

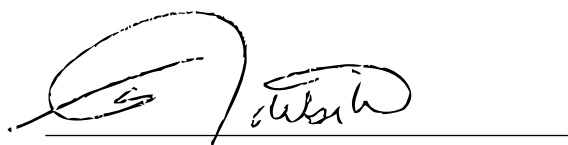
I have pleasure in presenting the 2012/2013 Annual Performance Plan (APP) of the Road Accident Fund (RAF). This Plan describes the RAF's next steps towards achieving the goals and objectives in its Five-year Strategic Plan 2013-2017. In addition, it outlines the RAF's priorities and establishes its performance commitments to all users of South African roads.

The Fund continually seeks to improve its business processes, policies and procedures to uphold the principles of good governance, accountability, integrity, and transparency. These principles are based on good corporate governance, improvement of performance and accountability by linking resources to results.

The APP indicates how the RAF's 2012/2013 budget will be used to accomplish four strategic outcomes, namely:

1. A legislative dispensation aligned to social security principles;
2. A solvent, liquid and sustainable RAF by 2020;
3. A transformed and capacitated RAF by 2017; and
4. A customer-centric, operationally effective and efficient RAF by 2017.

It further covers each programme activity, including initiatives and performance measures proposed in the 2012/13 budget. In support of the President's initiative to build a high-performance Government, these four priority goals were identified, which will be focused on over the next financial year. These goals are a subset of the goals regularly monitored and reported on in the RAF's APP and its Performance Accountability Report.



Mr Sibusiso Ndebele (MP)
Minister of Transport
Executive Authority of the Road Accident Fund

02 CERTIFICATION

It is hereby certified that this Annual Performance Plan (APP) was developed by the Management of the Road Accident Fund (RAF) under the guidance of the Department of Transport (DoT).

The APP was prepared in line with the current Five-year Strategic Plan of the Road Accident Fund 2013-2017 and accurately reflects the performance targets which the RAF will endeavour to achieve given the resources made available in the budget for the 2012/13 financial year.



Ms Lesibana Fosu
Chief Financial Officer: RAF



Mr Mandla Mvelase
Acting Chief Executive Officer: RAF

Approved by:



Dr Ntuthuko Bhengu
Chairperson of the Board: RAF



Road Accident Fund

Road Accident Fund

Road Accident Fund

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Dear Sir / Madam:

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PART A: STRATEGIC OVERVIEW

1 Updated Situational Analysis

The overall strategy of Government derives from the Constitution and the electoral mandate. It is this mandate which informs the Medium Term Strategic Framework (MTSF) and the RAF's Five-year Strategic Plan 2013-2017, as well as this APP for the 2012/2013 financial year.

The RAF has, through its strategic planning process, identified four (4) strategic objectives:

- 1) A legislative dispensation aligned to social security principles;
- 2) A solvent, liquid and sustainable RAF by 2020;
- 3) A transformed and capacitated RAF by 2017; and
- 4) A customer-centric, operationally effective and efficient RAF by 2017.

1.1 Performance Delivery Environment

1.1.1 Measuring the RAF's Service Delivery

The RAF is aligned with Government's planning and performance management approach and international best practice with an emphasis on service delivery. The RAF will focus on achieving outcomes within this service delivery and social security context. This new planning approach emphasises the need for the RAF to set and achieve clear outcomes measures for each strategic objective.

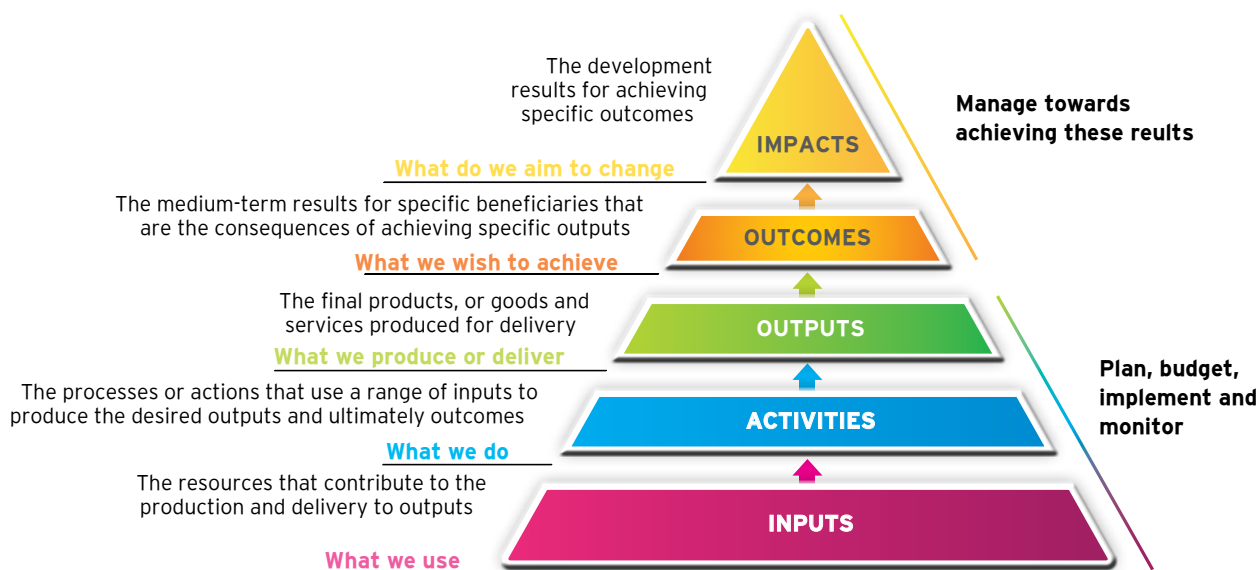


Figure 1 - The RAF performance management approach

This APP has performance indicators and targets that the RAF will endeavour to achieve in the upcoming budget year. The performance indicators are aligned across the RAF's annual plans, budgets, and annual report. The RAF is further aligned with Government's shift to an outcomes-based monitoring and evaluation approach with a focus on results-based management. Results-based management represents a life-cycle that integrates strategy, people, resources, processes and measurements to improve decision-making, transparency and accountability.

Like any other business, the RAF is affected by general economic conditions and other environmental factors, and by the extent to which it manages its costs effectively.

1.1.2 RAF's Performance Environment and Major Risks

This section contains an analysis of the RAF environment and the major challenges that impact on the organisation. The RAF is impacted by economic conditions and other environmental factors, and by the extent to which it manages its costs effectively.

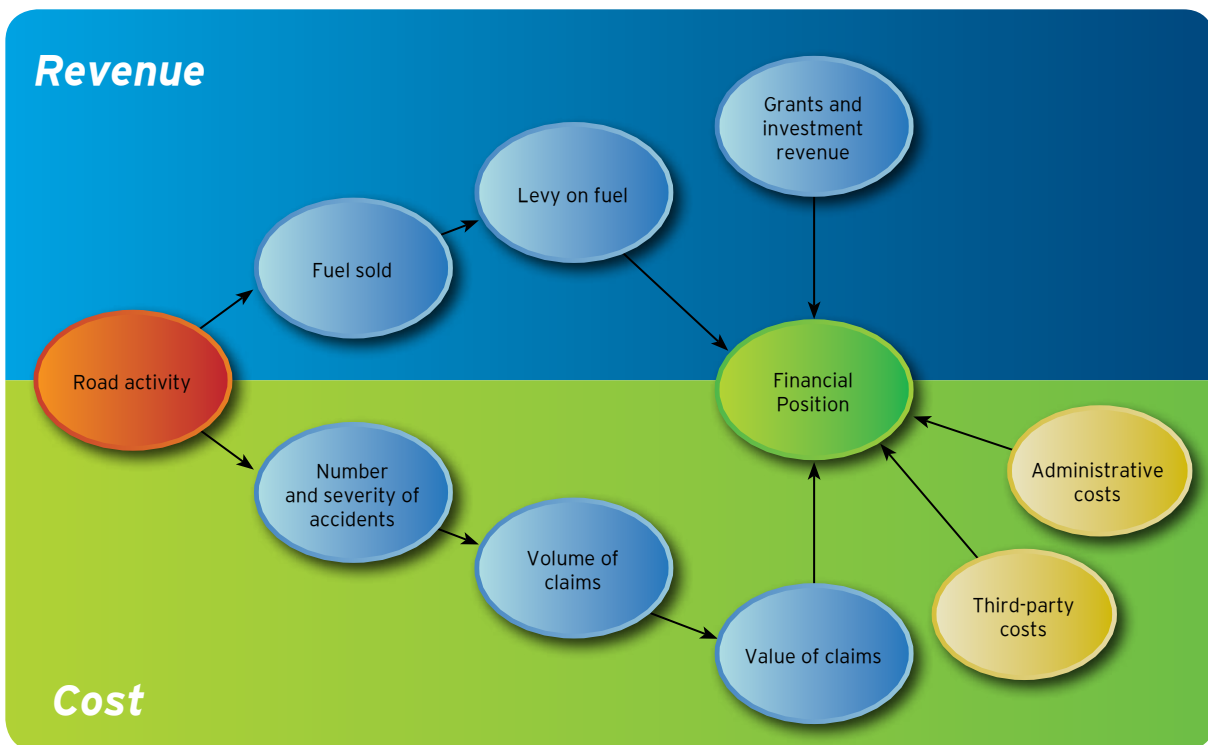


Figure 2 - Factors influencing the RAF's financial position

The nexus of all these factors is road activity in South Africa:

- The number of vehicles on the road influences the amount of fuel sold, which itself translates into the revenue due to the RAF in terms of the levy it is granted by National Treasury. Fuel levy combines with ad hoc Government grants and minor income from investments to equal the RAF's total revenue.
- The number of vehicles on the road also influences the number of accidents, although many other factors influence this statistic, particularly the relative severity of accidents. Volume and severity of accidents influence the volume and average value of claims made against the RAF. Claims combine with the cost of third parties, such as attorneys and medical/legal experts, and the RAF's administration costs to equal its total costs.

