



Section 1

RAF at a Glance

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RAF AT A GLANCE

1.1 Organisational Overview

1.1.1 Mandate

The RAF is a juristic person established by an act of parliament, namely, the Road Accident Fund Act, 1996 (Act No. 56 of 1996) as amended ("RAF Act"). It commenced operations on 1 May 1997, assuming at the time, all the rights, obligations, assets and liabilities of the Multilateral Motor Vehicle Accidents Fund.

The RAF is responsible for providing compulsory social insurance cover to all users of South African roads; to rehabilitate and compensate persons injured as a result of the negligent driving of motor vehicles in a timely and caring manner; and to actively promote the safe use of all South African roads. Section 3 of the RAF Act stipulates that "the object of the Fund shall be the payment of compensation in accordance with this Act for loss or damage wrongfully caused by the driving of a motor vehicle". The customer base of the RAF, therefore, comprises not only the South African public, but all foreigners within the borders of the country. The RAF provides two types of cover, namely personal insurance cover to accident victims or their families, and indemnity cover to wrongdoers.

1.1.2 Predecessors

Prior to 1997, the system of compulsory motor vehicle accident insurance was governed by the following legislation:

- Motor Vehicle Insurance Act, 1942 (Act No. 29 of 1942);
- Compulsory Motor Vehicle Insurance Act, 1972 (Act No. 56 of 1972);
- Motor Vehicle Accident Act, 1986 (Act No. 84 of 1986); and
- Multilateral Motor Vehicle Accidents Fund Act, 1989 (Act No. 93 of 1989).

1.1.3 Governing Structure

The RAF, as established by the RAF Act, is owned by the South African public. It is listed as a national public entity in accordance with schedule 3A of the PFMA.

Government's governance oversight over the RAF includes:

- Parliament (National Assembly) through the relevant Portfolio Committee on Transport ("PCOT") and the Standing Committee on Public Accounts ("SCOPA");
- The Executive Authority, the Honourable Minister of Transport; and
- The Board of Directors of the RAF.



The National Assembly has legislative powers and maintains oversight of the National Executive Authority and the RAF as an organ of state. In addition, parliament oversees the Executive Authority, who is required to provide it with full and regular reports concerning matters under his control.

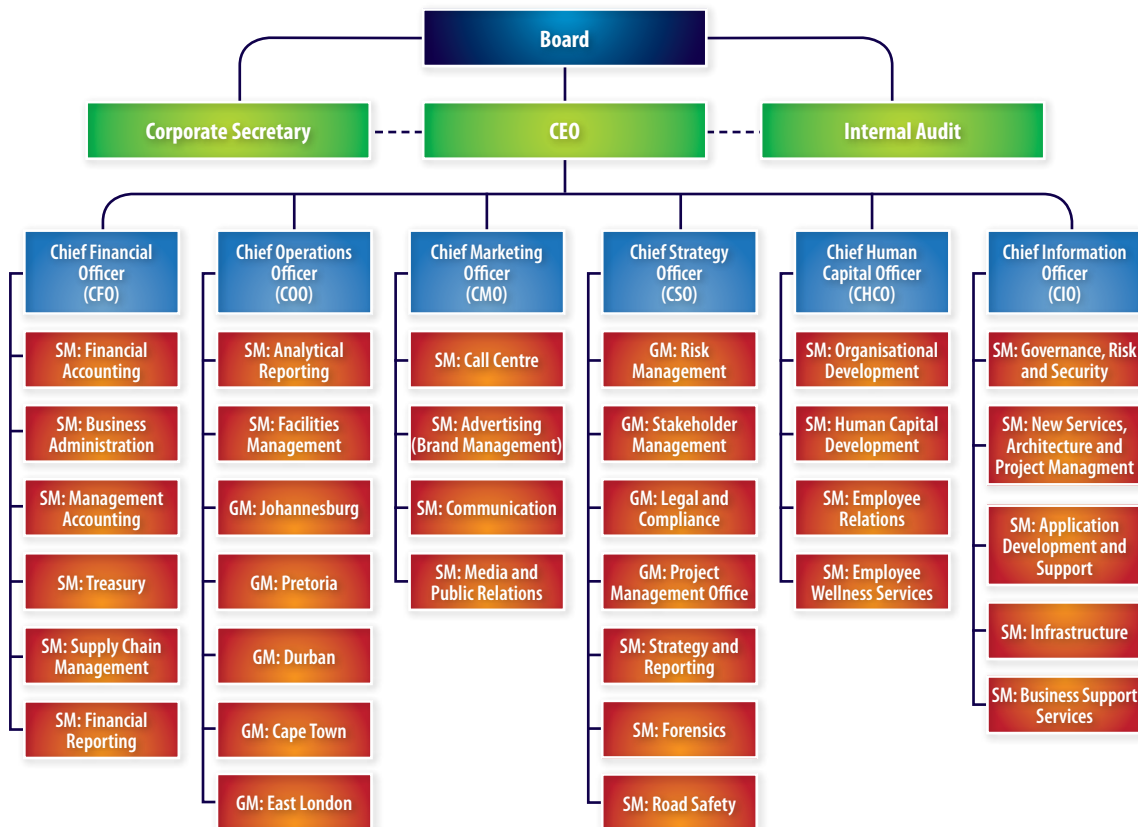
Parliament exercises oversight of the RAF through PCOT and through SCOPA. The Portfolio Committee oversees service delivery and performance in accordance with the mandate of the RAF and its corporate strategy. It reviews financial and non-financial information, such as efficiency and effectiveness measures, in delivering services against corporate goals. SCOPA oversees the financial performance and accountability of the RAF in terms of the PFMA.

The Minister of Transport is the Executive Authority of the RAF and is concerned with the financial viability and risks of the organisation, as well as policy-making and monitoring of policy implementation to ensure that the RAF effectively delivers on its mandate.

The Board acts as the Accounting Authority of the RAF and is accountable to the Executive Authority for the performance and affairs of the entity. The RAF's Board is responsible for determining the overall direction of the RAF, formulating and implementing policies that are necessary to achieve the RAF's strategic goals, and maintaining good corporate governance.



