

# SELECT COMMITTEE INTO LOCAL GOVERNMENT

## INQUIRY INTO LOCAL GOVERNMENT



TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
FRIDAY, 28 FEBRUARY 2020

### Members

Hon Simon O'Brien (Chairman)  
Hon Laurie Graham (Deputy Chairman)  
Hon Diane Evers  
Hon Martin Aldridge  
Hon Charles Smith

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**Hearing commenced at 10.34 am****Councillor STEPHEN STRANGE****Shire President, Shire of Bruce Rock, sworn and examined:**

**The CHAIR:** On behalf of the committee, Mr President, I would like to welcome you to our hearing today, a hearing that will be broadcast. I will remind parties present that if you have any private documents in front of you, you might want to be careful how they are displayed in case cameras pick them up. Can you now take the oath or affirmation, please.

[Witness took the oath.]

**The CHAIR:** You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

**Councillor STRANGE:** Yes, I have.

**The CHAIR:** These proceedings are being recorded by Hansard and also broadcast on the internet. The broadcast will also be available for viewing online after the hearing. Do you have any objection to that?

**Councillor STRANGE:** No, I do not.

**The CHAIR:** A transcript of your evidence will also be provided to you. I remind you that your transcript will be made public. If you want to provide any details in private session, you should ask to do so and the committee will consider that request. Until such time as the transcript of your evidence is finalised, it should not be made public as premature publication or disclosure of the uncorrected transcript may constitute a contempt and, more importantly, it would mean that the material published or disclosed is not covered by the protection of parliamentary privilege. With those preliminaries out of the way, Mr President, I invite you to make an opening statement if you wish.

**Councillor STRANGE:** Thank you, Chair, and thanks for the opportunity and I thank the committee very much as well.

Local government itself is a magnificent beast, if you like, that does deliver enormous benefit to our electors, certainly at grassroots level, and I think that has been proven over time. I do hope that this committee does get to Bruce Rock and have a look at our model. It is probably a little different from most, certainly through its history over the last possibly 50 years. We tweak or that evolves every year. We are very diligent and disciplined on getting the best for our electors. With that, again, the invitation stands for the committee to come to Bruce Rock. I will not go through the preamble. You have a copy of our submission. I really just wanted to make a few points as we go through it.

**The CHAIR:** Thank you very much for that. One of the things that we noticed in your detailed submission is the description of your shire's involvement in regional partnerships and you are in rather a large number of them. I want to ask, firstly, how important is regional cooperation to regional and rural local governments and what changes could be made to encourage and support greater regional cooperation?

**Councillor STRANGE:** Yes, Chair, it is very important to Bruce Rock. We were involved with some meetings well over 20 years ago now with our neighbours. As you can imagine, there is always a little bit of competition between neighbours. As we all know, it comes from sporting grounds and

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other things that happen. We initiated the meeting and thought we could work on a regional basis because we have some very common issues.

[Video connection disrupted.]

**Proceedings suspended from 10.38 to 10.42 am**

[10.40 am]

**Councillor STRANGE:** Sorry about that, Chair. That is probably one of the major issues that we do have up here—connectivity.

**The CHAIR:** Just for the record, we are recommencing our discussions after a technical break. We lost the link. Mr President, I think you were making the point before we resumed that here is a good illustration of one of the difficulties confronting regional local government.

**Councillor STRANGE:** It certainly is, Chair. There have been many examples of that right through the wheatbelt, possibly the north and certainly to the south. It does not take a storm to put our services out; it is more like a sea breeze. All of a sudden we do lose connections, and I do believe people in the north of Bruce Rock have been without power and phones for some days now. It is absolutely crucial, because it takes out all of the landlines, all of the mobiles, and people that are isolated on farms do not have any backup whatsoever, so if there is an emergency, a health problem, you are on your own. It is as serious as you can get. Certainly our members of Parliament are doing what they can, and certainly WALGA have some very, very good evidence of how backward we have gone in these areas.

**The CHAIR:** Just before we were interrupted, you were talking about the importance of regional cooperation, and I was inviting you to suggest what changes might be made to encourage greater regional cooperation. Perhaps you could pick that up again for us.

**Councillor STRANGE:** Yes, I will. Where I finished was about the shires and their relationships. What happened in 2008–09 was the birth of royalties for regions as we know it. Now, I think we could see the issues with the program itself in hindsight and the process it involved, but, like most things, if you put money on the table on a regional basis and you had a good working relationship with your neighbours, you get some very, very good outcomes and a pretty good investment by the state government to its electors on the ground. So that was a wonderful program to be starting with, particularly in the local government—I will have to get the right wording—money; the country local government fund. Initially, \$100 million went out there to local governments. Again, I have stated that, yes, in hindsight, we could have done things better from a process point of view, but there were some wonderful projects as that fund turned into regional spending. Not so much local spending—I do believe that local governments worth their salt should have been on top of their game—but, from a regional point of view, there were some pretty good dollars put in and a very good return on investment in that.