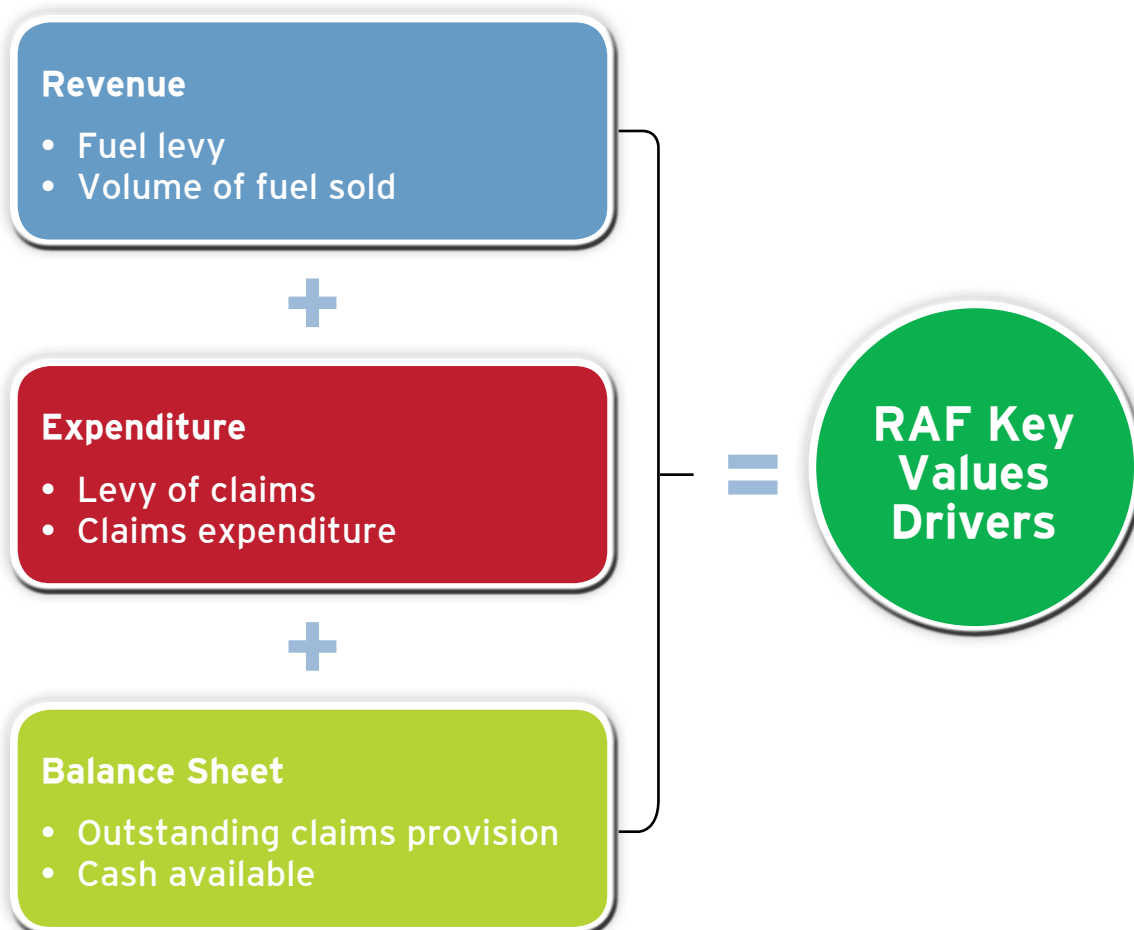


Figure 3 - Key value drivers of the RAF

Explained further, the revenue of the RAF is still largely dependent on the amount of fuel sold and the relevant levy that is discussed with the Department of Transport (DoT) and National Treasury and determined by Government. Expenses are largely comprised of claims payments. Therefore, the number and value of claims received and paid together with associated costs, represent a large expense item. From a balance sheet perspective, the liquidity is determined by the cash available after claims and other expenses have been paid out for a specific period, and finally, the liability of the RAF is largely composed of outstanding claims that need to be settled, along with their associated costs.

Whilst these value drivers may appear conceptually simple, they are in turn driven by multiple other factors. For example, claims expenditure is influenced by whether a customer chooses to claim directly or to be represented by an attorney; awards made by courts that determine precedent; the number of expert witnesses utilised; and time taken from date of accident to date of finalisation of the claim.

1.2 Organisational Environment

1.2.1 RAF Structure

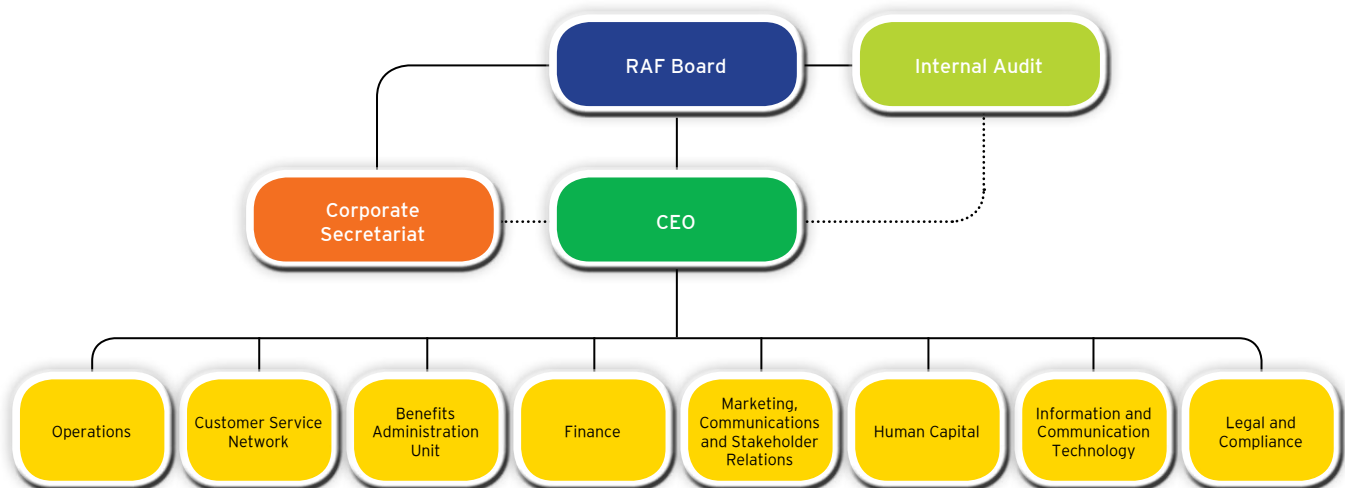


Figure 4: The macro organisational structure of the RAF

The Internal Audit function reports directly to the Board. The Corporate Secretariat is responsible for providing secretariat support services to the Executive team and the Board of the RAF.

The RAF delivers on its core mandate through three (3) divisions, namely Operations, Customer Service Network (CSN) and the Benefit Administration Unit (BAU). These functions are supported by Financial Services, Marketing, Communications and Stakeholder Relations, Human Capital, Information and Communication Technology (ICT), and Legal and Compliance.

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 • Develops, implements and monitors strategy • Manages the implementation of special programmes, such as the NOM • Oversees institutional performance management, monitoring and evaluation
Operations	<ul style="list-style-type: none"> • Claims operations (Old RAF) • Supplier claims • Processing of high-value claims • Undertakings and patient outreach programmes • Direct claims (Old RAF) • Facilities management • Litigation department • Document management
Customer Service Network	<ul style="list-style-type: none"> • Provincial offices • Regional service centres • Hospital service centres • Community service centres • Mobile service centres • Index intake and verification • Merit assessment • Case assessment • Contact centres • Channel management
Benefit Administration Unit	<ul style="list-style-type: none"> • Final merit assessment • Funeral expenses • Medical case management • Medical expenses • Rehabilitation and life care • Loss of earnings • Loss of support • General damages
Finance	<ul style="list-style-type: none"> • Financial accounting • Management accounting • Treasury • Procurement • Business administration • Finance reporting • Actuarial services • Payroll

Division	Core Function Areas
Marketing, Communications & Stakeholder Relations	<ul style="list-style-type: none"> • Advertising (brand management/market research) • Communication (internal and external) • Public and media relations • Stakeholder relations management • Road safety awareness • Corporate social investment • Compliance with the Promotion of Access to Information Act, 2002
Human Capital	<ul style="list-style-type: none"> • Organisational development • HR development (training) • HR administration • Employee relations • Employee wellness • Talent management
Information & Communication Technology	<ul style="list-style-type: none"> • Governance, risk and security • New service, architecture and programme management • Application development and support services • Infrastructure services • Business support services
Legal & Compliance	<ul style="list-style-type: none"> • Risk management • Forensics investigation • Corporate legal services • Internal law department • Regulatory affairs • Compliance management

Table 1 - Core functions of the RAF divisions

It is envisaged that during this period, the RAF will continue to implement its New Operating Model (NOM). Accordingly, this will include:

- The completion of the migration of staff to the new organisational structure; and
- The appointment of new staff into relevant vacant positions on the new structure.

2 Revisions to Legislative and Other Mandates

2.1 Constitutional Mandate

The Constitution of the Republic of South Africa recognises the injustices of the past and depicts the new South Africa as an open and democratic society based on human dignity, equality and freedom. The RAF fulfils the entrenched rights to:

- Equality (section 9);
- Dignity (section 10);
- Healthcare and social security (section 27).

These rights are guaranteed in Chapter 2 of the Constitution. In addition, the RAF's legislative mandate, as captured in the Road Accident Fund Act, Act No. 56 of 1996, as amended, is based on these rights.

2.2 Legislative Mandate

The Road Accident Fund Act, 1996 (Act No. 56 of 1996) (the RAF Act), provides for the establishment of the RAF. The legal mandate of the RAF is to compensate users of South African roads for loss or damage wrongfully caused by the negligent driving of motor vehicles within the borders of the Republic.

The socio-economic mandate of the RAF is to re-integrate victims of road accidents back into society from a health and economic perspective, and to protect wrongdoers and their families from financial ruin. The RAF delivers on this mandate by:

- Paying the medical and related costs required to restore road accident victims to health;
- Compensating the victim/s or their dependants for income or support lost as a result of the accident,
- Indemnifying the wrongdoer from liability;
- Paying general damages in instances where a person suffers a "serious injury" in a road traffic accident. The general damages represent compensation for pain and suffering, loss of amenities of life, disfigurement and disability; and
- Paying funeral expenses to families where a person dies as a result of a road traffic accident.

2.3 Policy Mandate

The RAF's policy and operations touch upon every level and sphere of government. Social security and transport policy is set at national level; provincial government provides an essential framework within which hospital-based operations occur; and local government provides, among other, an essential liaison with metropolitan police departments for crash scene investigation. Furthermore, the executive authority provides the ultimate level of accountability and leadership for the RAF; the

legislature is an essential liaison point for amendments to the RAF's legislative mandate; and the judiciary provides interpretation of the legislation.

In addition to the Department of Transport (DoT), the RAF also works with other areas of Government, among other:

Department	Role
National Treasury	Determines the fuel levy, the RAF's primary source of income
Department of Health	Delivers medical care and rehabilitation funded by the RAF
Department of Justice	Provides the platform used by the RAF and claimants to debate the value of claims
Department of Home Affairs	Provides the RAF with information on the population of South Africa

The RAF implements quarterly compliance processes to ensure that it remains abreast of changes in all applicable laws, rules, codes and standards that may impact on its operations. In addition, during the strategic planning process, the RAF assesses Government and other relevant policy statements and documents and uses these as input to guide its planning processes. Recently, these have included (inter alia):

- Government's Transport Sector Strategy;
- The Draft National Road Safety Strategy;
- Batho Pele Principles;
- National Social Security Reform (IDTT);
- National Action Plan;
- National Planning Commission's National Development Plan;
- The National Growth Path;
- Presidential Outcomes;
- Financial Services Board (FSB) requirements; and
- Various national and international policy advances in the field of road safety (e.g. the United Nations Decade of Action for Road Safety 2011-2020).

2.4 Relevant Court Rulings

2.4.1 The Law Society of South Africa and Others versus Minister of Transport and RAF

The liability and procedural provisions of the Road Accident Fund Amendment Act, 2005 (Act No. 19 of 2005) (the Amendment Act) came into operation on 1 August 2008. Shortly thereafter, the Law Society of South Africa and 10 other applicants brought an application challenging the constitutional validity of a number of the provisions of the Amendment Act and Regulations to that Act and also reviewing certain actions of the Minister of Transport taken in terms of the Amendment Act.

The application was heard in the North Gauteng High Court, Pretoria. All challenges and reviews were dismissed, apart from the challenge relating to the place of lodgement of claims, with the court finding that the relevant Regulation must be read together with section 24 of the RAF Act.

The applicants applied for and were granted leave to appeal to the Constitutional Court against the findings of the High Court relating to:

- a) The abolition of the common law right to claim the balance of damages from the wrongdoer;
- b) The limitation of the RAF's liability for loss of earnings and support; and
- c) The medical tariff for non-emergency medical treatment.