1.1.4 Core Functions



The Internal Audit function reports directly to the Board through the Audit Committee. The Corporate Secretariat is responsible for providing secretariat support services to the Board and the Executive team of the RAF. The RAF delivers its core mandate through its Operations Department. The Customer Service Network ("CSN") and the Benefit Administration Unit ("BAU") were terminated during the year under review as a result of a change in the tactical approach adopted by the Board in realising its strategy efficiently. This change was also captured in the Strategic Plan, which was approved by the Minister of Transport. All affected staff members and functionalities were migrated to other units within the business. Business support functions include the following divisions: Office of the CEO; Strategy, Risk and Compliance; Finance; Marketing, Communications and Call Centre; Human Capital; and Information and Communication Technology. The core functions of these divisions are outlined in the table below:

Division	Core function areas
Office of the CEO	<ul style="list-style-type: none"> Provides leadership and guides the vision of the organisation Development and implementation of approved strategies Institutional performance management, monitoring and evaluation
Strategy, Risk and Compliance	<ul style="list-style-type: none"> Risk management Stakeholder relations management Legal and compliance Project management Strategy and reporting Forensic investigation Road safety
Operations	<ul style="list-style-type: none"> Claims origination Claims processing Claims finalisation Patient outreach programme Undertakings Analytical reporting
Finance	<ul style="list-style-type: none"> Financial accounting Management accounting Treasury management Claims finance Supply chain management Financial reporting
Marketing	<ul style="list-style-type: none"> Advertising Brand management Internal and external communications Media and public relations Call centre
Human Capital	<ul style="list-style-type: none"> Organisational development Human capital development Employee relations Employee wellness services
Information and Communication Technology	<ul style="list-style-type: none"> Governance, risk and security New service, architecture and programme management Application development and support services Infrastructure Business support services

1.1.5 Principal Activities

The RAF provides compulsory cover to all users of South African roads, both citizens and foreigners, against injuries sustained or death arising from accidents involving motor vehicles within the borders of South Africa. This cover is in the form of indemnity insurance to persons who cause the accident, as well as personal injury and death insurance to victims of motor vehicle accidents and their families.

1.1.6 Economic Role

Road transportation is a critical element supporting and directly contributing to growth in any economy. Road accidents are, unfortunately, a negative consequence of this economic growth, affecting both economically active members of our society and other citizens. Free markets, and in particular the private sector, do not fully address the impact of road accidents on society and the economy. The RAF provides a social security safety net to the country and economy by making available compulsory social insurance cover to all users of South African roads. Contributions to the RAF are done by way of a levy on fuel used for road transportation. The cover extends to all members of society including, but not limited to, the poor, children, legal and illegal immigrants, foreigners, owners and drivers of motor vehicles, as well as their passengers. The social insurance cover, however, does not extend to drivers of motor vehicles that are found to be solely negligent.

1.1.7 Social Role

The socio-economic role of the RAF is to re-integrate victims of road accidents into society from a health and economic perspective, and protect at-fault drivers and their families from financial ruin. This is done by the RAF paying the medical and related services costs required to restore accident victims to health, compensating the victims or their families for income or support lost as a result of the accident and indemnifying the wrongdoer from liability. In addition, the RAF pays general damages to accident victims as compensation for pain and suffering, loss of amenities of life, disability and disfigurement, as well as funeral costs to families in circumstances where the victim of the accident sustains fatal injuries.

1.1.8 Vision







The vision of the RAF is "to provide the highest standard of care to road accident victims to restore balance in the social system".

1.1.9 Mission

The mission of the RAF is "to provide appropriate cover to all road users within the borders of South Africa; to rehabilitate persons injured, compensate for injuries or death and indemnify wrongdoers as a result of motor vehicle accidents in a timely, caring and sustainable manner; and to support the safe use of our roads".

1.1.10 Values

The following values drive everything that the RAF does and the manner in which it does it:

		<ul style="list-style-type: none"> → We care for and support our customers → We care for and support each other
		<ul style="list-style-type: none"> → We offer solutions → We take responsibility for our actions
		<ul style="list-style-type: none"> → We commit to and demonstrate integrity, honesty, consistency and fairness in our actions and decisions → We model the highest standards of personal and professional behaviour

1.1.11 Business Model

The immediate focus of the current business model is on fault and blame to determine the cause of the accident and to exclude at-fault road users from compensation. As a result, injured persons are unable to access medical care in a timely manner, and dependants of persons killed in road accidents are left to fend for themselves. In addition, claims are received and administered in a litigious and dispute-ridden environment, and many cases take years to be finalised and paid. This prolongs hardship and severely impacts on the poor and vulnerable.

The crux of the RAF's underlying business model is determined by the legislative environment in which it operates. At present, claims against the RAF for bodily injury and personal loss arising from road accidents are based on the common law rules of delict and liability insurance principles. The remedy is both ineffective for claimants and inappropriate for claims on a social security scheme. Not only are the common law-based claims complex, time-consuming, expensive and fraught with practical difficulties, but the outcome is unpredictable and unreliable.

