

**Submission for Consideration of an Adjustment to the
execution of Public Holidays in the Republic of South
Africa.**

19 October 2021

Compiled by FlySafair and submitted initially to the Tourism Business Council of South
Africa.

Abstract

The South African Government gives consideration to a number of noteworthy dates on the national calendar which are designated as Public Holidays as per the Public Holidays Act of 1994. Subject to the provisions of the Act, such days are deemed to be Non-Business Days within the meaning of any law relating to bills of exchange or promissory acts. With the exception of Good Friday and Family Day, specific calendar dates are documented for every Public Holiday. This submission seeks to propose that there is significant economic value in adopting an alternative approach whereby significant events are observed on the relevant dates, but corresponding Non-Business Days are declared around such dates such that they always fall on a Friday or Monday. Similarly the document draws on international precedent for the implementation of a similar strategy.

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Submitting Parties

This Submission has been compiled by Safair Operations Pty Ltd which trades as FlySafair, herein represented by *Elmar Conradie (CEO) and Kirby Gordon (CMO)*. These parties are happy to present this submission to Parliament if required.

In preparation for submission the parties seek support from various state and industry bodies representing South African Tourism and Labour. We humbly submit this proposal to The Tourism Business Council of South Africa for your support as the first interested party.

Introduction

Global economies have been severely impacted by the devastating impact of COVID-19. As a group of interested parties in the tourism sector, we are conscious and grateful for the contributions and efforts government has made in trying to minimise and reverse this impact here at home. In assessing our own contributions to this recovery, we believe we have come upon a proposal which will play a small part in improving our economy. This has to do with relooking the manner in which we execute Public Holidays. We believe an adjustment to this strategy will assist in containing the economic impact of these Non-Business Days while simultaneously stimulating the domestic tourist market on these days.

South Africa has a rich history which we honour in a number of ways. One way in which we honour this history is through our observance and celebration of several Public Holidays, many of which mark significant events and serve as important opportunities for us to remember the past and reaffirm our commitment to a better future.

Historically, most Public Holidays in South Africa fall on specific dates on the calendar. These dates bare significance. For example, Youth Day, on the 16th of June, commemorates the Soweto Student Uprising on 16 June 1976. Similarly, National Women’s Day, which falls on the 9th of August, is to commemorate the moment on 9 August 1956 when about 20 000 brave women marched to the Union Buildings in Pretoria to protest against legislation aimed at further tightening unjust Apartheid laws concerning the movement of Black Women in urban areas.

The importance of remembering these specific dates is paramount, but designating these specific dates as Non-Business Days can sometimes have a significant effect on the economic and tourist calendar of the country, because in any given year these dates can fall on different days of the week.

The Public Holidays Act (Act No. 36 of 1994) makes special provision that when a holiday happens to fall on a Sunday, that the following Monday will be designated a Public Holiday or Non-Business Day instead. Other than this, Public Holidays are generally observed on whatever day of the week they happen to occur.

South African citizens greatly look forward to the times when these holidays happen to fall on a Monday or Friday, which we happily refer to as Long Weekends. The same effect is achieved if a holiday naturally falls on a Sunday and the Monday is offered in exchange, as provided for in the Public Holidays Act. These Long Weekend periods are particularly significant to the local travel and tourism industry as important periods of high domestic demand for leisure travel and associated goods and services.

Holidays that fall on Thursdays or Tuesdays, still often present a degree of opportunity to create an even longer weekend where workers are inclined to subsidise the period off with one day of annual leave. This is however less common, and so the economic contribution to of these weekends is significantly less than that when the public holidays naturally fall on Mondays and Fridays. Employers also generally note that productivity on the lone business day (the Friday if the holiday is on a Thursday, or the Monday if the holiday falls on a Tuesday) is also significantly lower. For the sake of brevity, we will refer to these days as “Sandwiched Days”. The combination of this reduced travel and tourism economic activity coupled with the reduced productivity on Sandwiched Days, makes the economic effect of these long weekends neutral at best.

Public holidays that occur on Wednesdays offer no real value to the travel and tourism economy, and have a lesser, but not zero, disruptive effect on general economic activity.

