On 1 May 1997, the Road Accident Fund (RAF) as a legal entity was born, bringing to an end the existence of the legal entity, the Multilateral Motor Vehicle Accident Fund (MMF). At the time, Madiba, as the former President Nelson Mandela was affectionately known, was the country’s first citizen. Mac Maharaj, the outspoken and outgoing spokesperson for President Jacob Zuma, was the Minister of Transport – and the annual deficit of the Fund was just above R8.3 billion, with a fuel levy collected under R300 000 shy of a modest R2 billion.

Today the RAF turns 18 years old, a young adult in social standings, but a completely transformed institution from the body which saw Minister Maharaj publishing a ‘White Paper’ proposing that a Commission of Enquiry fundamentally review the entire system of compensation to victims of road accidents, just a few months after the RAF was established as a legal entity. The proposal followed numerous challenges, including the deficit which was doubling every three years, but has grown to almost R91 billion 18 years later, necessitating further drastic changes to be implemented through the Road Accident Benefit Scheme Administrator (RABSA), which will replace the RAF when the Road Accident Benefit Scheme (RABS) Bill is promulgated.

The RAF has come a long way from days when the average settlement was R29 762 to the average R104 091 that we now pay; from the time when our head office was the old Human Sciences Research Council building in Pretoria to our modern structure in Eco Glades known amongst colleagues as “Top Billing”.

We have also had our fair share of challenges. In fact, some will argue that the challenges – financial, administrative, legal and leadership, just to mention a few – faced by the institution in almost two decades, have been more than a fair share. The institution has gone through more than six CEOs in the past two decades, from the days of WB Swanepoel who was president of the institution in 1997, to the current incumbent, Dr E Watson, a worrying trend by any standard.

We have fought many legal battles, some up to the highest court of the land, the Constitutional Court. We have lost some, won many, and we have no doubt that the battle is over, but we will meet those challenges head-on as we pursue a clear mandate of making a difference in the lives of those affected by road accidents.

There have been many reports and studies conducted on the RAF, including the 2002 Satchwell Commission of Inquiry which made numerous findings and ground-breaking recommendations aimed at remedying the many ills that had formed part of the RAF’s DNA.

As expected, many of the proposed changes faced many challenges from certain stakeholders who were benefitting from the status quo. To say the RAF was a cash-cow vulnerable to widespread abuse from stakeholders and even fellow colleagues, is an understatement. Our reputation was continuously dragged through the mud and public perception of the Fund fared no better, but we acknowledge that some of the negativity that characterised our institution over the years, was warranted. Those challenges warranted changes, the main, which took place through the Road Accident Fund Amendment Act, 2005, which came into operation on 1 August 2008. Among other, it introduced the concept of serious injury, capped loss of earnings and loss of support, but more importantly lifted the R25 000 cap on certain passenger claim categories.
The changes introduced over the years were necessary. The record R500 million settlement paid to Swiss billionaire Joachim Werner Schloss in 2008 is another example of the many fragilities that could have placed the RAF in a far worse situation had they not been addressed through the necessary amendments. This, especially during the 2010 FIFA Soccer World Cup which saw some of the world’s wealthiest people descending on the country to watch the global soccer tournament. In August 2008, the annual capped amount for loss of support and loss of earnings was R160 000 and today it has been adjusted to R228 000. This has ensured that the Fund, to a large extent, evenly distributes to victims of road accidents instead of paying huge sums to the already super rich who can afford to financially look after themselves after being involved in road crashes.

In recent years, we have been able to turn the Fund around. Very few can disagree that the so-called uncaring, incompetent and wasteful RAF of the past is almost gone. The pursuit of excellence has been blowing through the massive footprint we have created throughout the country, with presence in 96 hospitals and at least one RAF office in each of the nine provinces. We have fostered strong relationships with Motor Vehicle Accident (MVA) Funds of our neighbours in Namibia, Swaziland and Botswana with the aim of benefitting road users. Through our community outreach programme, ‘RAF on the Road,’ we have taken our services to the doorsteps of far-flung communities, interacting directly with those affected by the carnage on the country’s roads and making a difference in their lives. Since its inception, we have called on more than 50 communities, assisted more than 35 000 claimants and settled claims above R760 million, all on Saturdays.

The RAF has changed and will continue to change. The proposed RABS Bill will bring many fundamental changes to the way victims of road accidents are covered, compensated and rehabilitated. Many awards have been bestowed on the organisation for the excellent work we have been doing in the past few years: two consecutive ‘clean’ audits, continuous support from our government, including the massive 50 cents RAF Fuel Levy increase, are but an indication of how far we have come as an institution.

The best is yet to come. We have more than 2 400 employees driving this institution; some of our colleagues have continuously gone beyond the call of duty to make us shine. As we celebrate this special transition to adulthood, let us remember the colleagues, past and present, who have brought us to this point.

“The RAF has changed and will continue to change... The best is yet to come.”

Happy 18th birthday, RAF.

Thabo Mkhize