With that, the relationships did get stronger, certainly an example being the CEACA or the Central East Aged Care Alliance, 11 shires, and I think you have touched on regional projects. Now, it took some doing. It would be a history of five to six years, and it is CEACA Incorporated, so it is separate from local government, but we did drive it, and we still are, the outcome being we had an FMA approved for the building of 72 independent living units over the 11 shires. The project was about to get underway and there was a change of government. Due to budget repair, there were some funds cut. We did cut one unit off and we have made some changes to the buildings themselves, but the outcome has still been beneficial, with 71 independent living units being built in these communities ready to look after our seniors. So I think what a wonderful outcome and a good

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demonstration of local governments working together, and, again, the state government getting a good return on that investment.

**The CHAIR:** Your submission also refers to the shire participating in a private consultant's Project Aware program to assist with compliance and good governance. That is mentioned on page 3 of your submission, as you know. That gives rise to a question in our mind we would like to put to you. How onerous are the compliance requirements cast by state governments and others on a small shire like Bruce Rock, and can you give us some examples of how that affects you? Secondly, is the engagement of private consultants a sustainable way to meet your compliance obligations?

**Councillor STRANGE:** No, it is probably one of the biggest issues, Chair and committee, that we do face. We see a lot of dead money, if you like, in the name of transparency, accountability and proving our worth, if you like. Examples are many, and it is a shame my CEO is not here to give you probably a large list of them. But, first of all, one of the reasons we got involved with Project Aware is that the department itself has been cut to the bone with regards to resources, and we were not getting the support that we needed with the compliance levels that we needed to fulfil. With that, it meant that we were getting behind in a lot of areas, and, of course, if you are not up-to-date with a lot of your compliance and your new procedures and so on within local government, the finger starts to be pointed at you. Again, we were not getting the response we would like from the department because of the reasons I have stated. Now, WALGA have picked up quite a bit of that for us and certainly have evolved into an organisation, and I believe we can go a lot further with WALGA as well, so I think we will see probably in the next couple of years some real leaps and bounds in that organisation that represents local members and protects them to a point. With that relationship with WALGA, the department and the state government in general evolving, as it is, I think we are not in a bad place.

We went Project Aware to handle a lot of our compliance, on the advice of our CEO, and we went through it quite thoroughly just to allow us to get up to a level where we need to be. I am not saying we were behind, but I would like to think we are pretty well in front of many. Probably the one example—it is not so much compliance, Chair and committee—is the Auditor General has taken over our audits. This has put huge pressure on all of our staff and council with regards to getting that audit to their standards.

[10.50 am]

The state government, with respect, does not have any experience in local government audits. There is not even a template to be used. I think this is one of the important points I wanted to make today, that, first of all, our experience with the Auditor General's office, while we have got to the end point, has been quite an expensive one due to the amount of time taken with the audit. WALGA have done a survey, and I am sure the figures will be readily available, but for a small local government it would cost around two to five per cent of the total rate revenue just to do their audits now. We are under pressure, particularly around that May, June, July time when we set our rates, and people seem to think that five per cent is absolutely extreme. Five per cent here is \$75 000. We are a low-rating shire, and you could probably look at our neighbours very similarly, and the Auditor General would be taking anywhere between two per cent, probably three per cent of that. So, here we are, we have just had our exit meeting with the Auditor General. It took four months to do the audit. They are extremely expensive—we will find out that in the coming months. That is without taking into account staff's time. We have got some tremendous staff here at that level, but of course, I admit that during that January period, some do take leave; however, some of the questioning coming from the Auditor General's office is not acceptable, and it is about processes with things that we did 30 and 40 years ago and what records do we have, and that needs to be presented in our current audit.

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I do not understand, Chair and committee. I think that whatever comes out of this review, if we can get something done in that space, it would be of great benefit to a lot of the shires in the eastern wheatbelt.

**The CHAIR:** Mr President, there are a couple of things that arise from that, which I wonder if we might ask you to provide some supplementary information in consultation with your CEO. They are, firstly, you mentioned about some compliance requirements and to give examples. You indicated that the CEO would probably be able to give us some good concrete examples of where those requirements were onerous. That is one thing. The second body of information I am hoping you might be able to provide, because it would be a good case study, I think, for this committee, is the impact of the Auditor General doing your auditing. We have previously, or earlier in this inquiry, had discussions with the Auditor General and we are going to have some more in due course, but we would value a bit more knowledge about your actual experience. Specifically, you mentioned the cost in terms of, you know, rate revenue. I am just wondering if you could provide us with what those costs are made up of. Are they some sort of fees that are paid up-front? You also mentioned the less tangible costs such as staff time, and other impacts. What we are seeking, perhaps by way of further information at a later stage, is a fuller description of the impacts and the experience that you have had with the Auditor General's office now performing that audit over, I think you said, a period of four months. Possibly, you could give us, by way of a briefing note by your CEO, some more information about that. When you do so, could you perhaps compare that with the previous system of auditing and what the impacts were there, so we can compare the apples and the oranges as it were?

