

# SAA unions urged to accept final settlement offer

The Department of Public Enterprises (DPE) has urged South African Airways labour unions to cooperate with the finalisation of the business rescue process, which includes the full and final settlement of deferred employee salaries.



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In a statement on Monday, the department said while it is sympathetic and deeply mindful of the plight of South African Airways (SAA) employees, it considers the agreement reached with some unions on 4 December 2020 to be fair and equitable.

The agreement will see employees receive three months' payment for outstanding salaries. SAA staff have not received salaries since March while the funds for the restructuring of the airline were being sourced.

"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 for outstanding salaries cannot be acceded to," the DPE said.

The department said government had to make deep cuts to its delivery programmes to ensure the R10.5 billion released by National Treasury is realised.

In addition, 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 department called on the labour unions to negotiate in good faith, not only to 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 with the allocated funding – further concessions that will lead to increased demands on the fiscus will not be agreed to,” it said.

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