst stakeholders.
- Lastly, to give an update on the latest regarding the RABS Bill and RAF developments.

WORK SESSION PROGRAMME

1. Arrival and opening
2. Setting the scene
3. The RABS Bill - the latest from Parliament
4. RAF - behind the scenes feedback
5. Framework RAF Rescue Plan
6. Discussion on possible solutions
7. The way forward
8. Conclusion: the medico-legal field over the next year or two

RAF RESCUE PLAN - Phase 1 focus areas

Cost reduction:

i.e. create a Single Expert Panel

RAF functioning:

i.e. improve Claims Handler capacity and competencies

Courts and settlement agreements

i.e. better manage prescription process



Major recent developments

RAF instruction to panel attorneys to handover files within two months.

- All attorneys ('Panel') appointed to the Road Accident Fund received letters dated 18 and 20 February 2020, being purported notice of handover of files in terms of clause 14 of the service level agreement.

- Although the 18 February letter advises that panel attorneys are required to proceed with all trials and pre-trials pending handover of files, the simultaneous lapsing of all mandates to all panel attorneys and the subsequent handover of all files within a period of just over two months will inevitably have a significant impact on the finalisation of trials, pre-trial proceedings, settlement negotiations and the processing of claims in general to the detriment of claimants.
- The cancellation of all mandates to all panel attorneys may add further complexity to the RAF 'landscape' to change.
- APRAV encourages the Acting CEO to enter in dialogue with all key stakeholders to resolve this matter, to the benefit of Claimants.
- It seems if looming legal action is imminent.
- Should legal action follow, all key stakeholders, will still have to enter discussion to find a joint solution to 'Rescue RAF'.
- APRAV acknowledges that there is a lot at stake for all role players; jobs, legal expectations, saving taxpayers money, servicing Claimants, etc.
- All should be guided now to act in the interest of claimants and avoid 'feeding' the narrative that the RAF should be replaced by the RABS Bill!
- This issue needs to be dealt with by calm heads, logic, fairness (to all parties) and with a view to 'Rescue RAF'!



9c of fuel levy increase to go to the RAF and for the first time in four years there is no mention of RABS!!

The Minister announced a fuel levy increase of 25 cents per litre - of which 9 cents will go to the RAF.

The additional funding allocated to RAF will be welcomed against the increasing backlog of outstanding claims and the financial woes of the RAF in general.

We share the commentary of DA Shadow Minister of Transport, Chris Hunsinger "However, the government simply cannot hold motorists to ransom year in and year out. It seems that with every budget life there is an increased fuel cost and a bail out for a badly managed RAF fund. A permanent solution is required in order to compensate RAF crash victims. This uncontrolled & loose ended way in which the current RAF management is running the scheme is holding a huge fiscal risk to South Africa, as the Minister pointed out himself, before we know it we may potentially be sitting on a dilemma bigger than we currently have with Eskom."

The 9c increase means R1,8 billion per year will be added to the RAF. Since 2015, the fuel levy portion that goes to the RAF has nearly doubled.

Meaningful and sustainable change to the RAF is now needed and all involved should be aligned around this objective. There is no other choice! It will require all to compromise in the interest of Claimants. Increasing the fuel levy can only 'go so far'.

This emphasises the urgency to get all relevant stakeholders together to draft a rescue plan to amend the current RAF Act & Regulations. We need to find a sustainable solution that will ensure expenses are contained and road accident victims are compensated fairly & quickly... but upholding the Constitutional rights and obligations involved.



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