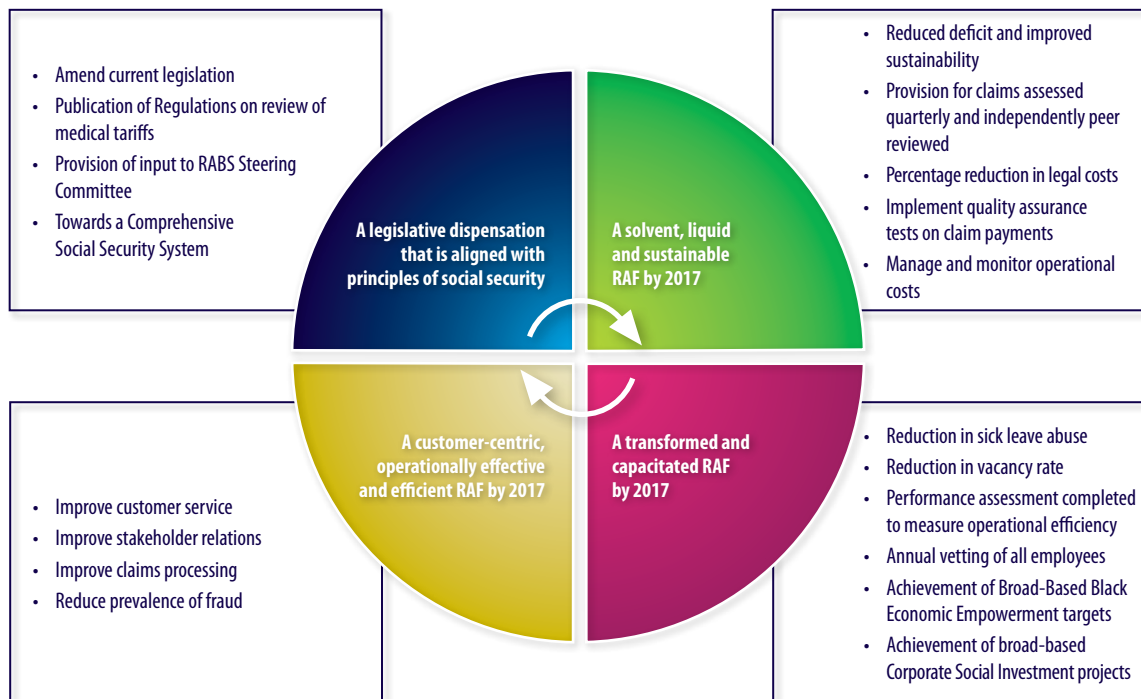
The current business model of the RAF does not vest the organisation with the capacity to proactively gather and manage road accident and applicant information for better operational and financial planning. There is no effort to collect information at the accident scene and/or to find and collect information as soon as possible after the accident. As a result, the Fund is unable to proactively originate benefit applications on behalf of accident victims based on available information, and thereby improve processing efficiency and the quality of decision-making.

1.2 Strategic Objectives

Over the next four years, the RAF Strategy will be anchored on four main pillars. Each pillar aims to deal with specific challenges that the RAF faces. In addition, these will form the basis on which subsequent performance plans and operational plans will be developed.

1.2.1 RAF Strategic Planning Pillars

The following diagram outlines the four main pillars and key strategic outcomes that will guide the RAF over the next four years.



1.2.2 RAF Outcomes

1.2.2.1 Legislative Enablement

While the Road Accident Fund Amendment Act, 2005 (Act No. 19 of 2005) brought about much-needed changes to the system, the latter remains inherently flawed.

In achieving legislative enablement, the RAF will:

- a) Pursue legislative and regulatory amendments to the RAF Act and the regulations to that Act;
- b) Continue to support the Department of Transport (“DoT”) in the process to enact the required legislation to bring the Road Accident Benefit Scheme (“RABS”) into existence; and
- c) Support the DoT in government’s Comprehensive Social Security System (“CSSS”) plans.

STRATEGIC GOAL 1	A legislative dispensation that is aligned to principles of social security
Strategic Goal Description	Contribute towards legislative enablement by: <ul style="list-style-type: none"> • Motivating for amendments to the current RAF Act • Participating in the process to establish a legislative framework to give effect to the approved RABS Policy • Defend constitutional challenges to the RAF Act
Outcome Indicators	<ul style="list-style-type: none"> • Timely support to the DoT to enable the promulgation of an amendment to section 18 of the RAF Act • Support the DoT to achieve the publication of a non-emergency tariff • Publication of an increase in the emergency medical tariff • Support the DoT to publish a non-serious injury list • Propose to the DoT amendments to the current RAF Act, as amended by Act No. 19 of 2005 • Provision of input to the RABS Steering Committee • Provision of input on the Inter-Departmental Task Team (“IDTT”) to align the RAF and RABS for integration into the CSSS

1.2.2.2 The Creation of a Solvent, Liquid and Sustainable Organisation

The RAF will focus on means and ways to ensure its financial sustainability. The RAF actively engages with National Treasury and the DoT to determine RAF Fuel Levy allocation increases annually. Furthermore, the Fund will also commence with the process of developing strategies for reducing legal and operating costs through internal cost management initiatives.

In developing this strategic outcome, indicators and targets, the following assumptions and underlying factors were considered:

- That the RAF Fuel Levy income will increase by a minimum of 8 cents per annum between 2013 and 2015;
- That the RABS Policy will be implemented by 1 April 2015; and
- That the RAF, together with relevant stakeholders, will formulate an appropriate plan to address the deficit beyond the establishment of the RABS.

STRATEGIC GOAL 2	A solvent, liquid and sustainable RAF by 2017
Strategic Goal Description	Increasing revenue, reducing costs and implementing other means to recapitalise the RAF
Outcome Indicators	<ul style="list-style-type: none"> • Percentage reduction in the deficit • Percentage reduction in legal costs (year-on-year) • Managed and monitored operational costs to improve sustainability of the Fund • A tariff for serious injury assessment • Support the DoT to achieve the publication of a regulation to prescribe a period for acceptance or rejection of the RAF 4 Form

1.2.2.3 Improved Customer Focus, Operational Effectiveness and Efficiency

The goal was for the RAF to focus on finalising its organisational re-alignment and operational improvements in 2013/14 by aligning its processes to provide a seamless and appropriate customer experience. The operational improvements will make the Fund's systems and processes more efficient. In addition, the system includes an expansion of the RAF's national footprint and the design of customer interaction points to ensure that the total customer experience is of a consistently high standard. At the date of preparing this report, all these improvements had already been completed.

In developing this strategic outcome, indicators and targets, the following assumptions and underlying factors were considered:

- That the RAF Fuel Levy income will increase by 8 cents per annum between 2013 and 2015; and
- That the RABS Policy will be implemented by the end of the 2015 financial year. This will have a significant impact on the number of claims processed.