There are certain holidays which are understandably not movable. Examples of this would be dates such as New Year's Day and Christmas Day.

Proposal

Our proposal is to amend the Public Holidays Act (Act No. 36 of 1994), such that the act specifies that the significance of these historical days remains observed on the relevant dates, but that a corresponding Non-Business Day be declared on the nearest Friday or Monday after the Day of Observance.

As such we propose that we treat Public Holiday as follows:

- A Day of Observance, which will always fall on the relevant date of the holiday in question is to be commemorated in our calendars and activities. In essence a Day of Observance is not a Non-Business Day that equates to employees entitlement to paid time off or double-pay time on duty.
- A corresponding Business Holiday is announced in conjunction with each Day of Observance. This day will always occur on a Friday or Monday. On this day employees should be entitled to paid time off or double-pay time on duty.
- Where the Day of Observance naturally occurs on a Friday or Monday, the two can coincide.

Exception to this would need to be New Year's Day, Day of Goodwill and the Religious Holidays. Fortunately the Easter Holidays naturally occur on a Friday and Monday.

For example, looking at the 2021 calendar

Public Holiday	Day of Observance in 2021	Current Corresponding Business Holiday in 2021	Proposed Corresponding Business Holiday in 2021
New Year's Day	Friday, 1 Jan 21	Friday, 1 Jan 21	Friday, 1 Jan 21
Human Rights Day	Sunday, 21 Mar 21	Monday, 22 Mar 21	Monday, 22 Mar 21
Good Friday	Friday, 2 Apr 21	Friday, 2 Apr 21	Friday, 2 Apr 21
Family Day	Monday, 5 Apr 21	Monday, 5 Apr 21	Monday, 5 Apr 21
Freedom Day	Tuesday, 27 Apr 21	Tuesday, 27 Apr 21	Friday, 30 Apr 21
Worker's Day	Saturday, 1 May 21	Saturday, 1 May 21	Monday, 3 May 21
Youth Day	Wednesday, 16 Jun 21	Wednesday, 16 Jun 21	Friday, 18 Jun 21
National Women's Day	Monday, 9 Aug 21	Monday, 9 Aug 21	Monday, 9 Aug 21
Heritage Day	Friday, 24 Sep 21	Friday, 24 Sep 21	Friday, 24 Sep 21
Day of Reconciliation	Thursday, 16 Dec 21	Thursday, 16 Dec 21	Friday, 17 Dec 21
Christmas Day	Saturday, 25 Dec 21	Saturday, 25 Dec 21	Saturday, 25 Dec 21
Day of Goodwill	Sunday, 26 Dec 2021	Monday, 27 Dec 2021	Monday, 27 Dec 21
Result		5 three-day long-weekends 1 four-day long-weekend 3 lone holidays	7 three-day long-weekends 2 four-day long-weekends

The revised strategy will result in 7 three-day long weekends and 2 four-day long weekends, as opposed to 5 three-day long weekends, 1 four-day long weekend and 3 lone holidays which would have occurred on Tuesdays, Wednesdays and Thursdays this year.

In the following section we seek to illustrate that those three-day long weekends provide great economic value to the country in terms of stimulating domestic tourism. They also contain the economic impact inherent to Sandwich Days.

It is our belief that this strategy would net the South African economy out in a stronger position than the present strategy.

Following is a view on a potential calendar for 2022, illustrating similar improvements where 3 lone holidays are optimised into 3-day long weekends.

