

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO: 2130**

**DATE OF PUBLICATION: 14 October 2016**

**2130. Mr A R McLoughlin Krumbock (DA) to ask the Minister of Public Enterprises:**

1. What are the full relevant details of all air charter agreements entered into between SAX and Star Air Cargo for all domestic routes in the past five financial years, in each case indicating the (a) duration, (b) reason for entering into and (c) cost implications of the specified agreements;
2. What are the relevant details of the responsibility of oversight in respect of each charter flight flown under the specified agreements? NW2444E

**REPLY:**

1. SA Express has lease Agreements with multiple leasing companies. The preferred lease structure by the airline is Wet Lease Agreement on an ad hoc basis. One of the advantages for leasing aircraft on an ad hoc basis is that the relationship is determined by the airline’s schedule requirement at a specific time. This structure is more cost effective.

As mentioned above, there is more than one leasing company the airline has a relationship with and Star Air Cargo is one of them.

For a lease company to qualify to be in the pool of preferred vendors for aircraft to be leased to SA Express, the airline conducts internal safety audits to ensure compliance with all legislative requirements. Furthermore, the SACAA also conducts independent audits. This is done to ensure safety of the passengers is not compromised and this is in line with one of the Airline’s values.

(1)(a) South African Express has a Wet Lease Agreement on an ad hoc basis with Star Air Cargo which was signed in February 2015 and the contract expires in April 2017.

(1) (b) Star Air Cargo was engaged to mitigate the inherent challenges of an aging fleet and scheduled and unscheduled maintenance of aircraft.

(1)(c) Due to the nature of the Wet Lease Agreement, SA Express signs Non-Disclosure Agreement with respective lessors in order to protect each parties’ “Intellectual Property”.

1. Same as (1) (c) above