Judgement was delivered by the Constitutional Court on 25 November 2010. The court dismissed the challenges to the abolition of the common law right and the limitation on loss of earnings and support. The court held the non-emergency medical tariff to be inconsistent with the Constitution and made an order that the Minister may prescribe a new tariff.

Pending the regulation of a revised tariff, the liability of the RAF for non-emergency medical treatment has reverted to the position under the pre-Amendment Act, being that the RAF is liable for the reasonable cost of necessary treatment.

2.4.2 Mvumvu and Others versus the Minister of Transport and the RAF

The three applicants were all passengers in the blameworthy vehicles in accidents that occurred prior to 1 August 2008. In terms of section 18 of the Road Accident Fund Act, Act No. 56 of 1996 (prior to its amendment by Act No. 19 of 2005), the claims of the applicants were limited to R25, 000. The applicants challenged the constitutionality of certain parts of section 18 on the basis that the section breached the Bill of Rights guarantees of the

right to equality, the right to dignity, the right to security of the person, the right to an effective remedy, the right to healthcare and the right to social security.

The application was heard in the Western Cape High Court, Cape Town. The application was opposed by the Minister of Transport and the RAF in so far as the remedy sought, but not in so far as the declaration of invalidity, it being accepted by both the Minister of Transport and the RAF that such section was indeed constitutionally invalid. The argument before the court thus related to remedy. The Western Cape High Court, Cape Town, in essence declared parts of section 18 of the pre-Amendment Act to be constitutionally invalid and held that the declaration of invalidity would apply to and govern all claims instituted or to be instituted under the pre-1 August 2008 Road Accident Fund Act No. 56 of 1996, which at the date of the order had not prescribed and had not been finalised. The court further held that in respect of such claims the liability of the RAF would be as determined in accordance with the provisions of the RAF Amendment Act.

The order was referred to the Constitutional Court for confirmation.

On 17 February 2011, the Constitutional Court confirmed the declaration of invalidity of certain parts of section 18 of the pre-Amendment Act. The declaration of invalidity was suspended for a period of 18 months from the date of the order to enable Parliament to cure the defect. The declaration of invalidity applies only to claims that are not finalised and prescribed, and does not apply to claims that have been finalised either by way of settlement or court order.

To rectify the constitutional invalidity, the DoT, supported by the RAF, has prepared a draft Bill, and the process to enact the amendment to section 18 of the RAF Act has commenced. If the Bill is enacted, the effect will be to increase the RAF's liability, and an actuarial assessment to establish the extent of the increase has been prepared. The RAF, through the DoT, will approach National Treasury to discuss manners of funding the additional liability.

3 Overview of 2012/13 Budget and MTEF Estimates

3.1 Expenditure Estimates

Table 2 - Projected income statement

Projected Income Statement (R'000)					
	ACTUALS	FORECAST	BUDGET	BUDGET	BUDGET
	2011	2012	2013	2014	2015
Fuel Levy Rate (c/l)	0.720	0.800	0.880	0.960	1.040
Number of Litres (Thousand litres)	20,102,858	20,504,916	20,915,014	21,333,314	21,759,980
Fuel Sales Increase Rate		2%	2%	2%	2%
Fuel Sales Adjustment Rate		-3%	-3%	-3%	-3%
Revenue					
Net Fuel Levies	R 14,474,058	R 15,911,814	R 17,853,056	R 19,865,582	R 21,951,468
Investment Income	R 39,760	R 62,786	R 159,075	R 376,367	R 684,791
Other Income	R 2,269	R 0	R 0	R 0	R 0
Reinsurance Income	R 10,135	R 0	R 0	R 0	R 0
Government Grant	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Total Revenue	R 14,526,222	R 15,974,601	R 18,012,131	R 20,241,949	R 22,636,259
Less Expenses Incurred					
Claims Expenditure (paid)	R 12,941,146	R 14,019,687	R 12,607,682	R 12,442,984	R 12,860,611
Reinsurance Premiums	R 27,690	R 22,847	R 28,155	R 29,844	R 31,635
Staff Costs	R 620,803	R 753,799	R 828,448	R 878,227	R 966,050
Administrative Expenses	R 203,500	R 255,949	R 286,358	R 303,539	R 321,751
External Audit Fees	R 4,852	R 6,156	R 5,892	R 6,246	R 6,621
Directors' Fees & Expenses	R 5,403	R 7,658	R 8,743	R 9,268	R 9,824
Operating Lease Rental - Building	R 38,301	R 36,732	R 42,637	R 45,195	R 47,907
Operating Costs - Offices	R 27,587	R 26,000	R 29,312	R 31,071	R 32,935
Professional Services	R 7,054	R 20,484	39,307	R 41,666	R 44,166
Telephone, Stationery and Postage	R 20,696	R 22,163	R 21,471	R 22,759	R 24,124
IT Services	R 53,146	R 78,446	R 78,879	R 83,611	R 88,628
Forensic and Fraud Combat Services	R 8,744	R 9,000	R 12,000	R 12,720	R 13,483
Subsistence and Transport	R 12,573	R 11,301	R 13,787	R 14,614	R 15,491
Office Maintenance & Construction	R 15,260	R 22,551	R 16,234	R 17,208	R 18,241
Legal Fees on Corporate Matters	R 4,569	R 4,097	R 5,332	R 5,652	R 5,991
Other	R 5,315	R 11,364	R 12,763	R 13,529	R 14,340
- Insurance - Short-term	R 1,186	R 3,752	R 5,363	R 5,684	R 6,025
- Conferences and Seminars	R 880	R 1,772	R 2,912	R 3,087	R 3,272
- Bank Charges	R 1,070	R 1,181	R 1,411	R 1,495	R 1,585
- File Storage / Metrofile	R 1,755	R 1,703	R 2,709	R 2,871	R 3,044
- Entertainment	R 48	R 66	R 369	R 391	R 415
- Doubtful/Bad debts	R 376	R 2,892		R 0	R 0

Table 2 - Projected income statement (cont.)

Projected Income Statement (R'000)					
	ACTUALS	FORECAST	BUDGET	BUDGET	BUDGET
	2011	2012	2013	2014	2015
Marketing Expenses	R 20,932	R 51,052	R 62,625	R 66,382	R 70,365
Finance Costs	R 43,288	R 25,242	R 11,132	R 10,000	R 11,000
Depreciation - Property, Plant and Equipment	R 32,058	R 33,045	R 31,569	R 41,325	R 63,982
Amortisation - Intangible Assets	R 27,497	R 30,757	R 33,307	R 31,070	R 23,238
Total Other Expenses	R 975,768	R 1,172,691	R 1,281,593	R 1,360,387	R 1,488,022
Surplus/Deficit before Change in Provision	R 609,308	R 782,223	R 4,122,856	R 6,438,578	R 8,287,627
Plus Increase in Liability:	R 2,281,052	-R 1,049,909	R 1,063,040	R 2,240,436	R 3,010,029
Surplus/Deficit for the Period	-R 1,671,744	R 1,832,132	R 3,059,816	R 4,198,143	R 5,277,598

3.2 Relating Expenditure Trends to Strategic Outcomes

The Fund's budget allocation over the MTEF period shows an average projected growth of 10% in revenue, whilst expected expenditure trends over the same period remain at 9%. Consistent with the implementation of the New Operating Model (NOM), the Fund will deliver on the following four (4) strategic outcomes:

- 1) A legislative dispensation aligned to social security principles;
- 2) A solvent, liquid and sustainable RAF by 2020;
- 3) A transformed and capacitated RAF by 2017; and
- 4) A customer-centric, operationally effective and efficient RAF by 2017.

The budget and MTEF allocations for staff costs in 2012 will increase by 5.8% from the previous year due to the implementation of the above strategic outcomes and market trends in general.

3.3 Summary of Strategic Risks

The following table presents a summary of the strategic risks to the RAF and proposed actions for dealing with them:

Risk	Description	Mitigation
Solvency	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). In recent years, this provision has grown substantially due to the expected growth in the cost of settling these claims, while the RAF has been unable to invest funds to cover these claims. Since the provision for future claims exceeds the RAF's asset base, the RAF is technically insolvent.	<ul style="list-style-type: none"> Engage with National Treasury in relation to future utilisation of the revenue model and ongoing maintenance of the model Support DoT in RABS Bill legislative process
Leadership, people and change management	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 performance culture has to be managed during this critical phase. Appropriate change management and leadership are crucial in ensuring that the organisational transformation is a success.	<ul style="list-style-type: none"> Train staff based on personal development plans Embed a culture of performance management in the RAF Implement talent management mechanisms Implement initiatives around a more effective Change Management Strategy Appoint resources in the NOM and effect total optimisation of the NOM
Fraud and corruption	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.	<ul style="list-style-type: none"> Implement the Fraud Prevention Policy, which includes rolling out of the Fraud Detection and Prevention Awareness campaign Improve fraud detection and prevention measures such as the fraud hotline and staff training Conclude agreements with law enforcement agencies

Risk	Description	Mitigation
Reputation and image	The RAF is implementing fundamental changes to its operations and strategic direction. It is thus imperative that the organisation communicates the coming changes to customers and stakeholders. Existing relationships with key stakeholders continue to be nurtured. 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.	<ul style="list-style-type: none"> • Full implementation of the Integrated Marketing, Communications and Stakeholder Relations Strategy • Complete the roll-out of the new RAF brand/corporate identity • Increase the RAF geographical footprint • Train all staff to focus on customer-centricity • Focus on service delivery
Implementation of the New Operating Model	The RAF is in the process of overhauling its business. The process will lead to the establishment of a New RAF that is more customer-centric, effective and efficient. While the core of the New RAF will be a new, fully electronic, paperless, integrated claims management system, this is but one of many components. The system will be supported by further changes throughout the RAF's value chain and will include new customer service channels, a broad geographic footprint, an internal legal department, enhanced branding activities, etc. These changes have all been designed to ensure that the RAF customer receives high-quality service, where claims are processed quickly and accurately, costs are contained and fraud eliminated.	<ul style="list-style-type: none"> • Implement effective change management • Complete the roll-out of the NOM • Review and enhance policies and procedures • Strengthen project governance • Develop a quality assurance function • Reinforce the existing data centre and improved protection of data • Maintain the IT application for the Old RAF • Prepare and implement a Business Continuity Strategy
Regulatory framework/environment/legislation	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 strives to continuously be a part of the ongoing initiatives 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 has amended the RAF Act by removing some of the subjectivity from the current system.	<ul style="list-style-type: none"> • Support the DoT in effecting legislative changes • Provide comments and inputs on the no-fault policy • Engage with the IDTT

Risk	Description	Mitigation
Liquidity	<p>The RAF Fuel 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, number of vehicles driven, the volume and quantum of the benefits payable by the RAF, and various other economic factors such as the inherent inflation of the benefit levels.</p> <p>The prevailing disconnects between the fuel levy awarded by Government and the RAF's operational cash requirements are the primary cause of the poor liquidity currently being experienced by the RAF.</p> <p>A further complicating factor to the RAF's ability to manage its limited cash pool is the change of the levy collection method. Previously, the fuel levy used to be collected by the Central Energy Fund before being changed to the current system administered by SARS. This revised system has introduced a two-month lag from the collection of funds by SARS to its availability to the RAF.</p>	<ul style="list-style-type: none"> • Engage with National Treasury in relation to future utilisation of the revenue model and ongoing maintenance of the model • Prepare cash flow forecasts and obtain insurance cover • Implement strategies for running down the claims backlog, which contributes to the RAF's liquidity status
Claims backlog	<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 underfunded for a number of years, and therefore being unable to pay claims at the rate it receives them.</p>	<ul style="list-style-type: none"> • Implement strategies to run down the claims backlog • Improve internal efficiencies to better turnaround times for claims settlements • Engage key stakeholders to obtain support for initiatives • Motivate and drive staff to improve efficiencies



PART B: PROGRAMME & SUB-PROGRAMME PLANS

4 Programme Road Accident Fund

4.1 Strategic Objective Annual Targets for 2012/13

Strategic Objective	To efficiently support the Office of the Chief Executive Officer
Objective Statement	To enhance RAF effectively through strategic planning, monitoring of the programme and performance management.
Baseline	Annual Report 2010/2011
Justification	This will improve the departmental performance management process.
Links	It will contribute directly towards the strategic goals of the Fund by aligning strategies to programmes with performance management, as required by National Treasury Regulations.

