**MEDIA STATEMENT**

**SCOPA AND PUBLIC ENTERPRISES COMMITTEE TO KEEP CLOSE EYE ON SAA**

**Parliament, Wednesday, 19 February 2020 –**A joint meeting of the Standing Committee on Public Accounts (Scopa) and the Portfolio Committee on Public Enterprises has resolved to keep a close eye on South African Airways (SAA). The committees remain concerned about the challenges plaguing the airline.

The joint committee raised its concerns over the non-submission of the annual financial statements. The committees understand the consequences related to premature exposure of the annual financial statements but want to stress the urgency of the need to know what has led SAA to be in the position it is in currently. The lack of financial statements has put the joint committee in the dark, as for the past two years the last financial statements to be tabled by SAA were in 2016/17.

The joint committee has also raised the issue of Parliament having to closely consider section 65.2 of the Public Finance Management Act (PFMA) in order to avoid entities from exploiting this section when wanting to circumvent the law. This is largely due to the fact that the SAA business rescue practitioners have cited that they are complying with section 65.2 while failing to comply with section 65.1 of the PFMA.

The joint committee has resolved that it will set a date after the 6th of March 2020, the end of the three months’ period that the business rescue practitioners require for establishing the plan and presenting it to the creditors, to request the business rescue practitioners to appear and answer to all the issues that are outstanding where SAA is concerned. All roadmaps that are necessary will arise after that interaction with the business rescue practitioners.

The realities of the business rescue process have set into motion a new dynamic to oversight, therefore the committees will give the business rescue practitioners space and time within the prescribed time of 90 days, which expires on 6 March 2020, to complete their work. This matter between SAA (with a particular reference to the business rescue practitioners) and Parliament is work in progress.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF SCOPA, MR MKHULEKO HLENGWA AND THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES, MR KHAYA MAGAXA.**