**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 2641**

**QUESTION PAPER NO.: 40**

**DATE OF PUBLICATION: 25 November 2016**

**DATE OF REPLY:**

**Mr C MacKenzie (DA) to ask the Minister of Telecommunications and Postal Services:**

1. What (a) was the total amount of the acquisition of a certain company (name furnished), (b) were the terms of the specified acquisition which were accepted by the liquidator to the creditors and (c) was the amount owed by the specified company to its creditors?
2. Has any of the accounts been outstanding for more than 30 days; if so, for how long has each account been outstanding?
3. What was the impact on the employment benefits and conditions of all the employees who were re-employed by the South African Post Office?

**REPLY**

**I have been informed by the South African Post Office (SAPO) as follows that:**

1(a) This is an intra-group transaction for the transfer of all the company’s assets and liabilities to SAPO and as such no cash payment will be made.

1(b) The provisional liquidation order against the company was dismissed by the High Court on 30 September 2016. The only creditor item approved by the provisional liquidator was the transfer of the company’s employees to SAPO. As the company is no longer in provisional liquidation, it is in the process of finalising the intra-group sale of business transaction with SAPO.

1(c) Creditor balances as at 31 October 2016, amounted to R250 million, of which R46 million relate to third party creditors and the balance of R204 million is owed to SAPO.

2**.** All outstanding creditor accounts are more than 30 days overdue. SAPO is in the process of finalising the transaction and will then submit for Ministerial approval in terms of Sections 54 and 66 of the Public Finance Management Act No. 1 of 1999 (PFMA). SAPO has also advised that once the transaction has received the requisite approval in terms of the PFMA, it will ensure that all amounts owing to third party creditors are paid in full.

3. In terms of the agreement concluded between SAPO and all employees under Section 197 (6) of the Labour Relations Act No 66 of 1995, all employees were transferred to SAPO on 01 September 2016, on the same employment terms and conditions applicable to all SAPO employees including membership access to the SAPO pension and medical aid fund schemes. The length of service and accumulated leave of all employees were also preserved and transferred to SAPO. Employees also received a once off non-pensionable and taxable ex-gratia payment in lieu of unpaid salary increases during the period April-August 2016, which was part of the resolution of the previous long outstanding labour settlements.