Strategic Objective	To promote financial compliance
Objective Statement	To promote financial compliance through the provision of financial accounting, management accounting, treasury, supply chain management, payroll accounting, business administration, corporate finance, actuarial services and asset management services.
Baseline	Current Audit opinion: Unqualified (1)
Justification	It will minimise risks, improve audit outcomes and ensure optimal use of financial resources.
Links	Aligned to the strategic outcomes of the Fund.

Strategic Objective	To effectively manage the Fund's compliance, planning, reporting and performance information
Objective Statement	To enhance the Fund's effectiveness through budget planning and monitoring.
Baseline	Current Audit opinion: Unqualified (1)
Justification	It will minimise risks, improve audit outcomes and ensure optimal use of financial resources.
Links	Aligned to the strategic outcomes of the Fund.

Strategic Objective	Timely support to DoT to enable the promulgation of an amendment to section 18 of the Road Accident Fund Act, 56 of 1996
Objective Statement	Claims by passengers that were limited to R25 000 in accidents that occurred prior to 1 August 2008 in terms of section 18 of the Road Accident Fund Act, 2008 will be rectified to be constitutionally valid.
Baseline	Section 18 of Road Accident Fund Act, 56 of 1996 declared unconstitutional.
Justification	To achieve constitutionality of certain parts of section 18 of the Road Accident Fund Act, 2008, to ensure the rights to quality, dignity, security of a person, to an effective remedy and to healthcare and social security.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, The Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Strategic Objective	Support DoT to achieve publication of a non-emergency tariff
Objective Statement	The Fund will provide technical and advisory services to support the Shareholder in the implementation and publication of a non-emergency tariff.
Baseline	No tariff for non-emergency medical services.
Justification	To support the implementation and publication of a non-emergency tariff.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, The Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996).

Strategic Objective	Publication of an increase to the emergency medical tariff
Objective Statement	The Fund will publish an increase to the emergency medical tariff to reasonably compensate medical service providers who render such treatment or service.
Baseline	Tariff published and effective from 31 August 2008.
Justification	To adequately compensate for emergency medical services to ensure service delivery to accident victims.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, The Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Strategic Objective	Support DoT to publish a non-serious injury list
Objective Statement	To provide technical support to the DoT to develop a non-serious injury list.
Baseline	No non-serious injury list.
Justification	To reduce disputes that may arise and to clearly define injuries that will not qualify for a general damages claim. To guide all claimants of injuries that will not qualify for general damages to avoid unnecessary serious injury assessments and claims that will be rejected on the basis that the injury was not serious. The publication of the non-serious injury list will reduce the number of disputes raised, as well as ensuing litigation, thereby reducing legal costs.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, as amended by Act No. 19 of 2005.

Strategic Objective	Propose to DoT amendments to the current Road Accident Fund Act, 1996 (Act No. 56 of 1996), as amended by Act No. 19 of 2005
Objective Statement	To develop and motivate amendments to the Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, as amended by Act No. 19 of 2005.
Baseline	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, as amended by Act No. 19 of 2005.
Justification	Amendments to the Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, as amended by Act No. 19 of 2005, are required to enhance service delivery to accident victims.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, as amended by Act No. 19 of 2005.

Strategic Objective	Provision of input to RABS Steering Committee
Objective Statement	The Fund will provide technical and advisory services to support the Shareholder in the implementation of a Road Accident Benefit Scheme (RABS).
Baseline	100% (Tasks completed by due date as per requests from DoT during 2011).
Justification	To support the implementation of RABS within the context of social security reforms within South Africa.
Links	The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and social security reforms within South Africa.

Strategic Objective	Provision of input on the Inter-Departmental Task Team (IDTT) to align RAF and RABS for integration into Government's Comprehensive Social Security System (CSSS)
Objective Statement	The Fund will provide technical and advisory services to support the Shareholder in the implementation of the Comprehensive Social Security System (CSSS).
Baseline	100% (Tasks completed by due date as per requests from DoT during 2011).
Justification	To support the implementation of the CSSS by Government.
Links	The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and social security reforms within South Africa.

Strategic Objective	Percentage reduction in the deficit
Objective Statement	To reduce the percentage in the deficit to achieve a solvent, liquid and sustainable Fund by 2020.
Baseline	R44 billion (based on financial year 2011 audit).
Justification	To reduce the risk of a growing deficit that is unaffordable to Government. To ensure effective and efficient financial management of the Fund.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	Percentage reduction in legal costs (year-on-year)
Objective Statement	The Fund will engage in cost-cutting and cost-reduction strategies in all legal cost drivers.
Baseline	R3,4 billion on both RAF and claimant legal costs.
Justification	To reduce costs and to increase the provision of capital available to pay more social benefits to all valid claimants as a result of road accidents within the borders of South Africa.
Links	The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), the Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	Managed and monitored operational costs to improve the sustainability of the Fund
Objective Statement	To reduce operational costs and expenditure to contribute to the sustainability of the Fund.
Baseline	R314,363,388
Justification	The reduction in operational costs and expenditure will contribute to improving the sustainability of the Fund. The reduction in operational expenditure will increase revenue available for claims expenditure.
Links	The Public Finance Management Act, 1999 (Act No. 1 of 1999) and RAF financial policies and procedures.

Strategic Objective	Regulate tariff for serious injury assessment
Objective Statement	To prevent abuse and over-charging of serious injury assessments.
Baseline	No tariff for serious injury assessment.
Justification	To prevent over-charging and servicing costs of serious injury assessments.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	To support DoT to achieve the publication of a Regulation to prescribe a period for acceptance or rejection of the RAF 4 form
Objective Statement	To prescribe a period for acceptance or rejection of the RAF 4 form.
Baseline	No time period prescribed in the current regulation.
Justification	To implement preventative measures through legislation to control escalating legal costs.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and 2008, and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	Reduced turnaround times for the processing of supplier, personal, funeral and undertakings claims (from date lodged to date of payment)
Objective Statement	To reduce the number of days to settle a claim in 365 days from date of lodgement.
Baseline	492 days.
Justification	To measure the efficiency with which claims are processed. This may also have positive spin-offs with regard to the solvency and liquidity of the RAF.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	Reduced turnaround times for the processing of claims for loss of earnings/support and general damages (from date lodged to date of payment)
Objective Statement	To reduce the number of days to settle a claim in 1 200 days from date of lodgement.
Baseline	1 562 days.
Justification	To measure the efficiency with which claims are processed. This may also have positive spin-offs with regard to the solvency and liquidity of the RAF.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996) and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	New Operating Model (NOM) 100% operational
Objective Statement	<ol style="list-style-type: none"> 1) To optimise the centralised processing of claims with specialist processing units in a paperless environment; 2) Distributed Customer Service Network (CSN) covering the breadth of the country and providing proactive and efficient access to customers; 3) A strong information technology (IT) infrastructure to support the organisation; and 4) Direct links with service providers to enable quick claims payments and access to information, such as accident reports and hospital records.
Baseline	None.
Justification	The NOM is critical in improving the effectiveness and efficiency of the RAF. Through the CSN, it is envisaged that the NOM will contribute towards improved customer relations, customer service and turnaround times for processing claims, among other benefits.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), and the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Strategic Objective	Increased percentage of direct personal claims originated (direct personal claims as a percentage of total personal claims)
Objective Statement	To initiate and originate direct claims to provide social security benefit services to road accident victims and payment of compensation to all beneficiaries directly.
Baseline	13% (8 000 personal claims).
Justification	<p>Social security in South Africa is a right upheld by the Constitution. The Bill of Rights (Chapter 2) notes in section 27:</p> <p>"1) Everyone has the right to have access to ... (c) social security, including, if they are unable to support themselves and their dependants, appropriate social assistance, and</p> <p>"2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights."</p> <p>The origination of direct claims will provide social insurance services and compensation. Most South Africans are unaware of their rights to social security. This strategic objective aims to provide social security to all South Africans in terms of the mandate of the Fund and Bill of Rights.</p>
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) (Chapter 2), and social security reforms within South Africa.

Strategic Objective	Increased percentage of direct personal claims settled
Objective Statement	To initiate and originate direct claims to provide social security benefit services to road accident victims and payment of compensation to all beneficiaries directly.
Baseline	Direct personal claims outstanding as at 31 March 2012 (projected 20 000).
Justification	<p>Social security in South Africa is a right upheld by the Constitution. The Bill of Rights (Chapter 2) notes in section 27:</p> <p>"1) Everyone has the right to have access to ... (c) social security, including, if they are unable to support themselves and their dependants, appropriate social assistance, and</p> <p>"2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights."</p> <p>The origination of direct claims will provide social insurance services and compensation. Most South Africans are unaware of their rights to social security. This strategic objective aims to provide social security to all South Africans in terms of the mandate of the Fund and Bill of Rights.</p>
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) (Chapter 2) and social security reforms within South Africa.

Strategic Objective	Number of claims finalised (claims fully settled and archived)
Objective Statement	To increase productivity in number of claims finalised to 210 789.
Baseline	253 612
Justification	To provide services and compensation to claimants efficiently and effectively.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), and social security reforms within South Africa.

Strategic Objective	Increased percentage of active undertakings in relation to serious injuries
Objective Statement	To focus on returning victims of road accidents to health and life through effective rehabilitation programmes by 5% of the baseline established in the previous year.
Baseline	None - new indicator.
Justification	To implement rehabilitation programmes for seriously injured victims of road accidents to enhance their quality of life.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), and social security reforms within South Africa.

Strategic Objective	Number of claims repudiated due to identification of fraud
Objective Statement	To enhance the Fund's preventative and detective controls of fraudulent claims.
Baseline	3 098 claims.
Justification	To reduce the prevalence of fraudulent claims and to increase the capital resources to compensate victims of road accidents who require the social service the most.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), and social security reforms within South Africa.

Strategic Objective	An increased percentage customer satisfaction rating on the Customer Satisfaction Index
Objective Statement	To improve the customer experience with claims and service received from the Fund.
Baseline	Baseline will be established in the 2012 financial year.
Justification	The increase in customer service rating is a viable indicator of service delivery by the Fund in terms of its mandate.
Links	The Road Accident Fund Act, 1996 (Act No. 56 of 1996), the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), and social security reforms within South Africa.

Strategic Objective	The rate of acceptance and internalisation of the New Operating Model (NOM)
Objective Statement	To improve the level of acceptance and internalisation of the change process, i.e. the process of implementing the NOM.
Baseline	No baseline - new indicator.
Justification	The Fund is undergoing transformation. This transformation will be internalised by staff through a change management programme to ensure the successful implementation of the NOM.
Links	Labour Relations Act.

