



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DPE URGES SAA UNIONS TO ACCEPT THREE MONTHS OF DEFERRED SALARIES

PRETORIA 07 December 2020. The Department of Public Enterprises (DPE) has urged South African Airways (SAA) labour unions to work with all stakeholders to finalise the business rescue process, including the full and final settlement of deferred salaries for employees.

While DPE is sympathetic and deeply mindful of the plight of SAA employees who have not received salaries while the funds for the restructuring of the airline were being sourced, the DPE considers the agreement reached with some unions on 04 December 2020 for three months payment for outstanding salaries to be fair and equitable.

Certain unions are deliberately undermining the process and seem to be in alliance with opposition parties to undermine the business rescue process. The revised position by some unions demanding full settlement of outstanding salaries cannot be acceded to.

Government has had to make deep cuts to its delivery programmes to ensure the R10.5-billion released by National Treasury is realised. Further, the voluntary severance packages made available to departing SAA employees had ensured that these employees are not left destitute on leaving SAA.

The unions are reminded that SAA had to reduce operations from March 2020 to preserve funds as the R5.5 billion post commencement funding that had been advanced by Government were diminishing with COVID-19 wreaking havoc on the airline industry, eventually leading to the business being placed into care and maintenance.

The DPE calls on the labour unions to negotiate in good faith not only save the airline, but to enable SAA employees to receive their unpaid salaries in time for the coming festive season.

The DPE believes that the key to solving the difficulties facing SAA is the finalisation of the business rescue process. This will have to be achieved within the allocated funding – further concessions that will lead to increased demands on the fiscus will not be agreed to.

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