STRATEGIC GOAL 3	A customer-centric, operationally effective and efficient RAF by 2017
Strategic Goal Description	Positive, direct relationships with customers based on an optimised operating model, which is more accessible and efficient and reduces the need for third party legal support
Outcome Indicators	<ul style="list-style-type: none"> • Reduced turnaround times for the processing of supplier, personal, funeral and undertakings claims (from date lodged to date of payment) • Reduced turnaround times for the processing of claims for loss of earnings/support and general damages (from date lodged to date of payment) • Increased number and percentage of direct claims (direct claims as a percentage of total personal claims) • Increased number of claims finalised (claims fully settled and archived) • Increased number of personal claims finalised (claims fully settled and archived) • Increased percentage of active undertakings in relation to serious injuries • Increased number of claims repudiated due to identification of fraud • An increased percentage in the customer satisfaction rating on the Customer Satisfaction Index

1.2.2.4 Transformation and Capacity Building of the RAF

The RAF recognises that effective communication, people and leadership are critical to ensure that it provides the highest standard of care to road accident victims to restore balance in the social system, as captured in the RAF's vision.

STRATEGIC GOAL 4	A transformed and capacitated RAF by 2017
Strategic Goal Description	Build an institution that is performance-driven, values the customer and improves the awareness of the RAF brand
Outcome Indicators	<ul style="list-style-type: none"> • The rate of acceptance and internalisation of the new business model • Improved leadership capacity and capability • Level of rating on the Employer of Choice Survey ("ECS") • Improved percentage of employees who exceed their performance targets • The RAF's contribution towards government's social and economic transformation agenda • Level of accuracy of talent to fill mission-critical positions • Support the DoT to achieve the publication of a regulation to prescribe a period for acceptance or rejection of the RAF 4 Form

1.3 Principal Risks and Uncertainties

The Board identified six key strategic risks to the RAF for the 2012/13 financial year. These risks, as well as mitigation measures, are outlined in the table below.

Risk	Description	Action Areas and Plans
Financial Management	<p>The RAF Fuel Levy is determined with little regard for the main drivers of the RAF's claims expenditure, i.e. number of accidents on the roads, 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>The prevailing disconnect between the fuel levy awarded by government and the RAF's operational cash requirements is the primary cause of the poor liquidity that is being experienced by the RAF from time to time.</p> <p>Due to its unsustainable financial model, the RAF runs at a substantial deficit each year (claims incurred exceed revenue). Consequently, a backlog of unpaid claims has accumulated over time, representing a liability to the RAF (provision for outstanding claims). The provision grows annually due to the expected growth in the cost of settling these claims and interest factors. Since the provision for future claims exceeds the RAF's asset base, the RAF is technically insolvent.</p>	<ul style="list-style-type: none"> Engage continually with National Treasury in respect of the proposed Revenue Model Investigate fuel sales forecast and other income sources for the RAF Provide any assistance required to the RABS, Paixao and Da Silva projects
People Management	<p>The RAF is in the process of re-engineering its business and therefore requires leaders and a workforce that are appropriately skilled, accountable, professional and motivated. The non-customer-centric and performance culture has to be managed during this critical phase. Appropriate change management and leadership are crucial in ensuring that organisational transformation is a success.</p>	<ul style="list-style-type: none"> Design and implement the programme for realignment of the RAF organisational structure Implement talent management and succession planning Implement leadership interventions Embed performance management
Fraud and Corruption	<p>The RAF operates in an environment that is targeted by fraudsters, both internally and externally. The RAF has to continuously deal with professional syndicates and individual fraudsters. Considering the transformational state of the organisation, there is a higher propensity for fraud and corruption.</p>	<ul style="list-style-type: none"> Identify fraud hotspots and implement awareness campaigns Implement the Forensic Panel Analyse and publish fraud trends monthly
Regulatory Framework	<p>The current system for road accident compensation in South Africa is fault-based and founded on the law of delict. This scheme is complex and subjective in that it often requires time-consuming and expensive legal procedures in order to establish fault and the quantum of damages suffered. The RAF is part of the initiative to implement a defined-benefit, no-fault system. While this intention is aligned with the DoT's goals, it is understood that it may take a few years before this new legislation is implemented. Therefore, the RAF will consider recommending to DoT amendments to the RAF Act.</p>	<ul style="list-style-type: none"> Provide support to DoT to ensure the enactment of the RABS legislation Provide inputs to legislative amendments
Service Delivery	<p>The RAF finds itself in a position where it has a large claims backlog. This backlog is mainly attributable to the organisation having been under-funded for a number of years, and therefore unable to pay claims at the rate it receives them. The RAF is in the process of overhauling its business. The process will lead to the establishment of a RAF that is more customer-centric, effective and efficient. These changes have all been designed to ensure that RAF customers receive high-quality service, where claims are processed quickly and accurately, costs are contained and fraud eliminated.</p>	<ul style="list-style-type: none"> Implement strategies to decrease the claims backlog Improve performance management Develop a customer feedback system Review the direct claims process to fast-track settlements Develop Memoranda of Understanding (MOUs) with relevant stakeholders

Risk	Description	Action Areas and Plans
Stakeholder Pressure	<p>The RAF is implementing fundamental changes to its operations and strategic direction. It is thus imperative that the organisation communicates these changes to customers and stakeholders and that existing relationships with key stakeholders continue to be nurtured.</p> <p>A central factor relating to the outcome of this initiative will be the RAF's ability to improve the accessibility and perception of the organisation to the public.</p>	<ul style="list-style-type: none"> • Develop MOUs with relevant stakeholders • Proactively engage media, stakeholders, customers and plaintiff attorneys • Develop and implement 'RAF on the Road' year calendar

1.4 Value Proposition

Government recognises that all citizens need to use South African roads in order to participate in economic activity. People from all demographic and socio-economic groups, the wealthy and poor, the employed and unemployed, are all exposed to risks on the road. In a developing country such as South Africa, a significant proportion of road users will neither have the financial means to access appropriate healthcare and rehabilitation, nor the ability to commence legal action to recover their loss. The RAF acts as a social security safety net to all users of South African roads.

The provision of road accident compensation or benefits could be viewed as a response to specific socio-economic risks associated with road accidents and injuries, including:

- The need for trauma and other medical care;
- The risk of income loss due to injury;
- The risk of unemployment due to temporary or permanent disability; and
- The vulnerability of family members who become exposed to financial burdens and dependency if a breadwinner dies.

