



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DPE SUPPORTS BR PRACTITIONERS LOCK OUT OF SAA PILOTS OVER NEW EMPLOYMENT CONDITIONS

PRETORIA 17 DECEMBER 2020. The Department of Public Enterprises supports the decision by South African Airways (SAA) Business Rescue Practitioners to lockout members of the union, the South African Airways Pilots Association (SAAPA) after protracted negotiations failed to yield agreements on new conditions of employment for a future restructured airline.

As a shareholder on behalf of government, the department believes that one of the critical areas for a restructured SAA to get off the ground is to reduce the high cost structure caused by onerous contracts and high salaries and perks implemented under SAAPA's Regulating Agreement (RA).

This the best opportunity to agree on new employment conditions, which will result in the restructured, sustainable, agile and technology savvy airline.

Unfortunately, the RA that was signed in 1988 is a financial burden to the national airline as its primary objective is to preserve undeserved privileges accrued through unjust laws that preserved aviation careers to a small minority in this country.

These privileges came with unaffordable benefits and a salary framework, which should be terminated.

We agree with the Business Rescue Practitioners (BRPs) and their insistence on addressing the RA, as it cannot become part of the new SAA. The RA is unconstitutional and unlawful and should be terminated.

The lockout strategy undertaken by SAA, is commendable considering the negative impact the RA has had on the airline's bottom line. It contributed to the lack of transformation at SAA due to the various clauses imbedded in the agreement, which have curtailed the employment and promotion of black, coloured and Indian pilots to the high management structures of the airline.

The RA has a "succession of ownership" provision, which means that notwithstanding any changes in ownership of SAA, the RA will remain in full operation. Considering the fact that government is seeking a strategic equity partner (SEP) for SAA, the RA in its current form, combined with succession clauses, will no doubt make SAA less attractive to potential partners.

As we undertake the process of restructuring the airline, it is imperative to ensure meaningful transformation of the national airline. In engagement with potential SEPs, DPE insists that national developmental objectives in aviation should receive priority in the new SAA.

An appropriate balance to transformational objectives which are meant to right the historical discriminatory policies while also ensuring we retain strategic skills that achieves the country's demographics and gender objectives are non-negotiables. It is important that all pilots cooperate in achieving these objectives.

We urge the pilots to negotiate in good faith as all other workers in SAA have compromised immensely on their salaries and benefits to enable the launch of the new airline. It is unfair and unjust for pilots to expect all other categories of the workers at SAA to reduce their salaries and benefits while they maintain the status quo and contribute to the high cost structure and high salary bill, which the new airline cannot afford.

The SAA pilots, which according to the International Air Transport Association, are the second most highly paid pilots in the world, are not the only pilots to undergo salary cuts as the rest of the global industry have experienced reduction in salaries and benefits for the overall benefit of the airlines and industry to take off again.

SAA is encouraged to be steadfast in its journey to restructure the airline and all financial burdens that hampers the successful restructuring process should be terminated. The Department is committed to the emergence of an efficient and agile customer centric SAA.

For media Inquiries contact Richard Mantu on 072 488 1520

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