###### National Assembly

###### Question Number: 2412

**2412. Mr R A Lees (DA) to ask the Minister of Transport:**

(1) Does the Airports Company South Africa (ACSA) provide its services to the SA Airways (SAA) on an equal basis as it does to all other airlines; if not, why not; if so, what are the relevant details;

**Reply:**

**Airports Company South Africa SOC Limited (ACSA)**

1. ACSA affords all its airline clients fair and equal treatment based on the terms and conditions of the client’s contract – with no preferential treatment provided to any airline.
2. Airports Company South Africa SOC Limited (ACSA) provides all aviation/ airport related services as defined in the Airports Company Act (44/1993) as amended and charges regulated tariffs per the Government Gazette 29 December 2016 Notice 961 of 2016, In addition ACSA provides non – aeronautical services. (Refer below full list of our revenue lines).

**All aeronautical services to all Airlines are standardized with no differentiation. Airlines choose pay to utilize our Non – aeronautical services.**

ACSA imposes a late charge (interest) on delayed payments of invoices. In line with the National Credit Act, 2005 (No.34 of 2005, chapter 5, interest and fees), Airports Company Act, 1993 (Act No. 44 of 1993) and PFMA (section 80, Act 1 of 1999).

**Aeronautical revenue**

Aeronautical revenue is recognized when the services are provided to the customer.

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| --- | --- |
| **Type of Revenue** | **Determination** |
| Landing fees | Using regulated tariffs for aircraft landings based on the maximum take-off weight of landing aircrafts for each landing. |
| Passenger service charges | Using regulated tariffs for each departing passenger at an airport of departure. |
| Aircraft parking | On regulated tariffs for each aircraft parked for over four hours, based on the maximum take-off weight of aircraft parking per 24-hour period. |

**Non-aeronautical revenue**

Non-aeronautical revenue is recognised when services are provided to the customer.

| **Type of Revenue** | **Determination** | **Examples** |
| --- | --- | --- |
| Advertising | Based on the higher of a minimum guaranteed rental or a percentage of turnover. | Rental of advertising space to concessionaires. |
| Retail | Based on the higher of a minimum guaranteed rental or a percentage of turnover. | Rental of retail space to concessionaires. |
| Parking | Based on time-based tariffs. | Providing short- and long-term parking facilities. |
| Car hire | Rental is based on the higher of a minimum guaranteed rental or a percentage of turnover. | Concession fees and the rental of space and kiosks to car hire companies. |
| Property rental | Based on medium- and long-term rental agreements with tenants. | Rentals of office, air lounges, aviation fuel depots, warehousing, logistics facilities, hotels and filling stations. |
| Hotel operations | Accommodation income is recognised at the date the guests are invoiced. | Invoice value of accommodation and sale of food and beverages. |
| Recoveries | Recoveries include water, electricity and other utility charges recovered from tenants. | Water and electricity invoices. |
| Interest | Interest levied on overdue debtors | Interest is charged at the Prime Lending Rate |

The relationship between Airports Company South Africa SOC Limited (ACSA) and South African Airways SOC Limited (SAA) is governed by an agreement which has obligations that are continuously monitored.

South African Airways SOC Limited (SAA) utilizes the following services from ACSA:

* Aeronautical Services (Regulated Tariffs)
* Landing fees
* Passenger service charges
* Aircraft Parking
* Non-Aeronautical Services
* Property (Office Property, Terminal Offices which includes ticketing, check in and information counters, VIP passenger Lounges and normal passenger lounges)
* Staff Parking
* Recoveries of Utilities
* Staff Access Permits

SAA is charged interest at the prime lending rate as with all other airlines and customers.

SAA Age analysis.

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| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Corporate Office** |  |  |  |  |
| |  | | --- | |  | |  | **Group Finance** |  |  |  |  |
| http://outlook.airports.co.za/Pics/ACSAsmall.jpg |  | **Central Finance Operations** | |  |  |  |
|  |  |  | |  |  |  |
|  |  | **Debtor:** South African Airways SOC Ltd | | |  |  |
|  |  | **Debtor Number: 1336** | |  |  | **22-Aug-17** |
|  |  |  |  |  |  |  |
| **ACSA Age Analysis Report** |  |  |  |  |  |  |
| **As of Date : 31-Jul-17** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Airport** | **Outstanding Amount (ZAR)** | **Advance Billing (ZAR)** | **Current (ZAR)** | **1-30 Days Past Due (ZAR)** | **31-60 Days Past Due (ZAR)** | **90+ Days (ZAR)** |
| BFN | 43 319.82 | - | 43 319.82 | - | - | - |
| CORP | 246 292.57 | - | - | - | - | 246 292.57 |
| CTIA | 33 420 756.99 | 822 899.45 | 10 401 705.46 | 9 269 601.82 | 6 161 084.08 | 6 765 466.18 |
| ELS | 4 603 499.15 | 90 832.90 | 1 343 233.16 | 1 267 290.13 | 901 129.35 | 1 001 013.61 |
| GRG | 5 441.51 | 23 360.00 | 4 774.51 | -23 480.00 | 120.00 | 667.00 |
| KSIA | 18 044 827.89 | 504 996.57 | 5 719 097.48 | 5 094 980.14 | 3 423 290.90 | 3 302 462.80 |
| ORTIA | 233 162 780.34 | 3 197 406.64 | 71 132 090.22 | 64 368 406.82 | 41 836 573.71 | 52 628 302.95 |
| PLZ | 5 464 833.92 | 97 819.01 | 1 640 101.07 | 1 535 714.76 | 1 029 669.08 | 1 161 530.00 |
| **Total** | **294 991 752.19** | **4 737 314.57** | **90 284 321.72** | **81 512 513.67** | **53 351 867.12** | **65 105 735.11** |
|  |  |  |  |  |  |  |

1. ACSA has a standardized payment term,. of 30 days to all customers/airlines.

* ACSA has a financial risk management committee which monitors, inter alia, any delinquent clients and appropriate action is initiated in line with its Credit Management Policy, contracts and agreements in place including the regulations of the Government Gazette 29 December 2016 Notice 961 of 2016.
* ACSA has not changed its official payment terms with SAA.
* ACSA and SAA from time to time have gone into restructuring agreements.
* Historically SAA has not defaulted on any payment agreements and is constant communication with ACSA regarding any amounts due.

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