

Prasa pay hike twist

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There was nothing wrong with axed Prasa boss Collins Letsoalo's 350% salary hike, awarded because he could not be paid less than those who reported to him, Transport Minister Dipuo Peters says.



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The minister came out firmly in defence of Letsoalo in her affidavit filed in the Pretoria High Court yesterday, 16 March 2017, saying some employees reporting to him were earning more than R4-million a year.

But Peters's support for the pay hike appears to contradict his secondment letter, which she signed.

The letter, dated 7 July last year, says Letsoalo's "rank, salary and seniority date remains unchanged" while he is at the Passenger Rail Agency.

Letsoalo, who is chief financial officer of the Transport Department, was seconded to Prasa following the departure of former CEO Lucky Montana. As acting CEO he was tasked with turning around the ailing agency.

In her affidavit, Peters contends that the R5.9-million a year Letsoalo would have earned was applicable to the position at the time of his appointment.

The package is the same as that given to Montana.

Peters also dismissed the argument that Letsoalo was entitled only to his basic salary at the department and an additional 12% acting allowance, in line with the agency's remuneration policy.

The minister said the policy provided that "acting-in-high-grade allowance will be applicable to all employees at 12% of total guaranteed package (total cost to company)".

Peters said this clause did not apply to Letsoalo because he was not the agency's permanent employee. The clause was applicable to permanent Prasa employees and those whose contracts were for more than six months. She emphasised the part of the clause that states "it is not applicable to temporary personnel from thirdparty employers".

The minister said Letsoalo was categorised as temporary personnel from third-party employers and therefore the 12% referred to was not applicable to him.

"Indeed, it would have been anomalous for Mr Letsoalo to continue earning an amount of R1.3-million [a year] when his immediate subordinates at Prasa were earning upwards of R4-million," Peters said in her affidavit.

Peters was replying to arguments by former board members who have taken her department to court over their unceremonious removal last week. They are demanding immediate reinstatement.

Source: The Times

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