Strategic Objective	Improved leadership capacity and capability
Objective Statement	To improve the level of leadership capacity and capability of the Management of the Fund.
Baseline	40% of a Capacity and Capability Assessment Survey.
Justification	To ensure the Fund has a capable leadership during the transformation process.
Links	Labour Relations Act.

Strategic Objective	Level of rating on the Employer of Choice Survey (ECS)
Objective Statement	To improve the work conditions of employees with a view to enhance productivity within the Fund.
Baseline	New indicator.
Justification	To measure the extent to which the work climate is conducive to effective and efficient performance. It measures the extent to which the RAF is regarded as an "employer of choice" - a term used to describe a public or private employer whose practices, policies, benefits and overall work conditions have enabled it to successfully attract and retain talent because employees choose to work there.
Links	Labour Relations Act.

Strategic Objective	Percentage employees who exceed their performance targets
Objective Statement	To measure performance against targets of staff to meet the performance targets of the Annual Performance and Strategic Plans.
Baseline	New indicator - baseline to be established in 2012.
Justification	Performance management is the mechanism that is used to determine the extent to which the performance of employees meets the necessary requirements and provides for the implementation of targeted interventions to improve performance thereof.
Links	Annual Performance Plan (2012/2013) and Strategic Plan (2013-2017).

Strategic Objective	RAF contribution towards Government's social and economic transformation agenda
Objective Statement	RAF will contribute to Government's social and economic transformation agenda through Broad-Based Black Economic Empowerment (BBBEE) and Employment Equity (EE) by increasing its BBBEE spend to 60% of total spend.
Baseline	57% of BBBEE on total spend and compliance with EE targets set by Government.
Justification	To actively contribute to the achievement of Government's social and economic transformation goals and performance targets.
Links	The Public Finance Management Act, 1999 (Act No. 1 of 1999), and the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Strategic Objective	Level of adequacy of talent to fill mission critical positions
Objective Statement	Talent management refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives.
Baseline	New indicator - baseline to be established in 2012.
Justification	To enhance the delivery of service quality through a highly skilled workforce.
Links	Human Resource policies and procedures.

4.2 Programme Performance Indicators and Annual Targets for 2012/13

Strategic Objective		Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
		2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
1	To efficiently support the Office of the Chief Executive Officer	1	1	1	1	1	1	1
2	To promote financial compliance	1	1	1	1	1	1	1
3	To effectively manage the Fund's compliance, planning, reporting and performance information	1	1	1	1	1	1	1
4	Number of strategic plans reviewed	1	1	1	1	1	1	1
5	Number of annual performance plans reviewed	1	1	1	1	1	1	1
6	Number of quarterly reports	4	4	4	4	4	4	4
7	Number of performance assessments	1	1	1	1	1	1	1
8	Number of unqualified audit reports	1	1	1	1	1	1	1
9	Development of a budget aligned to the Strategic Plan	1	1	1	1	1	1	1
10	Provide annual financial statements	1	1	1	1	1	1	1
11	Timely support to DoT to enable the promulgation of an amendment to section 18 of the Road Accident Fund Act, 56, 1996	-	-	-	-	Support DoT in the process to promulgate an amendment to rectify the unconstitutionality	-	-

Strategic Objective		Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
		2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
12	Support DoT to achieve publication of a non-emergency tariff	-	-	-	-	Support DoT to develop a draft tariff and provide support during the consultative process	Publish the non-emergency tariff	Update of non-emergency tariff annually by 31 March
13	Publication of an increase to the emergency medical tariff	-	-	-	Tariff published and effective from 31 August 2008	Increase to the emergency tariff published	Determine reasonable increase to tariff and submit to DoT for increase to be effected and publish notice of increase	-
14	Support DoT to publish a non-serious injury list	-	-	-	No non-serious injury list	Support DoT to publish a non-serious injury list	-	-
15	Propose amendments to DoT on the changes to the RAF Act 56 of 1996 and Act 19 of 2005	-	-	-	RAF Act 56 of 1996 and Act 19 of 2005	Submit and motivate amendments to the current legislation	Support DoT to enact amendments to the Act	-
16	Provision of input to RABS Steering Committee	-	-	-	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan
17	Provision of input on the Inter-Departmental Task Team (IDTT) to align the RAF and RABS for integration into the Comprehensive Social Security System (CSSS)	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan	Tasks and milestones as per project plan
18	Reduction in the deficit	(R27,8bn)	(R39,8bn)	(R42,3bn)	(R44bn)	(R39,1bn)	(R34.9bn)	(R29,6bn)

Strategic Objective		Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
		2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
19	Percentage reduction in legal costs (year-on-year)	R2,686bn	R2,530bn	R2,686bn	R3,417bn	R3,298bn	R3,264bn	R3,230bn
20	Managed and monitored operational costs (Admin)	R121,609m	R198,288m	R210,041m	R314,363,388	R453,145,116	R482,159,877	R521,972,135
21	A tariff for serious injury assessment	-	-	-	No tariff for serious injury assessment	To submit a proposal to regulate the tariff for serious injury assessment	To implement the tariff for serious injury assessment	-
22	Proposal to regulate a period for acceptance or rejection of RAF 4 form	-	-	-	Unregulated period for acceptance or rejection of a RAF 4 form	Proposed Regulation on a period for acceptance or rejection of RAF 4 form within 120 days within the 2012/13 financial year	Support DoT in the public consultation process following the publication of the Regulation	-
23	Reduced turnaround times for the processing of supplier, personal, funeral and undertakings claims	492 days	492 days	492 days	492 days	365 days	240 days	120 days
24	Reduced turnaround times for the processing of claims for loss of earnings/support and general damages	1 562 days	1 562 days	1 562 days	1 562 days	1 200 days	1 000 days	720 days
25	NOM 100% operational	-	-	-	10 305 claims lodged as at 31 March 2011 on Fineos	5 000 personal claims lodged on Fineos from 1 April 2012	5 000 personal claims lodged on Fineos from 1 April 2013	All new claims lodged on Fineos from 1 April 2014
		-	-	-	75 hospital service centres	-	95 hospital service centres	105 hospital service centres

Strategic Objective		Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
		2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
25	NOM 100% operational	-	-	-	5 provincial offices	6 provincial offices	-	9 provincial offices
		-	-	-	0 mobile RAF centres		5 mobile RAF centres	9 mobile RAF centres
		-	-	-	2 community centres		5 community centres	9 community centres
		-	-	-	General Enquiries Cell	Accident Information Cell	Medical Cell	
		-	-	-	The closing balance in the old system of claims as at 31 March 2012	Reduce backlog that will remain in the old business by 40% by 31 March 2013	Reduce backlog that will remain in the old business by a further 40% by 31 March 2014	Eliminate the backlog in the old business by 20% by 31 March 2015
		-	-	-				100% of the Ombudsman implemented
		-	-	-	67 staff and workstations 100% functional	# ¹ Refer to note below	# ² Refer to note below	100% of BAU implemented in terms of systems, processes and people by 1 April 2015 ³
		-	-	-			100% implementation of information collection agents	-
26	Increased percentage of direct claims originated	-	-	-	13%	13%	16%	22%

¹ During the next two financial years, the focus will be on competency-based testing of all staff and individual placement of staff within the NOM.

² During the next two financial years, the focus will be on competency-based testing of all staff and individual placement of staff within the NOM.

³ The migration of staff to the BAU is linked and is subject to the eradication of the backlog.

Strategic Objective		Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
		2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
27	Increased percentage of direct claims settled	-	-	-	Direct claims outstanding as at 31 March 2012	50% of direct claims settled	50% of direct claims settled	60% of direct claims settled
28	Number of claims finalised	311 207	330 453	262 185	253 612	210 789	193 157	187 982
29	Increase in the number of active undertakings in relation to serious injuries	-	-	-	-	To establish number of active undertakings in relation to serious injuries	5%	10%
30	Number of claims repudiated due to identification of fraud	-	-	-	3 098	3 717	4 089	3 680
31	An increased percentage customer satisfaction rating on Customer Satisfaction Index	-	-	-	10%	10%	10%	10%
32	RAF acceptance and internalisation of the NOM	-	-	-	-	80%	100%	-
33	Improved leadership capacity and capability	-	-	-	40%	10%	10%	10%
34	Level of rating on the Employer of Choice Survey (ECS)	-	-	-	-	To participate in the ECS	Top 30	Top 20
35	Percentage employees who exceed their performance targets	-	-	-	-	10% of employees who exceed their performance targets	10% of employees who exceed their performance targets	15% of employees who exceed their performance targets
36	RAF's contribution towards Government's social and economic transformation agenda	50%	50%	57%	57%	60%	65%	70%

Strategic Objective	Audited/Actual Performance			Estimated Performance 2010/11	Medium-term Targets		
	2007/08	2008/09	2009/10		2012/13	2013/14	2014/15
	100% EE targets achieved	100% EE targets achieved	100% EE targets achieved	100% EE targets achieved	100% EE targets achieved	100% EE targets achieved	100% EE targets achieved
37 Level of adequacy of talent to fill mission critical positions	-	-	-	-	Implement talent pool interventions for level 1 and 2	Implement talent pool interventions for level 3 and 4	Organisational and individual engagement processes

4.3 Quarterly Targets for 2012/13

Performance Indicator	Reporting period	Annual Target 2012/13	Quarterly Targets			
			1st	2nd	3rd	4th
1 To efficiently support the Office of the Chief Executive Officer	Monthly	12	3	3	3	3
2 To promote financial compliance	Monthly	12	3	3	3	3
3 To effectively manage the Fund's compliance, planning, reporting and performance information	Annual	1	0	0	1	0
4 Number of strategic plans reviewed	Annual	1	0	1	0	0
5 Number of annual performance plans reviewed	Quarterly	4	1	1	1	1
6 Number of quarterly reports	Quarterly	4	1	1	1	1
7 Number of performance assessments	Annual	1	0	0	1	0
8 Number of unqualified audit reports	Annual	1	0	0	1	0

Performance Indicator		Reporting period	Annual Target 2012/13	Quarterly Targets			
				1st	2nd	3rd	4th
9	Development of a budget aligned to strategic plan	Annual	1	0	0	1	0
10	Provide annual financial statements	Quarterly	4	1	1	1	1
11	Timely support to DoT to enable the promulgation of an amendment to section 18 of the Road Accident Fund Act, 56, 1996	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
12	Support DoT to achieve publication of a non-emergency tariff	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
13	Publication of an increase to the emergency medical tariff	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
14	Support DoT to publish a non-serious injury list	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
15	Propose amendments to DoT on the changes to the RAF Act 56 of 1996 and Act 19 of 2005	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
16	Provision of input to RABS Steering Committee	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
17	Provision of input on the Inter-Departmental Task Team (IDTT) to align the RAF and RABS for integration into the Comprehensive Social Security System (CSSS)	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
18	Reduction in the deficit	Quarterly	(R39,1bn)	-	-	-	(R39,1bn)
19	Percentage reduction in legal costs	Quarterly	3% both RAF and claimant legal costs	0.75%	0.75%	0.75%	0.75%

