

Mayor's response...and did we pay for a day at Flemington?



Flemington Racecourse hosts a major race meeting each July, which corresponded with a visit to Flemington Quest motel by WCC council staff. Image: Victoria Racing Club.

Carol Altmann – The Terrier

It has taken a while, but I finally have an official response from Mayor Tony Herbert as to when councillors were told [about thousands of dollars worth of unauthorised spending](#) on a Warrnambool City Council corporate credit card.

And, thanks to a growing tribe of trusty terriers, I can also tell you more about thousands of dollars spent by the council for accommodation at Flemington, including a Saturday when the races were on.

First to the Mayor.

Cr Herbert's statement is in full below, but the short answer is Cr Herbert was the *only* councillor told by former council CEO Bruce Anson about the credit card misuse.

The briefing happened in November, shortly after Cr Herbert

was elected Mayor, and after the errant spending by a former senior manager, David McMahon, was apparently picked up by finance staff in September.

The council's Audit and Risk Committee wasn't told.

The then-mayor Cr Robert Anderson wasn't told.

None of the other councillors were told, and I believe at least one found out about the rort when it was exposed by The Terrier two weeks ago.

Remember, councillors are there to represent us and the CEO answers to them, not the other way around.

As we know, the council holds briefings with councillors all the time. It's where all the good stuff happens: the real discussion, debates and arm wrestles that used to happen in open council meetings that stretched on until midnight.

It's also where confidential issues are raised.

But for some reason, our elected representatives – other than one – were not told of a major financial breach by one of the council's senior managers who, at that point, had been asked to pay back more than \$4000 and I believe up to \$6000.

If I had not lodged an FOI in October last year, none of us would know a thing about any of this and Mr McMahon would still be in his highly paid job.

And if we hadn't, between us, blown this thing right open, the fresh investigation into Mr McMahon's spending and the use of all 81 corporate credit cards would not be happening.

That is how things were allowed to operate within certain circles at council for years.

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Tax Invoice
REPRINT

WARRNAMBOOL CITY COUNCIL
CIVIC CENTRE 25 LIEBIG STREET
WARRNAMBOOL VIC 3280

Date: 25 Jul 2017 3:45 PM
Adults: 6
Arrival Date: 22 Jul 2017
Departure Date: 26 Jul 2017
Voucher No.:
Account No: 170305
Reservation No: 67492

Invoice No: 25245

David McMahon

Date	Details	GST	Amount (Inc.GST)
25 Jul 2017	08: 2 BDRM. STANDARD - (23-Jul-17) David McMahon	\$30.91	\$340.00
25 Jul 2017	08: 2 BDRM. STANDARD - (24-Jul-17) David McMahon	\$30.91	\$340.00
25 Jul 2017	08: 2 BDRM. STANDARD - (25-Jul-17) David McMahon	\$30.91	\$340.00
25 Jul 2017	09: 2 BDRM. STANDARD - (22-Jul-17) Not Relevant	\$30.91	\$340.00
25 Jul 2017	09: 2 BDRM. STANDARD - (23-Jul-17) Not Relevant	\$30.91	\$340.00
25 Jul 2017	09: 2 BDRM. STANDARD - (24-Jul-17) Not Relevant	\$30.91	\$340.00
25 Jul 2017	09: 2 BDRM. STANDARD - (25-Jul-17) Not Relevant	\$30.91	\$340.00
25 Jul 2017	45: 1 BDRM. STANDARD - (23-Jul-17) Not Relevant	\$20.00	\$220.00
25 Jul 2017	45: 1 BDRM. STANDARD - (24-Jul-17) Not Relevant	\$20.00	\$220.00
25 Jul 2017	47: 1 BDRM. STANDARD - (23-Jul-17) Not Relevant	\$20.00	\$220.00
25 Jul 2017	47: 1 BDRM. STANDARD - (24-Jul-17) Not Relevant	\$20.00	\$220.00
25 Jul 2017	20: 1 BDRM. STANDARD - (25-Jul-17) Not Relevant	\$18.09	\$199.00
25 Jul 2017	EFTPOS Receipt #63610, MASTER CARD # 0246	\$0.00	-\$3,510.89
25 Jul 2017	- EFTPOS Transaction Fee	\$4.79	\$51.89
		GST	\$315.18
		Total	\$0.00

The council is yet to explain why up to six of its staff were at Flemington in July 2017, including at least one who arrived on the Saturday, a race day.

Even now, we are still not allowed to know who within council has a credit card, the spending limits, and the value to ratepayers, such as what tangible results or reports we see from the thousands of dollars spent on numerous conferences.

Thanks to the terriers out there, however, we can find out more than what the council officially tells us.

For example, through Freedom of Information I learned that more than \$3500 was spent on sending up to six council staff to Flemington Quest for four days in July 2017.

Even though we paid for it, the council has refused to answer questions about this event, including why the accommodation included a Saturday and a Sunday night for at least one person, if not two.

It turns out – thankyou terriers – that the Flemington Quest is next to the Flemington racecourse which hosted [the 2017 Victorian Tourism conference](#) on the Monday and Tuesday, 24-25 July.

So perhaps the council sent six people, including two senior managers, to the conference. (It sent seven people to the same conference last year – site of the [infamous Cape Schanck booze up.](#))

But wait, there's more. There always is.



Recognition Race day, held each July, is a major event on the Flemington calendar each year. Image: Victoria Racing Club.

It also turns out – thankyou again tenacious terriers – that Flemington was also hosting [a major racing event](#), Recognition Race Day, on Saturday 22 July 2017. Trainers Darren Weir and Jarrod McLean had horses running.

So, did some council staff arrive on the Saturday so they could go to the races?

I am a hopeless punter, but in the absence of any other explanation from the council spokesman, I bet they did.

As we know, this whole issue is not just about unauthorised credit card use, but also spending which was considered – for years – to be perfectly okay.

To get to the bottom of it, we will keep peeling back the layers. There is so much more to come.

In the meantime, here is Cr Herbert's statement in full:

"I am responding to your question about the exact date of notification.

In early November Mr Anson, while briefing me on a range of matters after I was elected mayor, made me aware of the situation and indicated that WCC policy would be amended to make it more prescriptive based on the outcomes of his investigation.

As this was an internal staffing matter, Councillors were not involved as confidentiality was required.

The Council credit card policy, which has been in place for a number of council terms , and bearing in mind Councillors do not have Council credit cards – states that credit cards are to be used for official purposes only.

Prior to making a purchase with a corporate credit card, consideration must be given as to whether such expenditure is in line with the expectations of the Council.

This applies regardless of:

- The amount of the transaction involved; and
- The type of transaction made using a credit card. For example, whether the card is used to pay for goods/services which are bought directly from a merchant, or by mail/telephone/electronic means.

Although the matter was investigated in September 2018, our Chief Executive Officer is now conducting another review.

He is fully aware of his reporting obligations to external referral authorities and takes those responsibilities very seriously.

In relation to reporting, the CEO is legally bound to maintain confidentiality. He is following correct procedures, as we should all expect.

To reiterate:

- Internal processes identified spending outside of policy in September.
- Inappropriate spending has been repaid as a result of the investigation.
- The CEO is conducting a second review and examining card use and processes.
- The CEO is fully aware of reporting obligations to external referral authorities and takes those responsibilities very seriously.

As I am completely satisfied this matter is being dealt with appropriately , I do not intend making any further comments on this matter.

I trust this has answered your questions."

If you would like to support the work of the The Terrier, you can always throw something into the tip jar.

Terrier Tip Jar