**MEDIA STATEMENT**

**SELECT COMMITTEES WELCOME DEPARTMENT’S UPDATE ON SAA AND CALL FOR RESUMPTION OF OPERATIONS**

**Parliament, Wednesday, 9 June 2021** – The Select Committee on Appropriations and the Select Committee on Public Enterprises and Communications received a briefing from the Department of Public Enterprises on the proposed transfer of R2.7 billion to South African Airways (SAA) subsidiaries.

The committees also had an update on the R7.8 billion that was transferred to the SAA in the 2020/21 financial year, including the terms and conditions of the 2018 Special Appropriation Act linked to the approved R10.8 billion to SAA.

In welcoming the briefing, the Chairperson of the Select Committee on Appropriations, Ms Dikeledi Mahlangu, told the department that there should be meaningful value for the money that Parliament appropriates to departmental entities and strict adherence to the stipulated conditions under which appropriations are made. Assistance must be needs driven and not done randomly and irresponsibly. “There have been countless bailout interventions that went into bottomless containers,” said Ms Mahlangu.

The Acting Director-General of the Department of Public Enterprises, Adv Melanchton Makobe, told the committee that the Business Rescue Plan, which exited the business rescue process 30 April 2021, has recognised the deteriorating financial situation. On the R7.8 billion, he said it was transferred to SAA for restructuring, and was used for voluntary settlement packages and employee liabilities, post commencement finance creditors and un-flown ticket liability. A balance of R4.4 billion remains from that amount, which is still to be spent for the purpose it was requested.

Adv Makobe told the committees that the balance of R4.4 billion will be used as working capital when operations commence, as well as to pay the balance of the unflown ticket liability and the outstanding salaries pending the court case and for post commencement creditors. The committees expressed their satisfaction with the available balance and the manner in which it will be spent.

The Deputy Minister of the Department of Public Enterprises and leader of the delegation, Mr Phumulo Masualle, told the committees that the implementation of the business rescue plan has ensured that SAA is ready to resume operations, with preparations at an advanced stage. He also assured the committees that the department will reappear before the committees to make a presentation on details around mobilisation of the strategic equity partners for financial injection and on SAA employees.

The Chairperson of the Select Committee on Public Enterprises and Communications, Mr Tshitereke Matibe, expressed his appreciation for the meeting and reemphasised the importance of accountability for the appropriated public money and adherence to the conditions under which it was appropriated. “The briefing is encouraging, especially the fact that SAA is ready to fly again in the same name,” he said.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON TO THE SELECT COMMITTEE ON APPROPRIATIONS, MS DIKELEDI MAHLANGU, AND THE CHAIRPERSON OF THE SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATIONS, MR TSHITEREKE MATIBE.**