Public Holiday	Day of Observance in 2022	Current Corresponding Business Holiday in 2022	Proposed Corresponding Business Holiday in 2021
New Year's Day	Saturday, 1 Jan 22	Saturday, 1 Jan 22	Saturday, 1 Jan 22
Human Rights Day	Monday, 21 Mar 22	Monday, 21 Mar 22	Monday, 21 Mar 21
Good Friday	Friday, 15 Apr 22	Friday, 15 Apr 22	Friday, 15 Apr 21
Family Day	Monday, 18 Apr 22	Monday, 18 Apr 22	Monday, 18 Apr 21
Freedom Day	Wednesday, 27 Apr 22	Wednesday, 27 Apr 22	Friday 29 Apr 21
Worker's Day	Sunday, 1 May 22	Monday, 2 May 22	Monday, 2 May 21
Youth Day	Thursday, 16 Jun 22	Thursday, 16 Jun 22	Friday, 17 Jun 21
National Women's Day	Tuesday, 9 Aug 22	Tuesday, 9 Aug 22	Friday, 12 Aug 21
Heritage Day	Saturday, 24 Sep 22	Saturday, 24 Sep 22	Monday, 26 Sep 21
Day of Reconciliation	Friday, 16 Dec 22	Friday, 16 Dec 22	Friday, 16 Dec 21
Christmas Day	Sunday, 25 Dec 22	Sunday, 25 Dec 22	Sunday, 25 Dec 21
Day of Goodwill	Monday, 26 Dec 2022	Monday, 26 Dec 2022	Monday, 26 Dec 2021
Result		4 three-day long-weekends 1 four-day long-weekend 3 lone holidays	7 three-day long-weekends 2 four-day long-weekends

Precedent

United Kingdom

Public Holidays in the United Kingdom, where they are also referred to as Bank Holidays, are mostly set to be on Mondays.

Specifically:

- *May Day* is on the first Monday in May
- *Spring Bank Holiday or Summer Half-Term Holiday* is on the last Monday in May
- *Late Summer Bank Holiday* is the Last Monday in August.
- Exceptions are *New Year's Day* and religious holidays

United States

With a few exceptions, Federal Holidays, as public holidays are known in the USA are set to occur on Mondays or Fridays.

Specifically:

- *Memorial Day* is on the last Monday in May
- *Labour Day* is the first Monday in September
- *Thanksgiving* is on the Fourth Thursday in November and the following Friday (now popularly known as *Black Friday*) is also a Federal Holiday.
- Exceptions are *New Year's Day* and religious holidays

Japan

With Limited exceptions the Japanese Government also aligns public holidays to Mondays.

Specifically:

- *Coming of age Day, Seijin no Hi*, is the second Monday in January
- *Marine Day, Umi no Hi*, is the third Monday in July
- *Respect for the Aged Day, Keiro no Hi*, is on the third Monday in September
- *Health and Sports Day, Taiiku no Hi*, is on the second Monday in October

Argentina

In Argentina there are a few holidays that are considered "immovable" but the general rule is that if a holiday falls on a Tuesday or Wednesday the business holiday will be observed on the previous Monday. If the holiday happens to fall on a Thursday, Friday, Saturday, or Sunday, the holiday will be observed on the following Monday.