In essence, the state intervenes in the risks of road use to protect people who have failed, or are unable to provide sufficient cover for themselves, and thereby aims to alleviate disability and prevent impoverishment. Such state intervention is designed to distribute the risks of injury, disability and bereavement more evenly across the disparate socio-economic bands of society. This system also recognises that the majority of drivers may not have asset or liability insurance cover to meet the claims for damages from persons whom they may accidentally injure on the roads.

The RAF, through its current services and proposed forward planning, contributes to these national priorities as follows:

- Transforming the economy and creating sustainable livelihoods by ensuring that motor vehicle accident victims are appropriately covered, both in terms of medical needs and in terms of income or support that is lost as a result of bodily injury or the death of a breadwinner;
- Improving the health profile of South Africans by ensuring that accident victims have timely access to medical services and ongoing medical rehabilitation;
- Optimising and expanding its footprint (most notably through Hospital, Community and Mobile Service Centres), thus enabling the RAF to provide services at grassroots level and increase its reach to rural and previously under-served areas. As such, the RAF is also able to contribute to the development of caring and sustainable communities;
- Building a developmental state, since the organisation is increasingly aligning its service offering to government's emerging CSSS; and
- Improving public services, evidenced by its turnaround programme which is already under way.

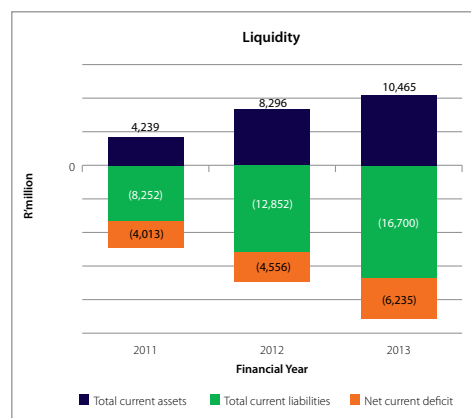
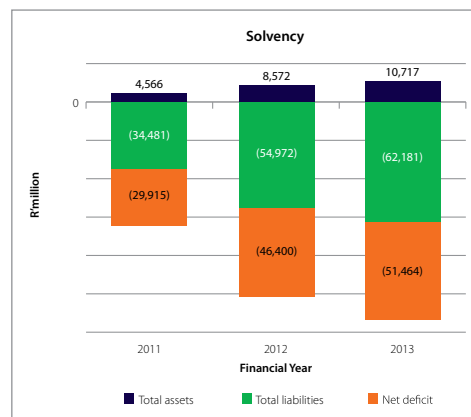
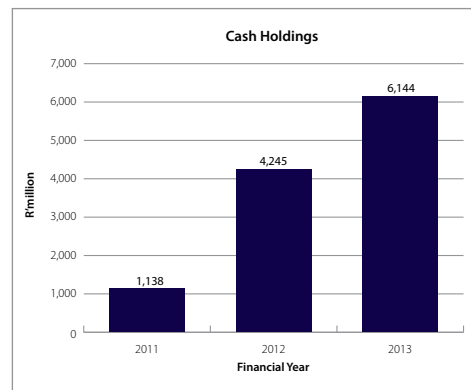
1.5 Historical Review

The history of the RAF and its predecessors spans more than 70 years, and commenced with the introduction of compulsory motor vehicle accident ("MVA") insurance in 1942. Since its commencement, the compensation system for MVA victims has remained relatively unchanged. Over the years, several problems pertaining to equity, affordability and sustainability of the system emerged. Between 1954 and 2002 seven Commissions of Inquiry assessed structural, financial and other difficulties inherent in the compensation system.

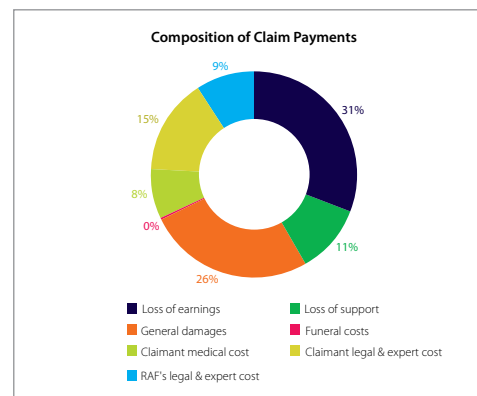
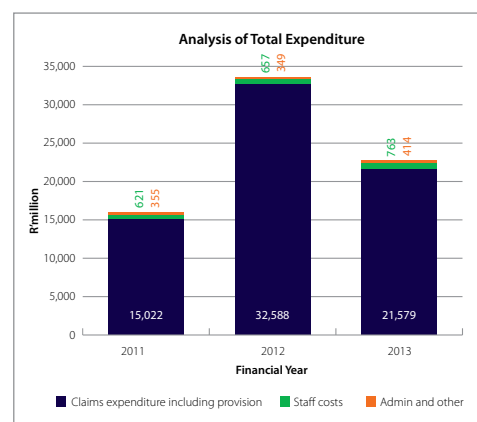
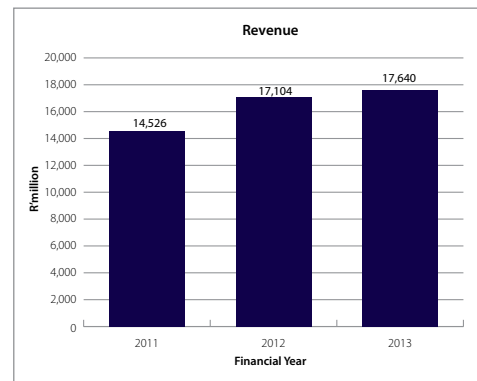
During its lifespan, the MVA compensation system has been plagued by numerous challenges, including service delivery problems, restricted access to medical care, long settlement delays, spiralling costs, insufficient funding to pay claims, an ever-growing liability, multiple, complex and legalistic hurdles due to the adversarial nature of the system, and uncertainty as to whether compensation is ultimately used for the intended purpose.

The RAF's summarised financial and operational results are reflected below.

