

BMF Gala Dinner 12 October 2018

The CEO of BLSA, Mr Bonang Mohale, the outgoing President of BMF Mr Mncane Mthunzi, the incoming Predsident of BMF Mr Andile Nomlala and the BMF Leadership, Mr Thabile Wonci the Managing Director of BMF and his team, the Principal Officer of Sizwe Medical Fund Dr Simon Mangcwatshwa and his team, distinguished guests of the BMF, Colleagues Ladies and Gentlemen, Good evening.

We have recently restructured our Healthcare business where we created a healthcare Holdings Group that we call 3Sixty Health, the then Chief Executive Officer of Sechaba has been appointed to lead this group which will include a new Biopharmaceutical company amongst other subsidiaries. We are registering this company as 3Sixty BioPharmaceutical. We do a lot of interesting things in our group but 3Sixty BioPhamceutical is by far the most important and the most exciting project. Dr Mahanjana is succeeded in his position of CEO of Sechaba by Dr Mashadi Motlana, her father was once in this position of CEO of Sechaba. Sechaba has been in existence for 40 years and it is for the first time that it is led by a woman.

This year Ladies and Gentlemen we are celebrate the 40th year since the founding of Sizwe Medical Fund and Sechaba Medical Solutions by giants who included luminaries in healthcare and business like Dr Motlana (may his sole rest in peace), Dr Mokhesi, the legendary Mr Richard Mopanya and others. Theirs are stories of courage, determination to serve our people selflessly and triumph over discriminatory laws. We are fortunate to inherit a medical scheme as members and administration company that pioneered black access to healthcare in a very dark era.

It was in 1978 when these 38 individuals who were mostly medical doctors sought to improve black people's access to quality healthcare. Being spurred into action by the rampant disease and unnecessary deaths amongst black people, they decided to take action and make a difference, using their time, skills and finances. They were confronted with the specifics of the Apartheid system where black people were prohibited by law from becoming members of a medical scheme. The Medical Schemes Act defined a member of medical scheme as a "white person in employment",

I must point that in that Group of 38 individuals were 2 woman Doctors who were party to the creation of this legacy, Dr Ariel and Dr Masibilanga. There was a also Dr Loots, the only white person in the group and he played a significant role in the establishment of a black medical scheme by lobbying the Apartheid Government to change the definition of a member of a medical scheme member from “ a white person in employment” to a person in employment and only then could Sizwe Medical Fund be established. There were more hurdles, Black people were not allowed by law to register Companies and to open company Bank accounts, notwithstanding our Founders found a way around these hurdles.

Having established Sizwe Medical Fund and Sechaba Medical Solutions and its predecessor organizations, our founders confronted a second black healthcare hurdle. Black Specialists could not practice their trade in white institutions and were emigrating en-masse and black people were not allowed in white healthcare facilities which had equipment for complex procedures. In response to this challenge our Founders built the first black private Hospital in Soweto 1984, it was first called Lesedi Clinic but it has since been renamed Solomon Matseke Memorial Hospital

The Founders of Sizwe Medical Fund did not seek free handouts but contributed own savings to create these companies and an institution. They were the black upper class of their days, but they remained rooted in the struggle for better life of our people. Their community involvement was diverse, for instance Dr Motlana started Get Ahead Foundation where women in the main were given easy loans to run their businesses, this was the era of black self reliance and our Founding Fathers and Mothers were about black self reliance, proudly building our own institutions in their varying shapes and sizes. You will remember Ladies and Gentlemen that this is the era in which the Taxi Industry was born and the Tuckshop movement mushroomed, African bank was started, giants like Ntate Sam Motsuenyane inspired many. Organizational like NAFCOOC had much bigger vision than has been not been realized, sadly. But this was the era, the era in which Sizwe Medical Fund was born.

Today Sizwe Medical Fund is one of the top 10 Medical Schemes in the country with 48000 principal members, 120 00 beneficiaries, R2.,4BN in contributions and R1.3Billion in reserves. We are amongst the few schemes

with the highest reserves in the industry at 54%, many of the popular schemes envy our position. Our credit rating has been upgraded from A+ to AA by Global Credit Rating. Over the past 2 years we have been reengineering our products, for 2 years in row we delivered the lowest contributions increases to our members with product improvement, many medical schemes have increased contributions above salary or wages increase and some with benefit reduction and on the other hand we had the lowest increase with benefit enhancement. Our increase for the year 2018 was an average 4.5% with 6.% being the increase for 2019 whilst our competitors are at 8.5% and 9,5% and one is at 14%. These details are very important within the context of VBS, as my Xhosa friend would say “siyagezelwa nge VBS”, and in this case of these statistics Basotho batlare “ Sizwe Medical Fund etlosa lenyatso lesififi sa VBS”.