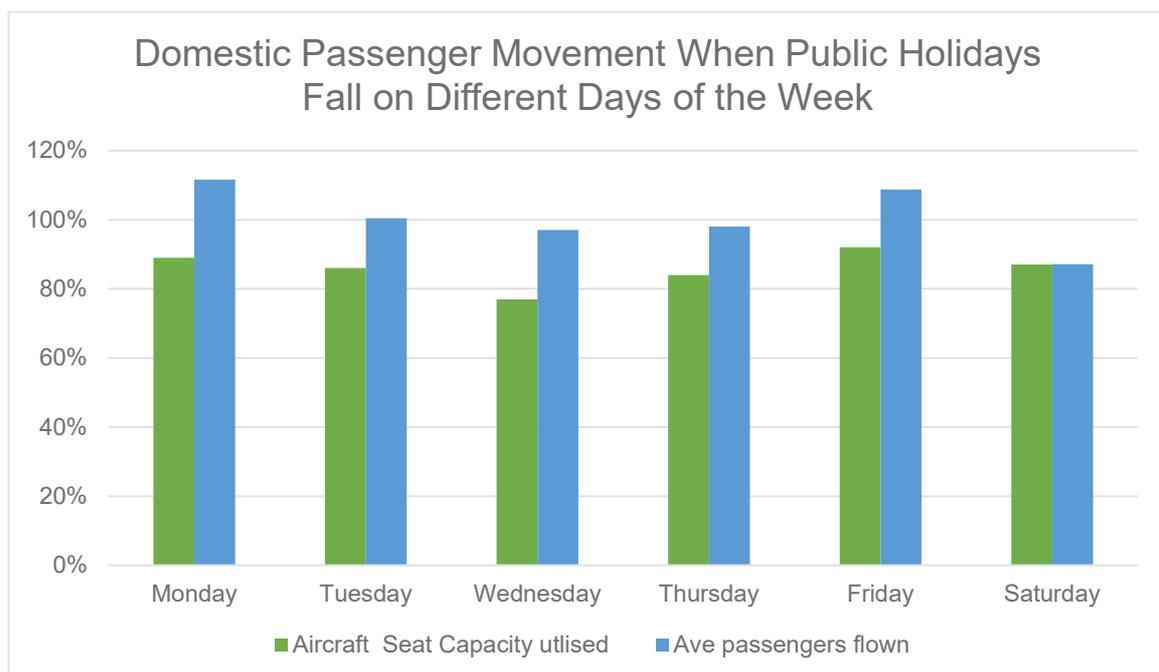
Benefits to Trade and Tourism

In the foreword the “*Domestic Tourism Growth Strategy 2012 – 2020*” Minister of Tourism Marthinus van Schalkwyk wrote: “*Research has shown that domestic tourism tends to play a major role in the sustainability of most successful tourism destinations. South Africa shows year-on-year growth in tourism’s contribution to the gross domestic product (GDP), with the domestic-tourism percentage-share contribution recorded at 54,8% and 58,8% in 2009 and 2010 respectively*”

Indeed, a more recent “*State of Tourism Report*” published by the Ministry of Tourism states that Domestic Tourism continues to generate more than half of South Africa’s tourism revenue.

Airline loads and traffic volumes provide a meaningful proxy for domestic tourism trends. Indeed, an analysis of data from domestic airline FlySafair indicates the loads over long weekends are on average 5% higher than they are outside of long weekends. Airlines also often add additional seat capacity during these periods and the same analysis indicated that actual passenger numbers over long weekends could be as much as 36% more than those outside of these periods.

The following chart illustrates the intensity of passenger traffic when public holidays fall on different days of the week. Sundays are excluded from this analysis as per South African Law, when a Public Holiday falls on a Sunday, the following Monday is offered as a Non-Business Day.

