

# Transport Minister fires Prasa board

Transport Minister Dipuo Peters fired the Passenger Rail Authority of SA (Prasa) board unceremoniously on Wednesday, 8 March 2017, citing the ructions between the directors and former acting CEO Collins Letsoalo.



The minister said she had taken the decision in the interests of restoring good governance at the parastatal, her spokesman, Ishmael Mnisi, said on Wednesday.

However, Prasa board chairman Popo Molefe described the minister's move as "reckless and irrational", saying it could prejudice numerous ongoing investigations at the agency.

A parliamentary inquiry into Prasa, similar to the one just concluded into the SABC, is on the cards. This is in addition to the forensic, labour and procurement investigations already well under way.

An announcement of an interim board would be made soon, with Peters doing some consultation, Mnisi said.

## 350% salary hike

The dismissal of the Prasa board came a few days after she withdrew Letsoalo from Prasa and returned him to the department. This was after he became embroiled in a public dispute with the board over a 350% salary hike.

This is the second time in as many months that Peters has instituted board dismissals. In February she fired four nonexecutive directors at Airports Company SA despite claims by the board that she was protecting CEO Bongani Maseko.

The unsuspecting Prasa board members were informed of their dismissal on Wednesday, after two days of grilling by Parliament's portfolio committee on transport. The portfolio committee was read a letter by transport director-general Mathabatha Mokonyama.

## **Forced to establish reasons for dismissal**

Molefe - who had excused himself on Wednesday - said he and the board had not been directly contacted and had been forced to establish the reasons for the dismissal.

He said he had seen some of the letters sent to directors, including the list of board members to be removed, describing this as "reckless and irrational", possibly prejudicing numerous ongoing probes and investigations at the agency.

"We will challenge it... I have spoken to the [other board members] and they are supporting the challenge."

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"As things are now, there is no sense that the board is in control of anything. It does not seem that there are controls at the entity to ensure good governance in line with legislation. That said, the committee is of the view that the entity could still be saved," portfolio committee chairwoman Dikeledi Magadzi said in a statement.

DA transport spokesman Manny de Freitas said the removal of the board "did not let Peters off the hook".

He said the dissolution of the board only served to prove that she had handled the secondment of Letsoalo unilaterally and had undermined the agency.

"The presentations made to the [Parliament] in the past two days have made it abundantly clear that the minister is not innocent in the disastrous state of affairs at Prasa," he said.

Prasa's largest union, the United National Transport Union, welcomed the removal of the board and the inquiry.

*Source: Business Day*

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