Performance Indicator		Reporting period	Annual Target 2012/13	Quarterly Targets			
				1st	2nd	3rd	4th
20	Managed and monitored operational costs (Admin)	Quarterly	R453,145,116	R113,286,279	R113,286,279	R113,286,279	R113,286,279
21	A tariff for serious injury assessment tariffs	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
22	Proposal to regulate a period for acceptance or rejection of RAF 4 form	Quarterly	4 reports on status	1 report on status	1 report on status	1 report on status	1 report on status
23	Reduction of turnaround times for the processing of supplier, personal, funeral and undertakings claims	Quarterly	365 days	365 days	365 days	365 days	365 days
24	Reduction of turnaround times for the processing of claims for loss of earnings/support and general damages	Quarterly	1 200 days	1 200 days	1 200 days	1 200 days	1 200 days
25	New Operating Model (NOM) 100% operational	Quarterly	4 reports on status as per project plan	1 report on status as per project plan	1 report on status as per project plan	1 report on status as per project plan	1 report on status as per project plan
26	Increased percentage of direct claims originated	Quarterly	13%	3.25%	3.25%	3.25%	3.25%
27	Increased percentage of direct claims settled	Quarterly	Direct claims outstanding as at 31 March 2012	-	-	-	50% of direct claims settled
28	Number of claims finalised	Quarterly	210 789	52 697	52 697	52 697	52 697
29	Increase in the number of active undertakings in relation to serious injuries	Annual	To establish number of active undertakings in relation to serious injuries	-	-	-	Establish number of active undertakings in relation to serious injuries
30	Number of claims repudiated due to identification of fraud	Quarterly	3 717	929	929	929	929

Performance Indicator		Reporting period	Annual Target 2012/13	Quarterly Targets			
				1st	2nd	3rd	4th
31	An increased percentage customer satisfaction rating on Customer Satisfaction Index	Annual	Increase satisfaction rate by 10% (in relation to FY2012 baseline)	-	-	-	Increase satisfaction rate by 10% (in relation to FY2012 baseline)
32	RAF acceptance and internalisation of the NOM	Annual	Score of 80% attained in Employee Index and knowledge of change	-	-	-	Score of 80% attained in Employee Index and knowledge of change
33	Improved leadership capacity and capability	Annual	10% improvement in leadership and culture rating on baseline as per assessment	-	-	-	10% improvement in leadership and culture rating on baseline as per assessment
34	Level of rating on the Employer of Choice Survey (ECS)	Annual	To participate in the ECS	-	-	-	Participation in the ECS
35	Percentage employees who exceed their performance targets	Annual	10% of employees exceeding set performance targets	-	-	-	10% of employees exceeding set performance targets
36	RAF's contribution towards Government's social and economic transformation agenda	Annual	60% BEE spend (total)	-	-	-	60% BEE spend (total)
			100% EE targets achieved	-	-	-	100% EE targets achieved
37	Level of adequacy of talent to fill mission critical positions	Annual	Introduce talent balanced scorecards and establish talent management forums	-	-	-	Introduce talent balanced scorecards, and establish talent management forums

4.4 Reconciling Performance Targets with the Budget and MTEF

Projected Income Statement (R'000)

	ACTUALS	FORECAST	BUDGET	BUDGET	BUDGET
	2011	2012	2013	2014	2015
Fuel Levy Rate (c/l)	0.720	0.800	0.880	0.960	1.040
Number of Litres (Thousand litres)	20,102,858	20,504,916	20,915,014	21,333,314	21,759,980
Fuel Sales Increase Rate		2%	2%	2%	2%
Fuel Sales Adjustment Rate		-3%	-3%	-3%	-3%
Revenue					
Net Fuel Levies	R 14,474,058	R 15,911,814	R 17,853,056	R 19,865,582	R 21,951,468
Investment Income	R 39,760	R 62,786	R 159,075	R 376,367	R 684,791
Other Income	R 2,269	R 0	R 0	R 0	R 0
Reinsurance Income	R 10,135	R 0	R 0	R 0	R 0
Government Grant	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Total Revenue	R 14,526,222	R 15,974,601	R 18,012,131	R 20,241,949	R 22,636,259
Less Expenses Incurred					
Claims Expenditure (paid)	R 12,941,146	R 14,019,687	R 12,607,682	R 12,442,984	R 12,860,611
Reinsurance Premiums	R 27,690	R 22,847	R 28,155	R 29,844	R 31,635
Staff Costs	R 620,803	R 753,799	R 828,448	R 878,227	R 966,050
Administrative Expenses	R 203,500	R 255,949	R 286,358	R 303,539	R 321,751
External Audit Fees	R 4,852	R 6,156	R 5,892	R 6,246	R 6,621
Directors' Fees & Expenses	R 5,403	R 7,658	R 8,743	R 9,268	R 9,824
Operating Lease Rental - Building	R 38,301	R 36,732	R 42,637	R 45,195	R 47,907
Operating Costs - Offices	R 27,587	R 26,000	R 29,312	R 31,071	R 32,935
Professional Services	R 7,054	R 20,484	39,307	R 41,666	R 44,166
Telephone, Stationery and Postage	R 20,696	R 22,163	R 21,471	R 22,759	R 24,124
IT Services	R 53,146	R 78,446	R 78,879	R 83,611	R 88,628
Forensic and Fraud Combat Services	R 8,744	R 9,000	R 12,000	R 12,720	R 13,483
Subsistence and Transport	R 12,573	R 11,301	R 13,787	R 14,614	R 15,491
Office Maintenance & Construction	R 15,260	R 22,551	R 16,234	R 17,208	R 18,241
Legal Fees on Corporate Matters	R 4,569	R 4,097	R 5,332	R 5,652	R 5,991
Other	R 5,315	R 11,364	R 12,763	R 13,529	R 14,340
- Insurance - Short-term	R 1,186	R 3,752	R 5,363	R 5,684	R 6,025
- Conferences and Seminars	R 880	R 1,772	R 2,912	R 3,087	R 3,272
- Bank Charges	R 1,070	R 1,181	R 1,411	R 1,495	R 1,585
- File Storage / Metrofile	R 1,755	R 1,703	R 2,709	R 2,871	R 3,044
- Entertainment	R 48	R 66	R 369	R 391	R 415
- Doubtful/Bad debts	R 376	R 2,892		R 0	R 0

Projected Income Statement (R'000)

	ACTUALS 2011	FORECAST 2012	BUDGET 2013	BUDGET 2014	BUDGET 2015
Marketing Expenses	R 20,932	R 51,052	R 62,625	R 66,382	R 70,365
Finance Costs	R 43,288	R 25,242	R 11,132	R 10,000	R 11,000
Depreciation - Property, Plant and Equipment	R 32,058	R 33,045	R 31,569	R 41,325	R 63,982
Amortisation - Intangible Assets	R 27,497	R 30,757	R 33,307	R 31,070	R 23,238
Total Other Expenses	R 975,768	R 1,172,691	R 1,281,593	R 1,360,387	R 1,488,022
Surplus/Deficit before Change in Provision	R 609,308	R 782,223	R 4,122,856	R 6,438,578	R 8,287,627
Plus Increase in Liability:	R 2,281,052	-R 1,049,909	R 1,063,040	R 2,240,436	R 3,010,029
Surplus/Deficit for the Period	-R 1,671,744	R 1,832,132	R 3,059,816	R 4,198,143	R 5,277,598

Table 3: Projected income statement

The Fund's budget allocation over the MTEF period shows an increase in total revenue to R16,001,679 billion (2012) as compared to R14,526,222 billion (2011) in the previous financial period under review. Total revenue is estimated to increase to R27,757,456 billion by the 2017 financial period. This is attributed to the effect of the fuel levy of 8 cents per litre from April 2010. 91% of projected revenue budget allocation will be allocated to pay claims expenditure with administration and other costs being 6% and 3% of the total expenditure respectively.

4.5 Performance and Expenditure Trends

Expenditure Trends	Trends in Number of Key Staff	Trends in Number of Key Inputs
<p>The Road Accident Fund (RAF) aims to keep operating costs to no more than 10% of the fuel levy over the next financial year</p>	<p>The shape of the RAF's workforce will change. The Operations unit will be replaced by the Benefit Administration Unit (BAU) and the Customer Service Network (CSN)</p>	<p>The RAF is in the early stages of implementing its New Operating Model (NOM), which is made up of the following four pillars:</p> <ol style="list-style-type: none"> 1. Centralised processing of claims with specialist processing units in a paperless environment; 2. Distributed Customer Service Network (CSN) covering the breadth of the country and providing proactive and efficient access to customers; 3. A strong information technology (IT) infrastructure to support the organisation; and 4. Direct links with service providers to enable quick claims payments and access to information, such as accident reports and hospital records.



46 PART C: LINKS TO OTHER PLANS

5 Links to the Long-term Infrastructure and Other Capital Plans

Not applicable to the Road Accident Fund.

6 Conditional Grants

Not applicable to the Road Accident Fund.

7 Public-private Partnerships

Not applicable to the Road Accident Fund.

Annexure D

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1 Vision

To provide the highest standard of care to road accident victims to restore balance in the social system.

2 Mission

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.

3 Values

The following values drive everything that we do and the manner in which we do it.



Figure 5 - The RAF values statement

48 4 STRATEGIC OUTCOME ORIENTED GOALS

Over the next five years, the RAF Strategy will be anchored on four main pillars. Each of these pillars 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.

The following diagram outlines the key strategic outcomes that will guide the RAF over the next five years and the key focus areas per strategic outcome:

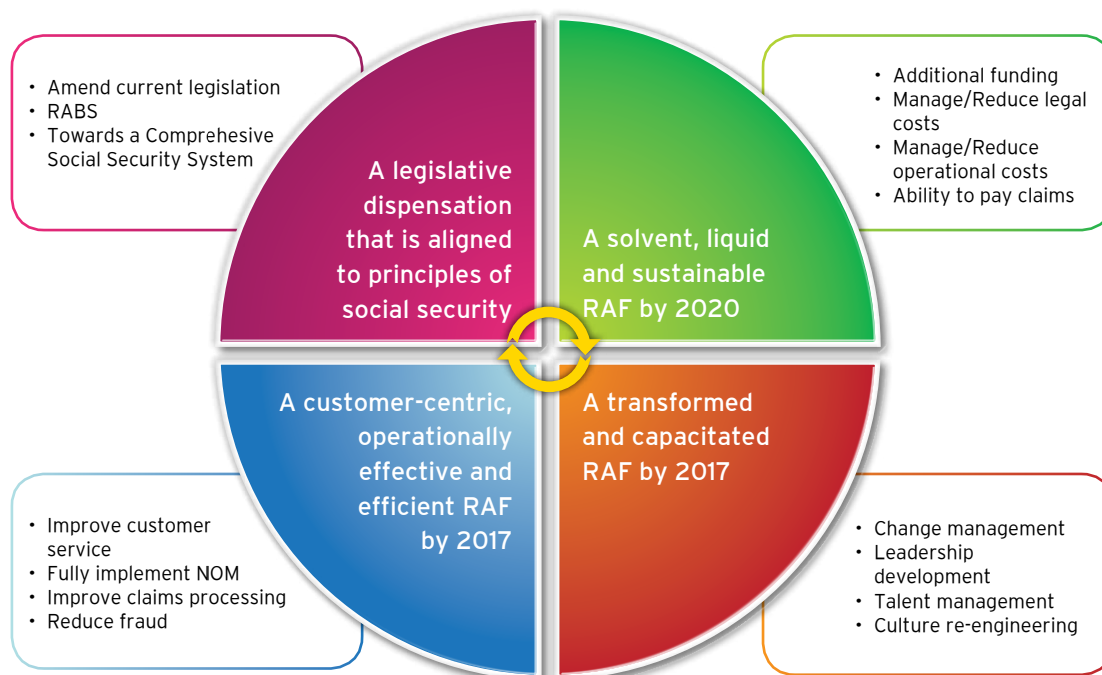


Figure 6 - RAF strategic outcomes

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 Road Accident Benefit Scheme policy • Defend constitutional challenges to the RAF Act
Outcome Indicators	<ul style="list-style-type: none"> • Timely support to DoT to enable the promulgation of an amendment to section 18 of the Road Accident Fund Act, No. 56 of 1996 • Support DoT to achieve the publication of a non-emergency tariff • Publication of an increase to the emergency medical tariff • Support DoT to publish a non-serious injury list • Propose to DoT amendments to the current Road Accident Fund Act, No. 56 of 1996, as amended by Act No. 19 of 2005 • Provision of input to RABS Steering Committee • Provision of input on the Inter-Departmental Task Team (IDTT) to align RAF and RABS for integration into the Comprehensive Social Security System (CSSS)

Strategic Goal 2	A solvent, liquid and sustainable RAF by 2020
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 DoT to achieve the publication of a Regulation to prescribe a period for acceptance or rejection of RAF 4 form.

