



MEDIA STATEMENT
ISSUED BY THE ROAD ACCIDENT FUND
3 FEBRUARY 2017

ROAD ACCIDENT FUND PAYMENTS ON HOLD

All information contained in this media statement must be attributed to the Road Accident Fund (RAF) Chief Executive Officer, Dr Eugene Watson:

The Road Accident Fund (RAF) regrets to inform claimants, service providers, stakeholders and caregivers that payments have ground to a halt due to the RAF's bank account being attached by the Sheriff of the Court. This is a result of a few legal firms whose actions have disrupted an established cash management plan which now inconsiderately prioritises them over those who have patiently been awaiting payment.

For almost three years the RAF has contended with serious cash constraints which see the Fund unable to pay all amounts that fall due at any point in time. Despite utilising all of the monthly fuel levy income of approximately R3 billion to make over 30,000 payments each month, a balance of R8,2 billion worth of payments to 5,200 creditors remains queued for payment over and above all that is paid. While over 1,000 warrants of execution are received from sheriffs on a monthly basis, over 3,000 warrants still queue for payment and the attachment, removal and sale of RAF assets is an unfortunately common reality. This reality has persisted despite a 50c increase in the RAF fuel levy two years ago and all stakeholders are informed of the continued financial challenges the Fund faces.

The Fund can only pay what it is able to and the cash management plan put in place two years ago endeavors to maintain regular payments to creditors. The patience shown by thousands of claimants and their service providers is and remains appreciated.

Operationally, the latest attachment has adversely impacted the institution, disrupting its efforts to honour all its obligations and ensure it continues fulfilling its mandate to indemnify, compensate and rehabilitate car crash victims, despite not having sufficient funding. We apologise for any inconvenience caused and every effort is being made to resolve the matter speedily in order for the RAF to resume payments.

As the caring arm of government, the RAF is mindful of the impact this is having on all those affected and will endeavour to ensure normality is restored urgently. All affected parties will continue being kept abreast with the status quo.

The immediate payment halt, continued cash constraints and the huge, unfounded liability the Minister of Finance raised in the Medium Term Budget Speech are continued evidence that the RAF dispensation is expensive, unaffordable and unsustainable. Change is an urgent necessity.

Issued by the Road Accident Fund's Media and Public Relations Unit

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