

26 August 2014

**Notice of Motion, Cr Stephen Mayne****Disclosure of contractual arrangements for Key Management Personnel****Motion**

That the Council resolves as follows:

1. The disclosure provisions as outlined in section 2 of this motion will be included in all future contracts for Key Management Personnel (KMP), namely the Chief Executive Officer and Directors; and
2. All future City of Melbourne annual reports, commencing the 2013-14 financial year, shall include the following additional information on a separate page about the contractual arrangements of the Chief Executive Officer and Directors namely
  - 2.1. year first joined City of Melbourne
  - 2.2. current position
  - 2.3. start date of current contract
  - 2.4. finish date of current contract
  - 2.5. remuneration arrangements, if disclosure is agreed by the relevant senior officer.

**Background**

City of Melbourne aspires to be the most open and transparent council in Australia, yet in the 2012-13 annual report we only produced one page of data on senior executive remuneration and this was, as is required by the *Local Government Act 1989*, based on the anonymous bands system. This provides the community, let alone councillors or any other interested party, with no visibility into the key contractual arrangements for council's vitally important and valued executive leadership team.

The City of Manningham has included similar KMP remuneration disclosures to those proposed above in the past two annual reports (p74 in 2012-13) without any adverse impact, or even media coverage. It is time for City of Melbourne to catch up with best practice.

Section 2.5 of this motion is designed to give any senior executive the option of not disclosing their specific remuneration arrangements in future annual reports, seeing as disclosure was not envisaged when the contracts were signed. Section 1 makes it clear that future contracts must include disclosure provisions.

When you consider the small size of many tenders which now come to open council, it is not unreasonable that material contracts with individuals are also disclosed to the community. The desire for disclosure is certainly not intended to imply there is anything wrong with the arrangements or the executive leadership team is not worthy of such contractual arrangements.

It is also noteworthy that Australia's 2200 public companies are required by law to include many pages of information on their remuneration practices in the annual report each year. The recently released 199 page 2013-14 Commonwealth Bank annual report includes a dedicated section on remuneration practices and specific arrangements for KMP which runs for 18 pages (p44-62).

Given the exemplary disclosure leadership City of Melbourne currently demonstrates on everything from councillor expenses and conflict of interest declarations, to the disclosure of our lease register and most valuable assets, this next modest transparency move on executive remuneration is a logical progression to make.

**Moved:** Cr Mayne