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) • NOM 100% operational • Increasing the number and percentage of direct claims (direct claims as a percentage of total personal claims) • Number of claims finalised (claims fully settled and archived) • Number of personal claims finalised (claims fully settled and archived) • Increase in the percentage of active undertakings in relation to serious injuries • Number of claims repudiated due to identification of fraud • An increased percentage customer satisfaction rating on the Customer Satisfaction Index

Strategic Goal 4	A transformed and capacitated RAF by 2017
Strategic Goal Description	Build an institution that is performance-driven and values the customer, and improve the awareness of the RAF brand
Outcome Indicators	<ul style="list-style-type: none"> • The rate of acceptance and internalisation of the NOM • Improved leadership capacity and capability • Level of rating on the Employer of Choice Survey (ECS) • Percentage employees who exceed their performance targets • RAF contribution towards Government's social and economic transformation agenda • Level of adequacy of talent to fill mission critical positions

50 5 Budget Programme

Projected Cash Flow Statement (R'000)

	ACTUALS 2011	FORECAST 2012	BUDGET 2013	BUDGET 2014	BUDGET 2015
Cash Flows From Operating Activities					
Cash Receipts	R 14,343,362	R 15,611,084	R 17,449,307	R 19,446,887	R 21,517,382
Fuel Levies & other Receipts	R 14,333,227	R 15,611,084	R 17,449,307	R 19,446,887	R 21,517,382
Grants Received	R 0	R 0	R 0	R 0	R 0
Reinsurance Claim Receipts	R 10,135	R 0	R 0	R 0	R 0
Cash Payments	R 13,813,927	R 15,003,614	R 13,742,460	R 13,661,332	R 14,169,451
Claims Expenditure	R 12,941,146	R 14,019,687	R 12,607,682	R 12,442,984	R 12,860,611
Reinsurance Premiums	R 27,690	R 22,847	R 28,155	R 29,844	R 31,635
Staff Expenditure	R 620,803	R 753,799	R 828,448	R 878,227	R 966,050
Other Administrative Expenditure	R 224,288	R 207,282	R 278,175	R 310,276	R 311,156
Net Cash used in Operating Activities	R 529,435	R 607,470	R 3,706,847	R 5,785,555	R 7,347,930
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	R 25,057	R 57,000	R 40,721	R 65,000	R 71,500
Acquisition of Intangible Assets	R 18,378	R 10,000	R 16,279	R 10,000	R 11,000
Proceeds on Disposal of Property, Plant and Equipment	R 0	R 0	R 0	R 0	R 0
Net Cash Flows Generated by Investing Activities	-R 43,435	-R 67,000	-R 57,000	-R 75,000	-R 82,500
Cash Flows from Financing Activities					
Finance Cost	R 43,288	R 25,242	R 11,132	R 10,000	R 11,000
Net Cash used in Financing Activities	-R 43,288	-R 25,242	-R 11,132	-R 10,000	-R 11,000
Net Increase/Decrease In Cash and Cash Equivalents	R 442,712	R 515,228	R 3,638,715	R 5,700,555	R 7,254,430
Cash and Cash Equivalents at the Beginning of Period	R 655,164	R 1,137,636	R 1,715,650	R 5,513,440	R 11,590,363
Investment Income	R 39,760	R 62,786	R 159,075	R 376,367	R 684,791
Cash and Cash Equivalents at the End of Period	R 1,137,636	R 1,715,650	R 5,513,440	R 11,590,363	R 19,529,584

Table 4: Projected cash flow statement

Annexure E: Technical Indicator Descriptions and Examples

Indicator No & Title	1.1 Timely support to DoT to enable the proclamation of an amendment of section 18 of the Road Accident Fund Act, 56, 1996 as amended by Act 19 of 2005.
Short definition	To provide technical support and motivation of amendment to the proposed Bill to correct the unconstitutionality of section 18 of the RAF Act.
Purpose/importance	The Western Cape High Court declared parts of section 18 of the pre-Amendment Act as constitutionally invalid. Subsequently, the Constitutional Court confirmed the declaration of invalidity. The declaration was suspended for a period of 18 months to enable Parliament to cure the defect. This indicator aims to measure the RAF's contribution to the enactment process.
Source/collection of data	National Department of Transport/National Parliament.
Method of calculation	Date of submission to DoT.
Data limitations	None.
Type of indicator	Output.
Calculation type	Date.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	The RAF's contribution to meet minimum requirements as determined by the National Department of Transport and National Parliament with regard to legislative processes.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.2 Support DoT to achieve publication of a non-emergency tariff.
Short definition	Develop and propose a non-emergency tariff, submit and consult with DoT on the proposed tariff.
Purpose/importance	The Constitutional Court (in the case of the Law Society and Others vs the Minister of Transport and the RAF) held that the non-emergency tariff is not consistent with the Constitution.
Source/collection of data	National Department of Transport/National Parliament.
Method of calculation	Date of publication.
Data limitations	None.
Type of indicator	Output.
Calculation type	Date.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	The RAF's contribution to meet minimum requirements as determined by the National Department of Transport and National Parliament with regard to legislative processes; draft tariff to be prepared by the end of the FY2013; tariff to be published and finalised in FY2014.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.3 Publication of an increase to the emergency medical tariff.
Short definition	To determine and publish a reasonable increase to the emergency medical tariff.
Purpose/importance	The purpose is to determine and publish an increase to the emergency medical tariff to compensate for medical services rendered to road accident victims in case of emergency.
Source/collection of data	CPI, medical inflation and medical tariffs within the medical industry.
Method of calculation	Medical tariffs determined based on CPI and medical tariff inflation.
Data limitations	None.
Type of indicator	Output.
Calculation type	Based on CPI and medical tariff inflation published.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	Published emergency medical tariffs in line with industry norms to adequately compensate for medical services rendered to road accident victims.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.4 Support DoT to publish a non-serious injury list.
Short definition	To provide technical support to the DoT in the determination of a non-serious injury list in terms of Regulation 3.
Purpose/importance	The purpose of this indicator is to limit the number of disputes arising from claims for general damages by clearly defining injuries that are not regarded as serious. Road accident victims with the injuries from this list will not qualify for a claim for general damages in terms of the RAF Amendment Act.
Source/collection of data	Definition of injuries determined by medical industry experts, ICF, and AMA guides.
Method of calculation	None.
Data limitations	None.
Type of indicator	Output.
Calculation type	Determined on ICF and AMA guides.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	A reduction in disputes arising from claims for general damages as non-serious injuries are clearly defined.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.5 Propose to DoT amendments to the current Road Accident Fund Act, 56 of 1996, as amended by Act 19 of 2005.
Short definition	To submit and motivate to DoT proposed amendments to current legislation and support DoT in the legislative process in respect of the amendments to the Act that will be perused.
Purpose/importance	The purpose of this indicator is to implement amendments to the RAF Act to correct omissions and to improve claims processing.
Source/collection of data	National Department of Transport and Road Accident Fund.
Method of calculation	Date.
Data limitations	None.
Type of indicator	Output.
Calculation type	Qualitative.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	To address omissions and to improve claims processing through amendments to the RAF Act.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.6 Provision of input to RABS Steering Committee.
Short definition	To provide technical support to the National Department of Transport with regard to the process for creating a no-fault fixed benefit scheme (RABS).
Purpose/importance	The purpose of this indicator is to measure the level of support, through tasks completed on time, that the RAF provides to the National Department of Transport in creating the no-fault fixed benefit scheme (RABS).
Source/collection of data	National Department of Transport (DoT).
Method of calculation	Date of tasks assigned and completed.
Data limitations	None.
Type of indicator	Output.
Calculation type	Qualitative.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	The RAF's contribution to meet minimum requirements, as determined by the National Department of Transport with regard to the process.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	1.7 Provision of input on Inter-Departmental Task Team (IDTT) to align RAF and RABS for integration into Government's Comprehensive Social Security System (CSSS).
Short definition	To provide technical support and complete tasks assigned by the IDTT to align RAF for integration into the CSSS.
Purpose/importance	The purpose of this indicator is to measure tasks completed by the RAF in the process to align the RAF for integration into the CSSS.
Source/collection of data	Inter-Departmental Task Team (IDTT).
Method of calculation	Date of tasks completed.
Data limitations	None.
Type of indicator	Output.
Calculation type	Qualitative.
Reporting cycle	Quarterly and Annual.
New indicator	Yes.
Desired performance	The RAF's contribution to meet minimum requirements of tasks completed, as determined by the IDTT with regard to the process.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	2.1 Percentage reduction in the deficit.
Short definition	To focus on reducing the RAF deficit to zero.
Purpose/importance	The purpose of this indicator is to measure the reduction of the RAF deficit. This is especially critical in lieu of the intention to establish the Road Accident Benefit Scheme (RABS).
Source/collection of data	Revenue Requirement Model.
Method of calculation	Percentage variance over the MTEF financial years.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting a total reduction of the deficit over the five-year strategic planning period. The deficit is currently at R44 billion (2011 financial year).
Indicator responsibility	Chief Financial Officer.

Indicator No & Title	2.2 Percentage reduction in legal costs (year-on-year).
Short definition	To focus on reducing the legal costs.
Purpose/importance	The purpose of this indicator is to measure the reduction in legal costs as a percentage of claims-related costs.
Source/collection of data	SAP.
Method of calculation	Legal costs as a percentage of claims-related costs.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting an annual reduction of 3%, 4%, 5%, 10% and 20% over the 5-year strategic planning period. It is anticipated that the implementation of the RABS will result in a significant decrease in year 4 and 5.
Indicator responsibility	Executive Officer: Operations

Indicator No & Title	2.3 Managed and monitored operational costs to improve sustainability of the Fund.
Short definition	To focus on reducing the operational costs through effective budget management.
Purpose/importance	The purpose of this indicator is to measure the reduction in operational costs.
Source/collection of data	SAP.
Method of calculation	Percentage variance in terms of the Public Finance Management Act (PFMA).
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF aims to manage operating costs variances in terms of the PFMA.
Indicator responsibility	Executive Officer: Operations.

Indicator No & Title	2.4 A tariff for serious injury assessment.
Short definition	To define and prescribe by way of Regulation a tariff for serious injury assessment.
Purpose/importance	To manage legal costs by regulating the tariff for the serious injury assessment.
Source/collection of data	Ethical tariffs defined by the HPCSA.
Method of calculation	Cumulative and medical CPI related.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Annual.
New indicator	No.
Desired performance	A regulated tariff for serious injury assessment.
Indicator responsibility	Executive Officer: Operations/Executive Officer: Benefit Administration Unit.

