

WCC CEO's dismissal relied on most expensive option



Former Warrnambool City Council chief Peter Schneider. Image: WCC.

Carol Altmann – The Terrier

I have learned that one of the options for sacking former Warrnambool City Council chief Peter Schneider would have cost ratepayers around \$30,000, instead of more than 10 times that amount – \$365,709.

If getting rid of the CEO just 18 months into his contract was such a matter of urgency, why did the councillors involved have to rely on the most expensive option?

It turns out Mr Schneider's contract contained a number of clauses for termination, including two for instant dismissal.

The first of these two – let's call it the "CEO Stuffs Up Big Time" clause – sets out a number of specific grounds for instant dismissal that, if proven, result in a much smaller payout.

The thrust of these grounds is as follows:

is negligent in carrying out his duties (ie. the responsibilities, duties and functions set out in his contract);

commits an act of serious misconduct;

seriously or persistently breaches a term of the contract;

breaches the council's policies that apply to the CEO including occupational health and safety, privacy, anti-discrimination, and use of council IT's systems;

engages in conduct that may cause imminent and serious risk to the health and safety of another person;

is declared bankrupt;

fails to immediately notify the council that he has been charged with or found guilty of any criminal offence;

is charged with a crime, or found guilty of a crime, that brings the council into disrepute;

is unable to work in Australia.

Under this clause, the CEO would only be entitled to his salary, holiday pay, sick leave and long service leave up to the time he was sacked.

As of 13 July 2020, when Mr Schneider was dumped, this total came to around \$30k.

As we know, the four councillors who voted to sack Mr Schneider didn't – or couldn't – use this clause and I can only speculate as to why, given it contains the sorts of grounds that most of us would expect behind a CEO getting the boot.

The councillors instead used another clause in the contract, which I will call the “Not Telling” option.

Under this option – as we now know – the council could sack the CEO for “any reason or no reason”, which pretty much covers everything from leaving the hot tap running in the tearoom through to serious misconduct.

Not surprisingly, the payout for pulling the lever on this trapdoor is much higher: 12 months remuneration OR the remaining value of the contract, whichever is less.

With 30 months to go on Mr Schneider’s contract, the 12 month payout is what came to pass – \$365,709.

The “Not Telling” option is the most expensive of all the options and, I can only assume, is used when the other “instant dismissal” option can’t be justified, or doesn’t apply.

All of this, I am afraid, only raises more questions and takes us further away from the answer that everyone is seeking about Mr Schneider’s rapid demise: why?

The full story will be slow in coming, if at all, as the dismissal heads to the Supreme Court in February.

Speaking of questions, one of I have left with the council today is whether it has acted on the recommendation of the Victorian Ombudsman to [refer the misuse of a council credit card](#) by former tourism manager, David McMahon, to police.

It is now 10 days since the [Ombudsman’s eye-popping report](#) on the ratepayer funded booze fest was made public, so I am sure an answer is imminent.

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