

Veil of secrecy over salary of the WCC's top job

Description



Warrnambool City Council chief executive Bruce Anson.

Image: [ABC South-west Victoria](#).

ANALYSIS – Carol Altmann

Exactly how much do we pay the Chief Executive Officer of the Warrnambool City Council, **Bruce Anson**?

And what does his salary package include?

A fortnight after **Cr Peter Hulin** stood up at the first council meeting of the year and stated that it was “about \$1000 a day”, we still don’t know.

This is despite **Mayor Michael Neoh** [telling ABC radio two days](#) after Cr Hulin’s comment that he could give an exact figure and “it’s no secret”, when it appears that it is, in fact, very secret.

The closest you can get to a figure is to delve deep into the council’s annual reports – and I mean deep – where there is a listing of salary packages for “responsible persons”, of which Mr Anson is one.

In the list for 2013-14, there is a band of \$280,000 to \$289,999 which one person received and we can of course guess that it must be the chief executive.

So, did Mr Anson receive \$280,000 or \$289,999 or somewhere in between?

And how much of this is made up of salary, how much is a vehicle allowance and how much is a performance bonus, if any?

Despite the CEO being a public servant and the public being the one that pays the salary, you are not allowed to know.



Former Melbourne City Council chief executive Dr Kathy Alexander's salary package was specified in annual reports. Image: [Australian School of Applied Management](#).

This level of secrecy is strange on so many levels and here are just two of them:

First, some councils – you might even call them progressive councils – are completely transparent.

Melbourne City Council, for example, not only lists the salary package of its CEO in its annual report, but all of the other senior officers as well.

I can tell you that CEO **Dr Kathy Alexander** (until she resigned last December) was on a total remuneration package of \$460,000 in 2013-14.

The Melbourne City Council Director of City Business **Martin Cutter** received a total employment package of \$346,967 and Director of Community Development **Linda Weatherson** received \$341,231. I could go on, but the point is made.

Second, there is a clause within the Local Government Act which says that if a CEO is reappointed *without the position being advertised*, then details of the proposed total remuneration package must be made available for public viewing within 14 days.

Mr Anson was first appointed to replace CEO **Lindsay Merritt** in 2007-08, when the position was advertised, but was then reappointed before the council elections in 2012, *without* the position being advertised.

A council spokesman said that, as per the Act, full details of the proposed salary package were made available in 2012.

Great, could I see those details now?

Executive Officers' Remuneration		Current to 1/3/2014	
Income Band	No.	2014	2013 No.
		\$124,000 - \$129,999	3
\$133,000 - \$139,999	1		2
\$140,000 - \$149,999	-		-
\$150,000 - \$159,999	-		-
\$160,000 - \$169,999	-		-
\$170,000 - \$179,999	1		1
\$180,000 - \$189,999	2		2
\$190,000 - \$199,999	1		1
\$230,000 - \$239,999	-		-
\$240,000 - \$249,999	-		-
\$250,000 - \$259,999	-		-
\$260,000 - \$269,999	-		-
\$270,000 - \$279,999	-		1
\$280,000 - \$289,999	1		
Total Numbers	6		10

Inside the pink folder: this is all the information that is available to the public about the Warrnambool City Council CEO's remuneration package. Image: Bluestone Magazine.

After a few more days of too-ing and fro-ing, I was told that the information was available for public viewing at the council, so I visited the council office and asked at the information desk for the documents.

They had no idea what I was talking about, so they called down the council spokesman, who said the document was held in the office of the Chief Executive and I could make an appointment to see it.

Surely, I argued, I could wait in the foyer while he retrieved it?

He obliged and soon returned with a thin, bright-pink manila folder which contained the same list as in the council annual report, stating that up to March last year, the CEO was paid between “\$280,000 and \$289,999”.

We had gone full circle and there was certainly no breakdown – as is usually provided under the Act – for what part was salary, car, super or bonuses.

What is even more puzzling about this level of secrecy is that Mr Anson’s package is on par with the average for other “large rural” councils with budgets between \$60m and \$100m, according to an [annual remuneration survey produced by McArthur consultants](#) that is used by councils to negotiate their CEO packages.

YEAR	WCC CEO PACKAGE	% INCREASE	LGA AVERAGE
07-08	\$200-209k	N/A	N/A
08-09	\$220-230k	9.5%	\$253,254
09-10	\$240-250k	8.7%	\$228,621
10-11	\$240-250k	No increase	\$251,956
11-12	\$250-260k	4%	\$277,532
12-13	\$270-280k	7.6%	\$283,875
13-14	\$280-290k	3.5%	Not available

*McArthur National Remuneration Survey, 2012-13, p3.

Having trawled back through the annual reports, I can tell you that since being employed in 2007-08, Mr Anson’s salary bracket has increased by between 3.5% and 9.5% a year, except for one year, when it stayed the same.

And, just by way of comparison, the Warrnambool CEO package for 2013-14 (\$280-290k) was higher than that for Ballarat (\$270-280k), Shepparton (\$260-270k), Glenelg City (\$250-260k) and Latrobe Valley (\$210-219k).

Why aren’t we told all this as a matter of course?

The second part of the mystery is: who determines the CEO’s final salary package and measures his performance?

Again, this proved extraordinarily difficult to nail down.

The council has a performance development review committee led by an independent chair, but unlike [the council's other advisory committees](#), I could find no details about it on its website or in the council minutes.

What the council spokesman could reveal was that the committee meets in confidence quarterly, including a main annual review to which all councillors are invited.

"The outcomes of all four stages are formally reported to Council, which provides councillors with further opportunity for input into the committee's assessment report and to debate any recommendations put to Council," the spokesman said via email.



Cr Peter Hulin created gasps in the public gallery when he said Mr Anson earned about \$1000 a day. Image: [Warrnambool City Council](#).

From my understanding, the current performance review committee is made up of **Mayor Michael Neoh**, **Cr Jacinta Ermacora** and **Cr Peter Sycopoulis**, but who is the independent chair and how is he/she selected?

“Because the appointment of the independent chair was resolved at a confidential meeting of Council, the appointment is confidential,” the spokesman said.

Why?

We believe the independent chair is retired business academic **Rod Coutts** who also sits on the council’s Audit and Risk Committee and the Flagstaff Hill Advisory Committee.

While nobody expects the CEO’s performance review to be thrashed out in public, there is room for much more transparency, as happens across the border in South Australia.

In two councils I looked at, Tea Tree Gully and Streaky Bay, the public is notified when the performance review committee will meet, together with the meeting agenda and the minutes of these meetings are released after 12 months (you can read them on the web).

By comparison, the WCC has adopted a bunker mentality, where the letter of the local government laws are upheld, but not the spirit.

In such an environment, it is not surprising that Cr Hulin’s “\$1000-a-day” comment brought gasps of disbelief: the ratepayers have never been encouraged to know how much they are paying their chief executive or why.

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Author

carol