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SMRC Rewards Its Own Poor Performance

Dr Mike Nahan, the Member for Riverton said it is disgraceful that the Southern Metropolitan Regional Council gave its Chief Executive Officer, Chairman, Deputy Chairman and Councillors huge increases in salary, meeting fees and allowances in 2008-09 – a period when the SMRC performed poorly even by its own low standards.

This raises once again serious questions about the accountability and performance of the SMRC. It's 2008/09 Annual Report shows that:

- The Chief Executive Officer received a salary increase of at least \$50,000 or 38%, that is from \$130,000 - \$139,000 to between \$180,000 - \$189,999.
- Chairman and Deputy Chairman received a tenfold increase in their allowances from \$1,250 to \$12,500.
- Councillor's meeting fees increased by just less than 50% from \$40,000 to \$59,000.

"During a year when many ratepayers were struggling financially, wage rises were at a minimum and considering the poor performance of the SMRC and its management, these increases in remuneration are grossly excessive," said Dr Nahan.

Dr Nahan said the SMRC's appalling record speaks for itself:

- The SMRC suffered an operating loss of \$2.9 million in 2009 compared to a forecast loss of \$1.1 million for the year and up from a loss of \$1.6 million in 2008.
- The loss in 2009 arose despite a 13 per cent increase in fees imposed on member councils.
- All types of processed waste declined during the year with total waste processed declining by 31,000 tonnes or 18%.
- Net cost per tonne of waste processed increased 24% to \$128 per tonne.
- The serious odour emissions continued to undermine the amenity of the community.
- The Department of the Environment and Conservation finds, following years of SMRC denials, that the SMRC is the source of the odour pollution that has plaguing the community for years.
- The SMRC was issued with Environmental Protection Notice by the DEC.
- The SMRC was subject to an adverse finding by a Legislative Council Committee Report.
- The Health Department Report made adverse findings in respect of the SMRC.
- The SMRC had a catastrophic fire that destroyed its recycling plant in June 2009.

"This is an extremely poor performance by any standards and at the very least, should have ruled out any increase in remuneration for the CEO, staff and councillors," said Dr Nahan.

"Indeed, the poor performance should have led to wholesale changes to the board and management of the SMRC. While the Chairman and Deputy Chairman have stood down from their respective positions, they remain on the board of the SMRC."

"There has been no change to the CEO position despite greater changes being warranted by the SMRC's sustained poor performance."

"At the very least, the SMRC Board, which is responsible for remuneration, must make a public statement as to the grounds for these recent remuneration increases and provide an explanation on their overall policy on remuneration."

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