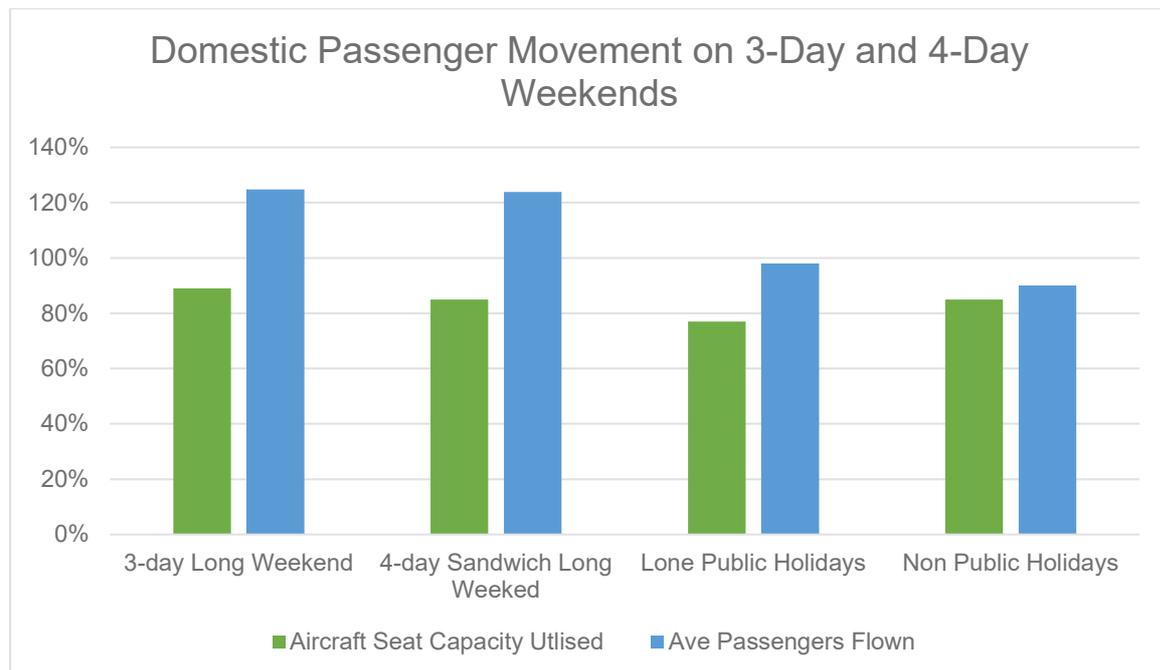


Note: the number of passengers flown was indexed off a constant base to allow for comparability to the capacity utilisation figures.

It’s clear from the above that aircraft are fuller when Public Holidays fall on Mondays and Fridays than when they occur on other days of the week. This is true both in terms of the percentage of seats actually utilised on an airline service as well as by the actual numbers of passengers travelling.

A further analysis was done to compare three-day long weekends (when a public holiday occurs on a Friday, Sunday or Monday) against four-day Sandwich weekends (when a

public holiday occurs on either a Tuesday or a Thursday and citizens are able to take a day of annual leave to create a long-weekend).



Note: the number of passengers flown was indexed off a constant base to allow for comparability to the capacity utilisation figures.

While the difference in traffic between 3-day and 4-day Sandwich long weekends is quite slight, it's still quite clear that 3-day long weekends perform marginally better than longer 4-day Sandwich weekends.

It also comes as no surprise that 3-day long weekends perform better than lone public holidays and non Public Holidays.

These figures clearly illustrate that 3-day long weekends are most beneficial to the domestic travel and tourism industry. Moving the Non-Business Day element of lone public holidays to create 3-day long weekends would come at no additional cost to the rest of the economy, but would provide great value to the Travel and Tourism Industry.

Similarly the substitution of 4-day Sandwich long weekends for 3-day long weekends would also marginally increase the contribution to the domestic Travel and Tourism Industry while simultaneously reducing the economic impact of the Sandwich days, which is further unpacked in the following section of this document.

Economic Impact of Public Holidays

Public Holidays are Non-Working Days and employers are required to pay employees for these days, or offer alternate time off in exchange. If employees are required to work on these days they are due additional pay as per the law.

It goes without saying that Public Holidays have an impact on economic productivity, but that in itself is not part of our discussion. This is an accepted fact, but the aim here is to propose solutions that would contain this impact, while also stimulating the domestic tourism economy.

A point often debated by the South African Business Fraternity is the double cost to businesses, and the economy, regarding the Sunday holiday clause in the Public Holidays Act. Specifically the fact that when a Public Holiday happens to fall on a Sunday, that day is considered a Non-Business Day, and a second Non-Business Day is automatically granted on the following Monday. Depending on the operating model of various businesses, some employers are faced with a double-allocation of leave or double-pay requirements concurrent to this clause. Our proposal would resolve this issue.

Further to this, the impact of Public Holidays on a Tuesday or Thursday (creating Sandwich Days) indelibly affects economic output on the preceding Monday (when the holiday is on a Tuesday), or the following Friday (when the holiday is on a Thursday).

Part of this reduction in economic output is due to the fact that employees utilise their entitlement to Annual Leave, which is a moot point because this, is rightly protected by the Labour Act. The concern however is that there is a natural tendency for those choosing, or required, to attend to work functions during these Sandwich Days to tend to lower their output as a natural consequence of the fact that these days are flanked by holidays.

While it's difficult to provide strict economic analysis of this phenomenon it is widely considered as true, and our proposal would eliminate any risk in this regard by effectively eliminating Sandwich Days.

Conclusion

The economic impact of the COVID-19 pandemic is well recorded and, as interested parties on the tourism space, we seek to make active contribution to the economic recovery of our country and our industry. We believe that an adjustment to the Public Holidays Act (Act No. 36 of 1994) could contain the negative economic impact of Public Holidays in South Africa, while simultaneously aiding to stimulate domestic trade and tourism thereby maximising the inherent potential economic value of these holidays. This submission seeks to illustrate international precedent for this strategy and to present the economic benefits of it.

Parliament's kind consideration is valued.