Black people need good stories of black heroes and black success, it cannot be that only the scoundrels amongst us are the most known. We have many stories of heroes and heroins which are not told. Our youth need to know about Sisa Ngebulana of Reboasis, Sandile Nomvete of Delta Fund, Quinton Zunga, John Olifant, Ipeleng Mkhari, Given Mkhari, Mkhuseli Faku, Malungelo Zilimbolo, Simphiwe Mehlomakhulu, Diliza Mji, and Daphney Mashile Nkosi. These are not BEE players but black business people with control over enterprises they own. Daphney Nkosi has a very special story, she started Kalahari Mine and chose the long route instead of being an instant billoinaire. Many black men enter into mining and maintain the status quo, exporting our minerals their raw state, basically exporting jobs and wealth of the country whilst exclusively creating wealth for themselves. Daphney owns and operates the biggest Manganese Mine in the world and the biggest Sinter in the world which provides for first stage beneficiation and she will be building the biggest Smelter in the world. I am told that Daphney's philosophy is that “no minerals must leave the country unbenefeciated”, the pay off line on her website is “ Building the Nation through beneficiation” please note that it is not just through Mining but benefeciation. The media will not tell us about Daphney and all these heroes and herions until there is a scandal, the success of black people is not breaking news, it does not sell newspapers and it doesn't trend on social media platforms.

On the 5th of October, a week ago we hosted a gala dinner to hounour our Founding fathers and mothers, celebrating the 40th anniversary of the

founding of Sizwe Medical Fund. We commissioned Sandra Hlungwane, a Phd Communications student at the University of Natal to assemble a team of young black Phd students to help us document the founding of Sizwe Medical Fund, the individuals involved, what drove them, their passion and zeal for the improvement of the health of black people. We completed the book in time to hand it over to them, it was our proudest moment to have documented a piece of black history, especially considering the titans involved and the gigantic nature of their achievements, I am pleased to inform you that we have made 380 copies available to the BMF guests, I was told you are all here as couples. We have also placed the electronic version of the book in the Sizwe medical Fund and Sechaba websites, www.sizwe.co.za and www.sechabamedical.co.za for free download. We all need to read this book to detox from the VBS saga.

Black business continues to face challenges which it faced during Apartheid, and I have isolated three of these challenges and obstacles we face which signify that there is no new dawn for black business. The first of these is access to markets which remain closed for us. The Sizwe Medical Fund story is typical of all black businesses, it's a story of struggle and perseverance, a story of contending with an unfair and unjust system. Despite the democratic changes ushered in 1994, the system designed to exclude black people from the economy remains intact. We have in our market some of the competitors who have colluded with employers to force their medical schemes down the throats of workers, there is one particular medical scheme involved in this practice with the majority of employers. Even where workers want to join Sizwe Medical Fund it is refused through this collusive and anticompetitive practice and we have resolved to challenge it. Unfortunately the first company we are going to take to court with its choice of medical scheme is Nampak, where the new Minister of Finance Mr Tito Mboweni is Chairman of the Board (the website still has him as the Chairman). This battle we will take with Sizwe Medical Fund or solicit NUMSA to take it for us, Nampak Shostewards have today agreed to give us a mandate to take the case in their name. The scenario I have just painted flies against all platitudes of an inclusive economy, the reality in all sectors is that black business remains excluded. We don't want others to include us, we are not their children or dependents, they should not have the power to exclude qha. All we want is

a level playing field in terms of access to the market and access to capital, bese sihlanguana eshashalazeni. We are not asking for more.

The second challenge is that there is no legislation to create and support black business, in fact black business that has survived apartheid struggled in the new dispensation. The dawn of a new era did not usher in a new era of opportunities for authentic black business. The program for 100 Black Industrialists is welcome but it is too inadequate to address the Apartheid designed exclusion of Black people from owning and running business. The BBBEE Act is not about advancing the interest of black business but the interest of white business, this law is about making white business appear black and therefore be treated by the State as if it is black business. The irony is that we don't even see the absurdity of this piece of legislation in the push for a once empowered always empowered by some industries, that it actually means that they as white people are the ones who are empowered by this legislation and can exclude us and still be recognized as black. It is clear from the language that it is not the BEE partners who are the "once empowered always empowered"

Furthermore the BBBEE stake places black entrepreneurs with white women and the disabled of all races, communities and workers in that 25% and 75% that remains owned by white people, even if it is just one white person. I grew up in a four roomed house and it was only when as an adult that I realized there were 22 of us in that house, and now that I know i cannot accept it as a norm and this stampede in 25% is also wrong. I am not suggesting that the Act must be abolished but merely pointing out that it will not result in the advancement of black business as it is not designed for that. We need legislation that will enable black men and black women to be the owners of the 75%, current legislation does not make provision for such a scenario, instead we are packed like Sardines into a 25% .

The third obstacles is the States procurement policy, which has placed significant limitations on procurement from black business. Countless arguments have been put forward to the State by the Black Business Council and other black organizations about the hurdles placed by the PFMA and MFMA, which have resulted in State procurement remaining the domain of white business. The PFMA is a problem, the IPP's comply with PFMA and have handed our energy reliance to foreign companies. Faced with similar

challenges China enabled Chinese companies to acquire technology and provide services to the nation. By now the State should have enabled black business to acquire renewable energy technology instead of giving contracts to foreign firms.

And in closing, we presented to you ladies and gentlemen the medical scheme that fought for your right to be in medical aid in 1978, as you go home and to your business and place of employment, do spread the message that ikhona eyethu imedical aid, Sizwe Medical Fund. Wishing the incoming President of BMF Mr Nomlala and its new leadership the best of luck, I thank you.

Khandani Msibi