Statement of Financial Position	31 March 2013 R'million	31 March 2012 R'million Restated	31 March 2011 R'million
Assets			
Current Assets	10,465	8,296	4,239
Cash and cash equivalents	6,144	4,245	1,138
Receivables from non-exchange transactions	4,153	3,884	2,950
Receivables from exchange transactions	33	19	4
Other financial assets	132	145	145
Consumable stock	3	3	2
Non-current Assets	252	276	327
Property, plant and equipment	243	214	236
Intangible assets	9	62	91
Total Assets	10,717	8,572	4,566
Liabilities			
Current Liabilities	16,700	12,852	8,252
Payables on exchange transactions	140	84	87
Other financial liabilities	334	324	526
Provision for outstanding claims	14,862	11,840	7,351
Other provisions	1,364	604	288
Non-current Liabilities	45,481	42,120	26,229
Other financial liabilities	1	1	1
Provision for outstanding claims	45,434	42,079	26,196
Employee benefits	46	40	32
Total Liabilities	62,181	54,972	34,481
Net Assets	(51,464)	(46,400)	(29,915)
Net Deficit Reserves			
Revaluation reserve	124	72	65
Accumulated deficit	(51,588)	(46,472)	(29,980)
Total Net Assets	(51,464)	(46,400)	(29,915)

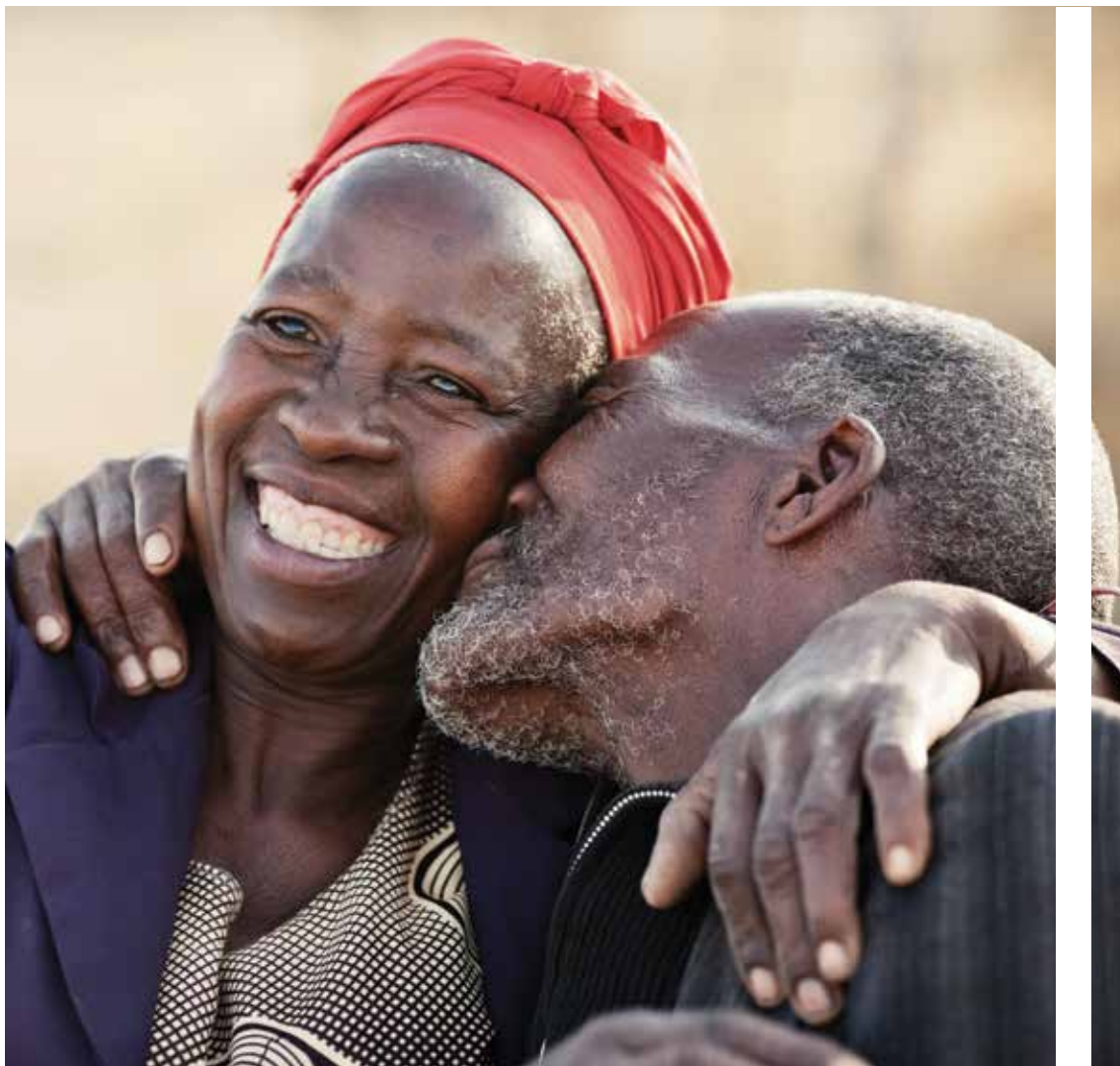


Statement of Financial Performance	31 March 2013 R'million	31 March 2012 R'million Restated	31 March 2011 R'million
Revenue			
Revenue from Exchange Transactions			
- Investment income and other revenue	260	115	52
Revenue from Non-exchange Transactions			
- Net fuel levies	17,380	16,989	14,474
	17,380	16,989	14,474
Total Revenue	17,640	17,104	14,526
Expenditure			
- Claims expenditure (excluding provision for outstanding claims)	15,202	12,216	12,941
- Reinsurance premiums	25	23	28
- Employee costs	763	657	621
- Depreciation and amortisation	61	64	60
- Finance costs	28	24	43
- General expenses	300	238	224
Total Expenditure	16,379	13,222	13,917
(Deficit)/Surplus Before Provision for Outstanding Claims	1,261	3,882	833
Provision for Outstanding Claims	(6,377)	(20,372)	(2,081)
(Deficit)/Surplus for the Year	(5,116)	(16,490)	(1,248)
Cash Flow Statement	31 March 2013 R'million	31 March 2012 R'million Restated	31 March 2011 R'million
Net cash flow from operating activities	1,914	3,114	526
Net cash flow from investing activities	(15)	(6)	(43)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,899	3,107	483
Cash and cash equivalents at the beginning of the year	4,245	1,138	655
Cash and Cash Equivalents at the End of the Year	6,144	4,245	1,138



