

National Assembly

Question No: 652

652. Mr C H H Hunsinger (DA) to ask the Minister of Transport:

- (1) With regard to the secondment of Mr Collins Letsoalo from her department to the Passenger Rail Agency of South Africa as its acting Group Chief Executive Officer (GCEO) in 2016, (a) what were the conditions on perks, remuneration and benefits for the specified person, (b) what perks and/or remuneration by month were awarded to the specified person over and above the conditions of the secondment, (c) what were the reasons for the perks, (d) what is she and/or her department doing to recoup these perks, remuneration and benefits from the specified person;
- (2) (a) what plans are in place to charge any official(s) in this regard, (b) who will be charged and (c) for what reasons will the specified official(s) be charged in each instance?
- (3) (a) what plans are in place to replace Mr Collins Letsoalo and (b) what is the total amount budgeted for this purpose? NW711E

REPLY

1 (a) The Acting Chief Executive Officer (AGCEO), Mr Collins Letsoalo was appointed, by the Board, to the Passenger Rail Agency of South Africa following his secondment by the Minister of Transport.

The Board and Mr Letsoalo entered into an agreement dated the 07 July 2016 under the following conditions:

The effective date being 01 July 2017 until further notice or until a permanent GCEO is appointed.

PRASA would pay an annualized salary rate applicable to this position – the annualized salary rate applicable to this position is currently R5, 986,140.07 (498 845 p/m) which is a cost to company package.

The AGCEO is eligible to receive all the benefits applicable to this position – the current benefits applicable to this position include:

Medical Aid (compulsory, but can opt out if covered in spouse Medical Aid scheme). – Mr Letsoalo did not exercise this option at PRASA.

Provident Fund (to be structured from package) - Mr Letsoalo did not exercise this option at PRASA.

Funeral Cover (to be structured from package) - Mr Letsoalo did not exercise this option at PRASA.

13th cheque (optional and to be structured from package) - Mr Letsoalo did not exercise this option at PRASA.

Car and VIP protection (subject to fringe benefit tax).

Car allowance (to be structured from package) Mr Letsoalo did not exercise this option at PRASA.

Performance Bonus (if declared) - No bonuses have been declared at PRASA

A company cellular phone on an unlimited package (open line) - Mr Letsoalo did not exercise this option at PRASA.

Executive cover (for all executives) Mr Letsoalo did not exercise this option at PRASA.

(b) There were no perks that were awarded to the AGCEO that were above the conditions of secondment.

(c) There were no perks that were awarded to the AGCEO that were above the conditions of secondment.

(d) There is at present no need or reason to recoup any perks, remuneration and benefit from the specified person

(2) (a) The board upon the request from the minister has initiated an investigation and once this has been concluded the outcome will be addressed accordingly.

(b) This aspect will be known once the investigation has been concluded.

(c) This aspect will be known once the investigation has been concluded.

(3) (a) The board had already advertised the Group Chief Executive Officer position and the advert closed on the 15/03/2017. The next steps are the interview process (the approach and the appointment).

(b) R5, 986,140.07 (498 845 p/m) which is a cost to company package.