
Media Statement

DATE: Tuesday, 15 July 2025

TO: All Media

ATTENTION: News Editors / Transport Reporters / All Reporters

For immediate use

CREECY DISSOLVES RAF BOARD

PRETORIA: The Minister of Transport, Ms Barbara Creecy has dissolved the Board of Directors of the Road Accident Fund (RAF). This follows persistent governance and operational challenges that have beset the RAF and significantly undermined its ability to discharge its statutory mandate.

The notable governance challenges and concerns that were further confirmed through internal oversight and regulatory engagements, are as follows:

- a) The protracted and costly litigation pursued by the RAF on the application of accounting standards, which has resulted in further strain on the entity's financial resources and capacity.
- b) The inconsistent and, at times, reckless handling of the suspension of the Chief Executive Officer, that attracted a legal challenge and institutional uncertainty.
- c) The frequent incurrence of default judgments against the RAF, exacerbating its contingent liabilities and weakening its financial sustainability.
- d) Deep divisions within the Board itself, evidenced by most resolutions being passed through the use of casting votes, rather than consensus, reflecting a lack of cohesion in critical decision-making processes.
- e) The failure by the Board to fill at least two critical executive positions, which are critical to the mandate of the Fund, namely Chief Claims Officer and Head of Legal.

This has resulted in the loss of confidence in the board's ability to run the entity effectively.

In response to these developments, Minister Creecy has exercised her powers as an Executive Authority by undertaking the following interventions to safeguard the integrity of the institution and ensure continuity of operations:

- a) **Notice of Intention to Dissolve the Board:** On 5 June 2025, the Minister issued letters to the eleven members of the RAF Board, affording them the opportunity to make representations regarding her intention to dissolve the Board due to their failure to discharge their fiduciary duties effectively. The representations were received and have been duly considered. Consequently, the board has been dissolved
- b) **Request to the National Treasury to appoint an Accounting Authority on terms of Section 49(3) of the PFMA:** A submission has been prepared requesting the Minister of Finance to appoint an interim functionary as Accounting Authority in accordance with the Public Finance Management Act. The proposed appointment is intended to prevent a governance vacuum while a new Board is being constituted.
- c) **Initiation of a Recruitment Process:** A draft public advertisement has been prepared to commence the process of appointing a new Board, ensuring transparent and merit-based selection in line with applicable legislation.
- d) **Establishment of an Expert Advisory Committee:** To support the development of a sustainable operational and governance model, The minister has initiated the appointment of a panel of independent experts to review the RAF's business processes and propose actionable recommendations. Members of the panel will be announced in due course.
- e) **Furthermore, a request has been made to the SIU to establish if the current investigation under Proclamation 44 of 2024 covers the events of the last three months and if not, formally request the expansion of the scope to cover these events. The response from the SIU in this regard is eagerly awaited.**

Minister Creecy has reiterated her department's commitment to continue to pursue all necessary measures to restore institutional stability and enhance the RAF's capacity

to fulfil its statutory obligations to the public and ensure a speedy and equitable access to the Road Accident Benefit Scheme by the road accident victims.

She further emphasized her department's intent to finalize the Road Accident Benefit Scheme Bill, which will introduce a no-fault system to make it easier for road accident victims to access the benefits without costly legal bills.

ISSUED BY: NATIONAL DEPARTMENT OF TRANSPORT

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