1.5.2 Financial Ratios

	Ref.	Units	31 March 2013	31 March 2012 Restated	31 March 2011
Profitability					
(Deficit)/surplus to revenue	1	%	-29%	-96%	-10%
Operating (deficit)/surplus to revenue	2	%	7%	23%	4%
Return on average equity	3	%	-10%	-43%	-5%
Return on average total assets	4	%	-53%	-251%	-35%
Cost-to-income ratio	5	%	28%	27%	30%
Liquidity					
Cash-to-claims cover ratio	6	Mths	4.85	4.17	1.06
Current ratio	7	Ratio	0.63	0.65	0.51
Net working capital	8	R'm	(6,235)	(4,556)	(4,013)
Net working capital excluding claims provision	9	R'm	8,627	7,284	3,338
Solvency					
Total assets to total liabilities	10	%	17%	16%	13%



Definitions	
1. Surplus/(deficit) to revenue	Total surplus or deficit as a percentage of revenue
2. Operating surplus/(deficit) to revenue	Total surplus or deficit before provision for outstanding claims as a percentage of revenue
3. Return on average equity	Total surplus or deficit for the financial year as a percentage of average net deficit at year-end
4. Return on average total assets	Total surplus or deficit for the financial year as a percentage of average total assets during the financial year
5. Cost-to-income ratio	Total administration and human resource costs, including RAF and claimant legal and expert costs as a percentage of total income during the financial year
6. Cash-to-claims cover ratio	Cash and cash equivalents at the end of the financial year divided by average monthly claims expenditure for the financial year (compensation and legal costs)
7. Current ratio	Total current assets divided by total current liabilities
8. Net working capital	Current assets minus current liabilities
9. Net working capital excluding claims provision	Current assets minus current liabilities, excluding provision for outstanding claims
10. Total assets to total liabilities	Total assets as a percentage of total liabilities
11. New claims lodged	Claims received and registered by the RAF during the financial year
12. Claims finalised	Claims processed in the supplier- and personal-claim categories with finalised status
13. Claims outstanding	Claims registered by the RAF where either compensation or legal cost payments are awaited
14. No compensation	Backlog of outstanding claims where no payments were made



Definitions	
15. Total undertakings registered	An undertaking is a medical certificate issued by the RAF to cover future medical costs
16. All claims	All claims settled by the RAF
17. Personal claims	A personal claim is a claim submitted by any person (the third party) for any loss or damage which that person has suffered as a result of any bodily injury to himself/herself, or the death of, or any bodily injury to any other person
18. Supplier claims	A supplier claim is a claim submitted directly to the RAF by a person/institution that provided medical treatment and accommodation to the victim of the accident
19. General damages	General damages represent compensation paid by the RAF for loss of amenities of life, pain and suffering, disability and disfigurement
20. Loss of earnings	Loss of earnings represents past and future loss in earnings incurred by the accident victim as a result of a motor vehicle accident
21. Loss of support	Loss of support represents past and future loss of support incurred by the accident victim's family as a result of a motor vehicle accident
22. Medical compensation	Medical compensation represents past and future medical costs incurred by the accident victim as a result of a motor vehicle accident
23. Funeral costs	Funeral costs represent cost of interment or cremation of the accident victim arising from a motor vehicle accident
24. Claimants' legal costs	Claimants' legal costs are expenses paid to accident victims' attorneys and experts for their assistance provided to the accident victim in lodging a claim with the RAF
25. RAF's legal costs	The RAF's legal costs are expenses paid to the RAF's panel attorneys to represent the RAF in legal cases against it



1.5.3 Fuel Levy Statistics

Calendar year	Units	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
Fuel consumption for road use:*	Megalitres	18,258	17,874	17,448	17,461	17,682	18,157

* Estimated fuel sales for road used (based on Council for Scientific and Industrial Research ("CSIR") Report CR-2002/79 which recommended that 98% of all petrol sales and 70% of all diesel sales should be allocated for road use purposes)

Financial year	Units	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
RAF Fuel Levy:							
Petrol	c/l	88	80	72	64	46.5	41.5
Diesel	c/l	88	80	72	64	46.5	41.5
Gross fuel levy:	R/m	19,865	18,536	15,663	13,658	9,721	8,998
Diesel refund:	R/m	(2,485)	(1,547)	(1,189)	(1,092)	(876)	(776)
Net fuel levy:	R/m	17,380	16,989	14,474	12,566	8,845	8,222
Diesel refund % of gross fuel levy	%	12.51%	8.35%	7.59%	8.00%	9.01%	8.62%
Implied average fuel consumption (Gross fuel levy/RAF Fuel Levy c/l)	Megalitres	22,574	23,170	21,754	21,341	20,905	21,682
Implied average fuel consumption subject to diesel refund (Diesel refund/RAF Fuel Levy c/l)	Megalitres	(2,824)	(1,934)	(1,651)	(1,706)	(1,884)	(1,870)
Implied average net fuel consumption (Net fuel levy/RAF Fuel Levy c/l)	Megalitres	19,750	21,236	20,103	19,634	19,022	19,812

Source: South African Petroleum Industry Association ("SAPIA"), Department of Energy ("DoE"), Road Traffic Management Corporation ("RTMC")

