

# CUTTING EDGE



aviation union of southern africa

Registered as a trade union in terms of the labour relations Act, (Act 66 of 1995) as amended

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Dear Members,

## SAA / SAAT WAGE NEGOTIATIONS 2017/2018

The Company provided us a 9 page summary of the 2016/17 financials as they were not willing to provide us the un-audited Annual Financial Statements for SAAT, before the Board AGM. The summary indicated, as expected that SAA Technical showed a profit indeed.

It is also clear that that the SAAT financials shows a huge improvement, as the Audited Financials reflected a R177 million loss for 2015/16. We met with Dave Douglas our Financial expert who will assist us with the SAA / SAAT Financials.

Organised Labour (AUSA, NUMSA & SATAWU) raised a mutual interest dispute at the CCMA on the 6<sup>th</sup> July 2017. The dispute relates to the fact that SAAT still states that their mandate is a 0% (zero) increase as SAA is not making money.

The CCMA in Johannesburg has scheduled the "Conciliation" meeting for Friday the 25<sup>th</sup> of August 2017. The CCMA will request the parties to attempt to resolve the deadlock on Negotiations. The outcome of the meeting will determine the way forward for the 2017/18 Negotiations in SAAT.

## STATE OF THE COMPANY (SAA & SAAT)

As you all know by now, SAA Group has appointed a new CEO. It's been confirmed that Mr Vuyani Jarana from Vodacom will be the new CEO for SAA. It will be the first time since November 2015 that SAA has a permanent CEO.

The Company also called all Labour parties in SAA & SAAT to a meeting on Thursday the 3<sup>rd</sup> of August 2017. The Acting CEO Mr Musa Zwane briefed Labour on the presentation that they presented to Parliament on Friday the 4<sup>th</sup> of August 2017.

The following information regarding the 5 year Business Plan was shared with Labour:

- ◆ SAA will ask for a R13 billion cash injection to recapitalise the Company
- ◆ Retire five (5) wide body aircraft in the next 6 months
- ◆ No retirement of any narrow body aircraft
- ◆ No salary increase for Management this year
- ◆ EXCO takes a 5% salary cut from September 2017
- ◆ Cash Conservation Office (CCO) actions resulted in avoiding incurring cost of about R35 million per month
- ◆ There is no plan to privatise SAA in the next 5 years
- ◆ The Public Investment Corporation (PIC) was approached for a R6 billion loan, no answer yet

We asked the Company, if we could expect any retrenchments, as in a possible S189 process. They responded that **"We not there yet"** but they will discuss the matter with us, when they unpack the Business plan.

The *Labour Relations Act (LRA) S189 and S189A* does not state any time frames between any previous **"Dismissals based on operational requirements"** and the contemplation of any new dismissals based on operational requirements. Some members believe that it can happen every three (3) years or longer.

The Company confirmed that consultation on the 5 (five) year Business plan, will take place through the establishment of a new SAASPF (*South African Airways Strategic Participative Forum*). The SAASPF will be established before the end of August 2017. This will enable all parties to engage on strategic issues, including the achievement of shared objectives concerning the implementation of SAA's strategy in a way that enables all parties to contribute to SAA's success.

The CFO confirmed that the payments of salaries are being prioritised and they committed to pay staff salaries.

### **AUSA UMBRELLA RETIREMENT FUND (AUSAURF) LIQUIDATION PROCESS**

The Liquidator sent out Communication number 3 on Thursday, 3 August 2017 to all members of the fund. In brief the liquidation process is still on track and is running in accordance with the estimated timelines as previously communicated. We did send this communication to all our members as well.

Feel free to contact the liquidator for any queries or benefit statements at:

E-mail: [liquidator@argen.solutions](mailto:liquidator@argen.solutions)  
Phone: (010) 594-2929

### **FEEDBACK SESSIONS**

Should any Section and/or Department need any additional feedback, please feel free to contact the Union office, to schedule a feedback session in your area.

Kind regards

**AUSA**

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