

2449. Mr J F Smalle (DA) to ask the Minister of Energy:

Whether any Electricity Distribution Industry (EDI) Holdings' employees laid charges against (a) her department and (b) EDI Holdings at the (i) Commission for Conciliation, Mediation and Arbitration (CCMA) and (ii) Labour Court as a result of the company's disbandment; if not, what is the position in this regard; if so, what are the relevant details? NW3049E

(a), (b) Yes, there were unfair dismissal claims instituted against EDI Holdings and the Department by the erstwhile employees of EDI Holdings who believed that the failure to extend their contracts of employment beyond 31 March 2011 (being the date on which all contracts, save for two, were due to terminate by effluxion of time), amounted to an unfair dismissal.

(i) The claims were heard before the CCMA and an award made in favour of 30 employees, whose contracts had not been formally reduced to writing when they expired (in respect of whom the CCMA found that retrenchment procedures should have been followed), whilst the claims by the remaining 60 employees were dismissed by the CCMA (in respect of whom the CCMA found they had not been unfairly dismissed, but that their employment had terminated naturally when their respective contracts of employment came to an end).

(ii) The 60 employees who were unsuccessful before the CCMA instituted a review against the ruling of the CCMA refusing them compensation. EDI Holdings also instituted a review against the ruling of the CCMA awarding compensation to the 30 employees. These proceedings remain pending before the Labour Court.

Prior to the closure of EDI Holdings, the board of directors of EDI Holdings decided, *despite legal advice that the employees were not entitled to any termination or retrenchment or severance benefits*, to make *ex gratia* payments of 6 months' salary to all employees of EDI Holdings subject to the approval of the Minister. These amounted to approximately R29m. The Minister declined her consent as she believed there was no legal basis for the payments and that the amounts were in any event extra-ordinarily high. The employees have now instituted