31 December 2006 31 December 2005 31 December 2004 31 December 2003

17,149 16,622 16,140 15,538

31 March 2007 31 March 2006 31 March 2005 31 March 2004

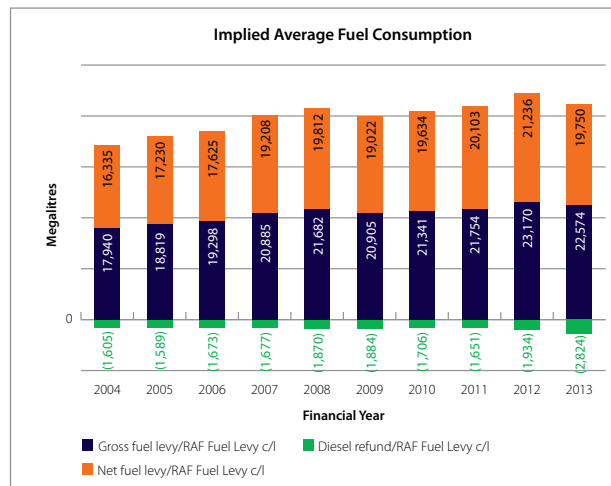
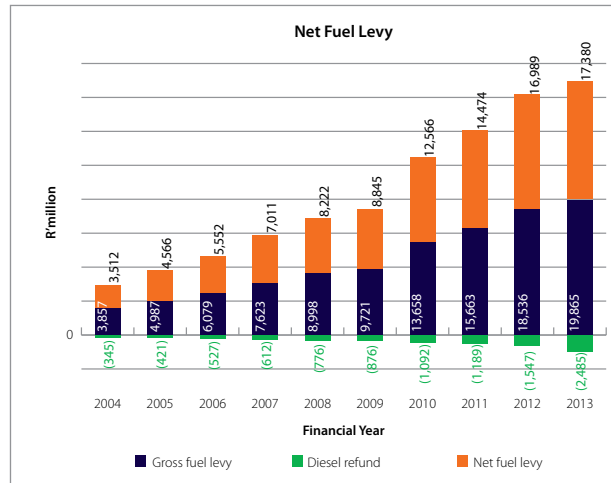
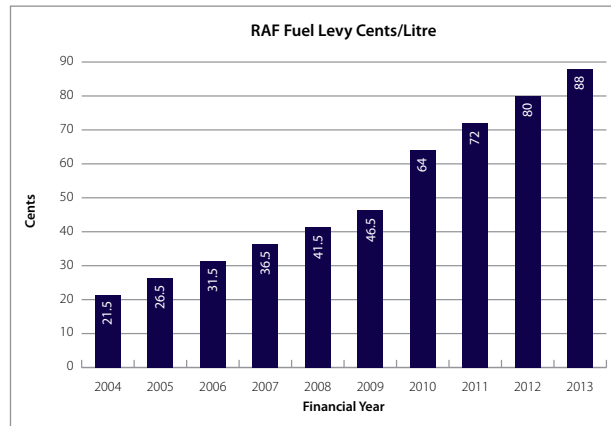
36.5 31.5 26.5 21.5
 36.5 31.5 26.5 21.5
 7,623 6,079 4,987 3,857
 (612) (527) (421) (345)
 7,011 5,552 4,566 3,512

8.03% 8.67% 8.44% 8.94%

20,885 19,298 18,819 17,940

(1,677) (1,673) (1,589) (1,605)

19,208 17,625 17,230 16,335



1.5.4 Operational Statistics

Ratios and Statistics	Ref.	Units	31 March 2012		
			31 March 2013	Restated	31 March 2011
Claims finalisation					
New claims lodged	11	No.	150,312	172,859	222,634
- Personal claims		No.	47,159	52,445	74,162
- Suppliers		No.	103,153	120,414	148,472
Increase/(decrease)		%	-13%	-22%	6%
Claims finalised	12	No.	162,130	170,043	187,168
- Personal claims		No.	53,537	68,637	60,682
- Suppliers		No.	108,593	101,406	126,486
Increase/(decrease)		%	-5%	-9%	-29%
Claims outstanding	13	No.	279,912	264,579	244,651
- Personal claims		No.	236,165	220,907	208,406
- Suppliers		No.	43,747	43,672	36,246
Increase/(decrease)		%	6%	8%	17%
Finalised/new		%	108%	98%	84%
No compensation payments	14	No.	212,085	248,024	
Open claims		No.	195,437	206,544	
- Personal claims		No.	167,316	170,881	
- Suppliers		No.	28,121	35,663	
Re-open claims		No.	16,648	41,480	
- Personal claims		No.	16,203	40,624	
- Suppliers		No.	445	856	
Undertakings					
Total undertakings registered	15	No.	120,986	111,628	107,209
Total Rand value of undertakings paid		R'000	R167,941	R124,265	R85,984
Claim payments					
All claims	16	R'm	R15,000	R12,500	R12,800
Rand value per claim		Ave.	R65,844	R54,808	R46,995
Total individual claim payments		No.	227,855	225,905	270,479
Personal claims	17	R'm	R14,400	R12,100	R12,400
Rand value per claim		Ave.	R138,345	R99,614	R88,430
Total individual claim payments		No.	104,016	120,728	140,007
Supplier claims	18	R'm	R600	R400	R400
Rand value per claim		Ave.	R4,950	R3,379	R2,533
Total individual claim payments		No.	123,839	105,177	130,478
Claim payments per heads of damage					
General damages	19	R'm	R4,000	R3,900	R4,400
Rand value per claim		Ave.	R152,329	R83,534	R65,399
Total individual claim payments		No.	26,363	46,174	67,960
Loss of earnings	20	R'm	R4,600	R3,200	R3,300
Rand value per claim		Ave.	R535,050	R433,739	R393,672
Total individual claim payments		No.	8,636	7,191	8,251
Loss of support	21	R'm	R1,700	R1,100	R900
Rand value per claim		Ave.	R347,861	R295,970	R280,278
Total individual claim payments		No.	4,684	3,783	3,045
Medical compensation	22	R'm	R1,000	R800	R700
Rand value per claim		Ave.	R7,761	R5,870	R4,879
Total individual claim payments		No.	127,305	113,975	139,634
Funeral costs	23	R'm	R70	R50	R20
Rand value per claim		Ave.	R10,425	R9,259	R8,220
Total individual claim payments		No.	6,303	5,339	2,949

Ratios and Statistics	Ref.	Units	31 March 2012		
			31 March 2013	Restated	31 March 2011
Claimants' legal costs	24	R'm	R2,300	R2,300	R2,200
Rand value per claim		Ave.	R52,656	R38,534	R28,008
Total individual claim payments		No.	43,841	60,402	78,319
RAF's legal costs	25	R'm	R1,400	R1,200	R1,300
Rand value per claim		Ave.	R16,015	R14,878	R13,476
Total individual claim payments		No.	85,846	83,786	93,739

