

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 734**

**QUESTION:**

**734.    Mrs M O Clarke (DA) to ask the Minister of Public Enterprises:**

(1)       Whether, with regard to the court order obtained in August 2020 that Denel must pay all salaries in arrears, the salaries have now been paid; if not, what are the (a) reasons that Denel failed to comply with the specified court order and (b) consequences of being in contempt of court for Denel; if so,

(2)       Whether the salaries have been paid in full; if not, (a) why not, (b) which salaries have not been paid as yet and (c) what are the amounts of the outstanding salaries; if so, what are the further relevant details?   NW855E

**REPLY:**

 **According to the information received from Denel**

1. The employees’ salaries for the period May to July 2020 have not been paid in full. Even though the quantum of the outstanding payments has reduced, there is still an outstanding portion:
2. The reason for Denel’s failure to comply with the Court Order is that Denel does not have the money to comply with the outstanding financial obligations in terms of the court order.
3. The consequence of Denel being in contempt of court is that if it were to be found to be guilty of contempt, the court may impose a fine or imprisonment and/or both. The court has since given its judgement (dated 8 March 2021) and Denel and its directors have for now not been found to be in contempt of court.
4. The court has, however, not dismissed the application and has postponed these proceedings and to require Denel to file an affidavit on a date prior to the reconvened hearing to report further progress towards full compliance with the court order.
5. The salaries have not been paid in full.
	1. The salaries have not been paid in full due to Denel’s financial inability to effect payment.
	2. Please refer to the attached **Spreadsheet** marked Annexure A.
* The spreadsheet addresses outstanding salary payments and third party payments (money deducted to pay 3rd party beneficiaries) in respect of Solidarity and UASA’s members, for whom the court order applies and for the rest of employees excepted by the court order.
	1. Refer to point (b) above.
	2. Solidarity and UASA have since obtained warrants of execution totaling an amount of R12,7 Million and for which Denel in proposing a stay of execution while the parties engage in finding an amicable solution.

There are constructive engagements taking place between the Board and management of Denel and the trades unions, with a view to obtaining consensus on resolving the crises faced by Denel due to state capture and to ensure the wellbeing of employees.