Indicator No & Title	2.5 Support DoT to achieve the publication of a Regulation to prescribe a period for acceptance or rejection of RAF 4 form.
Short definition	To support DoT to achieve the publication of a Regulation to prescribe a period for acceptance or rejection of RAF 4 form.
Purpose/importance	To remove ambiguity and correct the omission of a prescribed period for acceptance or rejection of RAF 4 form.
Source/collection of data	Road Accident Fund.
Method of calculation	None.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Qualitative.
Reporting cycle	Quarterly and Annual.
New indicator	Yes
Desired performance	A prescribed period for acceptance or rejection of RAF 4 form.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	3.1 Reduce turnaround times for the processing of past medical/supplier, personal, funeral and undertakings claims (from date lodged to date of payment).
Short definition	To reduce the turnaround times for the processing of relevant categories of claims.
Purpose/importance	To measure the efficiency with which claims are processed. This may also have positive spin-offs with regard to the solvency and liquidity of the RAF.
Source/collection of data	Claims system and Fineos.
Method of calculation	Date of settlement - Date of registration.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting a reduction in the turnaround time to 60 days by FY2017.
Indicator responsibility	Executive Officer: Operations/Executive Officer: Benefit Administration Unit/ Executive Officer: Customer Service Network.

Indicator No & Title	3.2 Reduce turnaround times for the processing of claims for loss of earnings/ support and general damages (from date lodged to date of payment).
Short definition	To reduce the turnaround times for the processing of relevant categories of claims.
Purpose/importance	To measure claims processing efficiency.
Source/collection of data	Claims view system and Fineos.
Method of calculation	Date of settlement - Date of registration.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting a reduction in the turnaround time to 720 days by FY2017.
Indicator responsibility	Executive Officer: Operations/Executive Officer: Benefit Administration Unit/ Executive Officer: Customer Service Network.

Indicator No & Title	3.3 New Operating Model (NOM) 100% operational.
Short definition	To effect full implementation of the NOM.
Purpose/importance	The NOM is an integral part of the of the RAF strategy. The NOM will improve the effectiveness and efficiency of customer service delivery.
Source/collection of data	NOM implementation plan.
Method of calculation	Project progress updates (date achieved).
Data limitations	No active database of all accidents in South Africa.
Type of indicator	Outcome.
Calculation type	Project management.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting that all claims should be lodged in the NOM from the 1st of April 2014. To this effect, the RAF undertakes to reduce the backlog in the old business by at least 100% by financial year ending 2015; create the Accident Information Cell in the Contact Centre by 2013; create the Medical Cell in the Contact Centre by 2014; fully roll out relevant CSN and physical structures (such as hospital service centres, mobile service centres and community centres) by 2015; fully implement the BAU by 2015; fully operationalise the information collection agencies by 2014; and fully implement the Ombudsman by 2015.
Indicator responsibility	Executive Officer: Benefit Administration Unit/Executive Officer: Customer Service Network.

Indicator No & Title	3.4 Increased percentage of direct claims originated (direct claims as a percentage of total personal claims).
Short definition	To increase the percentage of claims which are lodged directly with the RAF.
Purpose/importance	The direct lodging of claims with the RAF contributes towards a reduction in legal costs.
Source/collection of data	Percentage of direct claims originated as a percentage of total number of personal claims.
Method of calculation	Direct claims lodged/total number of personal claims x 100 = % of direct claims originated.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	To increase the percentage direct claims originated to better service accident victims.
Indicator responsibility	Executive Officer: Customer Service Network

Indicator No & Title	3.5 Increased percentage of direct claims settled (direct claims settled as a percentage of total personal claims settled).
Short definition	To increase the percentage of direct claims which are settled and paid directly by the RAF.
Purpose/importance	The direct settlement and payment of claims by the RAF contribute towards better service delivery and full compensation paid to the accident victim without incurring undue legal costs.
Source/collection of data	Percentage of direct claims settled as a percentage of total number of personal claims settled
Method of calculation	Direct claims settled/total number of personal claims settled x 100 = % of direct claims settled.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	To increase the percentage direct claims settled to better service accident victims.
Indicator responsibility	Executive Officer: Customer Service Network

Indicator No & Title	3.6 Number of claims finalised (claims fully settled and archived).
Short definition	To increase the number of claims which are finalised by the RAF.
Purpose/importance	The purpose of this indicator is to measure the productivity of the RAF in relation to the finalisation of claims. The quicker the claims are finalised, the less costly it is for the RAF.
Source/collection of data	Claims view system and Fineos.
Method of calculation	Count.
Data limitations	Missing claim files in the claims view system.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is targeting the finalisation of 226 362 (2013); 214 206 (2014); 213 006 (2015), 136 789 (2016) and 60 547 (2017) claims respectively between 2013 and 2017.
Indicator responsibility	Executive Officer: Benefit Administration Unit/ Executive Officer: Operations.

Indicator No & Title	3.7 Increased percentage of active undertakings in relation to serious injuries.
Short definition	To increase percentage of active undertakings in relation to serious injuries.
Purpose/importance	This allows the RAF to be able to focus its efforts on actively managing the rehabilitation and life care of claimants.
Source/collection of data	Claims view system and Fineos.
Method of calculation	Count.
Data limitations	Inactive undertakings.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	Yes.
Desired performance	The RAF is targeting the identification of serious injury undertakings by 2013 and activating 5%, 10%, 15% and 20% activation of undertakings for claimants with serious injuries over the five-year strategic planning period.
Indicator responsibility	Executive Officer: Benefit Administration Unit/ Executive Officer: Operations.

Indicator No & Title	3.8 Number of claims repudiated due to identification of fraud.
Short definition	To reduce and eliminate fraud through a fraud prevention and detection strategy.
Purpose/importance	To manage the allocation of scarce financial resources and payment of valid claims.
Source/collection of data	Forensic systems.
Method of calculation	Count.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The number of claims repudiated due to implementation of the Fraud Management Strategy must culminate in a minimum of 3 717 in FY2013; 4 089 in FY2014; 3 380 in FY2015; 3 312 in FY2016; and 2 815 in FY2017 respectively.
Indicator responsibility	Executive Officer: Legal and Compliance.

Indicator No & Title	3.9 An increased percentage customer satisfaction rating on the Customer Satisfaction Index.
Short definition	To utilise the customer satisfaction rating to measure the rate of improvement of the Fund's service delivery and image.
Purpose/importance	To measure the level of customer satisfaction based on the Customer Satisfaction Index and to measure the improvement of the customer experience.
Source/collection of data	Marketing Customer Satisfaction Survey.
Method of calculation	Research methodologies and surveys.
Data limitations	Marginal error rates.
Type of indicator	Outcome.
Calculation type	Qualitative and quantitative.
Reporting cycle	Annual.
New indicator	No.
Desired performance	An annual 10% improvement of customer satisfaction on the baseline rating year-on-year.
Indicator responsibility	Executive Officer: Marketing, Communications & Stakeholder Relations.

Indicator No & Title	4.1 The rate of acceptance and internalisation of the NOM.
Short definition	To improve the level of acceptance and internalisation of the change process by the staff, i.e. the process of implementing the NOM.
Purpose/importance	To measure the effectiveness of change management processes and interventions.
Source/collection of data	Change Readiness Survey.
Method of calculation	Statistical methods.
Data limitations	Response to the survey.
Type of indicator	Outcome.
Calculation type	Qualitative.
Reporting cycle	Annual.
New indicator	No.
Desired performance	A target of 100% rating of the level of acceptance and internalisation of the change process by the staff by the end of FY2014.
Indicator responsibility	Executive Officer: Human Capital.

Indicator No & Title	4.2 Improved leadership capacity and capability.
Short definition	To improve the level of leadership capacity and capability.
Purpose/importance	To measure the effectiveness of leadership development programmes through a Leadership Index Survey.
Source/collection of data	Independent Leadership Index Survey.
Method of calculation	Statistical methods.
Data limitations	Marginal error rates.
Type of indicator	Outcome.
Calculation type	Qualitative.
Reporting cycle	Annual.
New indicator	No.
Desired performance	A target of 10% annual improvement of the level of leadership capacity and capability.
Indicator responsibility	Executive Officer: Human Capital.

Indicator No & Title	4.3 Level of rating on the Employer of Choice Survey (ECS).
Short definition	To measure the level of job, attraction and retention of employees and workplace satisfaction through participation in independent benchmarking studies.
Purpose/importance	To measure the extent to which the work climate is conducive to effective and efficient performance. It measures the extent to which the RAF is seen as "an employer of choice" - a term used to describe a public or private employer whose practices, policies, benefits and overall work conditions have enabled it to successfully attract and retain talent, because employees choose to work there.
Source/collection of data	Employer of Choice Survey (ECS).
Method of calculation	Statistical methods.
Data limitations	Marginal error rates.
Type of indicator	Outcome.
Calculation type	Qualitative.
Reporting cycle	Annual.
New indicator	Yes.
Desired performance	The RAF is aiming at participating in the Employer of Choice Survey and setting a baseline rating in FY2012 - and to be placed in the top 30 employer of choice rating for public entities by FY2013.
Indicator responsibility	Executive Officer: Human Capital.

Indicator No & Title	4.4 Percentage employees who meet their performance targets.
Short definition	Performance management is the mechanism that is used to determine the extent to which the performance of employees meets the necessary requirements, and provides for the implementation of targeted interventions to improve performance thereof.
Purpose/importance	To measure the extent to which the performance of employees within the RAF is effectively managed.
Source/collection of data	SAP HR - performance management.
Method of calculation	Employees who meet their performance targets/total employees.
Data limitations	None.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Quarterly and Annual.
New indicator	No.
Desired performance	The RAF is aiming at improving to 10%, 10%, 15%, 20% and 25% of employees exceeding set performance targets.
Indicator responsibility	Executive Officer: Human Capital.

Indicator No & Title	4.5 RAF's contribution towards Government's social and economic transformation agenda.
Short definition	RAF's contribution to Government's social and economic transformation agenda is through Broad-Based Black Economic Empowerment (BBBEE) and Employment Equity (EE).
Purpose/importance	The indicator measures the RAF's contribution towards BBBEE through its procurement practices and contribution to EE through targeted HR programmes.
Source/collection of data	SAP - Procurement BEE spend.
Method of calculation	Sum.
Data limitations	Supplier level contribution.
Type of indicator	Outcome.
Calculation type	Quantitative.
Reporting cycle	Annual.
New indicator	No.
Desired performance	The RAF is aiming at improving to 60%, 65%, 70%, 70% and 70% BBBEE procurement target for each of the strategic planning years. In addition, the RAF is aiming at maintaining its EE status in the medium to long term. The current baseline on EE is 100% of targets having been achieved.
Indicator responsibility	Executive Officer: Human Capital.

Indicator No & Title	4.6 Level of adequacy of talent to fill mission critical positions.
Short definition	Talent management refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives.
Purpose/importance	To measure the extent to which the talent management interventions of the RAF are effective.
Source/collection of data	SAP HR.
Method of calculation	Count.
Data limitations	Partly.
Type of indicator	Outcome.
Calculation type	Arithmetic.
Reporting cycle	Annual.
New indicator	No.
Desired performance	The RAF is aiming at introducing talent scorecards as one of the tools for effectively managing talent. In addition, the RAF will implement specific measures aimed at developing the skills pipeline for the entire organisation and for mission critical positions.
Indicator responsibility	Executive Officer: Human Capital