

DA files an urgent court application to interdict Mboweni's SAA bailout using "emergency" powers

By Geordin Hill-Lewis MP - DA Shadow Minister of Finance

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The Democratic Alliance (DA) has filed an urgent interdict application at the North Gauteng Division of the High Court to stop the bailout of South African Airways (SAA). Our court papers are available [here](#) and [here](#).

Our application seeks to interdict the use of Section 16 of the Public Finance Management Act (PFMA), which gives Finance Minister Tito Mboweni "emergency" powers to spend money not budgeted for in "exceptional" and "unforeseen" circumstances.

Yet another public bailout of SAA does not meet the definition of an unforeseen emergency. To use this as a pretext to bail out SAA again would be unlawful.

We asked the Minister yesterday to confirm in writing that he would not invoke Section 16. He did not reply, and so now we are approaching the Court.

Mboweni has until 17:00 on Sunday, 19 July 2020, to file an answering affidavit.

If Mboweni has already transferred funds to SAA, on the basis of his letter of support, the DA's application seeks to interdict use of those funds pending the outcome of the court application.

Conversely, if funds have not been disbursed, the DA seeks to interdict any disbursement.

In 2017, a legal opinion obtained by Parliament with regards to a R3 billion bailout that the then Finance Minister Malusi Gigaba had extended to SAA, found that the use of Section 16 was likely illegal.

The DA is committed to the prudent use of public resources to meet the needs of South Africans, especially now that millions have lost their jobs as a result of Covid-19. Bailing out SAA is an ethically indefensible choice given the poverty and hardship so many are facing in the country.