**Councillor STRANGE:** I will do, Chair. Council has asked our CEO to get the same information. There was some frustration last week at our council meeting that the audit had not been completed. Of course, our audit will be tabled in Parliament. I will be very open now. There is a flag there, because one job had not been done, and that was the valuation of our bridges, our airfield and others. We have done a desktop valuation and a fair valuing, and, no, that is not acceptable; it has to be a hands-on valuation and a condition report of all of these. We have a major waterway running through; we have over 120 bridges, which is more than any other shire in the state, would you believe. It is just the length of them. But we do not have the resources, as far as staff, to be able to do that. A consultant will have to be engaged and initial quotes seem to be around that \$70 000 to \$90 000 to get that report done, which, at the end of the day, it is going to satisfy the Auditor General but will not be of great value to us, because we do that as a matter of means, but probably not recognised by the Auditor General because of the styling of it. Again, that is five per cent of our rate revenue, so we could perhaps raise our rates by five per cent this year, and a consultant will swallow that up.

**The CHAIR:** Okay, good points. We look forward to receiving some more information in due course. Obviously, that will be contained in the transcript that you receive and have further contact from our committee clerk, Mr Warner.

**Hon DIANE EVERS:** In relation to what we were just talking about, I am really interested to hear about those issues; my background is in accounting, so it really makes a difference to hear what is happening on the ground. What I am just looking for, because we have got this system where the Auditor General will be doing these and carrying out these audits, I would like to see how we can improve it. What would be really useful as well is to feed back anything that actually helped you or brought things to your attention that might be of benefit in the future, because I think in working with other regional councils, it will be very important that we build on the experience that you have had and really try to work these out. I do not think the intention is there to make you spend such a large percentage of your rates revenue; I think the intention is actually to make sure that the

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accounting standards are more similar across the whole region. I would really like to hear some of the positives that have come out of it as well.

**Councillor STRANGE:** I will do, and that will be in the notes that will come to you, thank you. To give an example, we had a representative from the Auditor General's office at our zone meeting last year. Now, there are 16 wheatbelt shires in our zone and we are very keen to work with the Auditor General's office, particularly our CEOs, to get a template that we could work with. As I said before, they do not understand local government—it is a very different organisation or level of government—and we were more than happy to work with them. Our CEOs are doing that. Unfortunately, the representative on the day, as I said, did not understand what we were asking and has got his own procedures to follow. This would be a great way to go forward on this, thank you.

**The CHAIR:** Your suggestion in your submission and also some remarks you have given us earlier today suggest that the department for local government is not resourced to provide the required level of guidance and support that local governments would seek from it, and it has become too focused on regulation. I guess that raises a general question: what forms of guidance and advice would you like to see from the department, and can you actually give us any specific examples of support activities that the department has ceased to provide in recent years?

[11.00 am]

**Councillor STRANGE:** Again, if our CEO were here, he would be more than helpful to give you some of the real detail. I will make a note of that also, Chair. But probably some of the basics, a lot of it being with regards to staff and the HR side of things, there has certainly been a tightening up of how we employ people, and rightly so. Again, that raises another point of attracting and retaining staff in the regions, but that aside, the staff contracts and some guidance within that as well. Then we get into—if there are any conflicts—an industrial relations process in there. We were getting a lot of advice from the department in its earlier days in that area. Again, WALGA has picked up that side of things—we pay a membership for that; we are members of WALGA—and it works okay. Probably, again I will get our CEO to give some more examples, the upside has been—if there is an upside in all this—that WALGA has become the first port of call for its members, but also for the department, which has been a very good thing, because under the review of the act we have had a lot more input on what we would like to see changed and modernised and so on through this process. If there is an upside, that has been it, and the department in that regard have been quite easy to work with, because of their lack of resources, and have been willing to take on those suggestions. I have to say, right through the grassroots they have been workshopped from council level, zone level and WALGA level and so on, so it is very thorough. But I will certainly take that on board and get our CEO to again give you a list of things that are probably more relevant.

**The CHAIR:** In effect, would you say it is a form of cost shifting, that WALGA, with its member councils and membership fees is now providing a whole lot of services that the department used to provide—advice and so on?

**Councillor STRANGE:** It is, Chair; no doubt about it. But WALGA, particularly in the recent two to three, four years, has evolved and has been willing to provide those services to its membership and has been able to keep the cost of the membership down. I would have to say the information we are getting from WALGA is a lot more relevant and it is very workable, hands-on information that we are getting. So, WALGA, as you are probably aware, and this may be a question about WALGA, has broadened its outlook over a number of years now and it has the LGIS as its mutual that returns benefits straight to the local governments that are involved—all 139 local governments are involved with the LGIS. Then a very small portion of that goes to WALGA. Then, with the procurement arm of

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WALGA under the preferred supplier scheme, that works extremely well where there are cost savings there and some benefits to WALGA. So I think we are seeing an organisation that has evolved well and has some real status, whether it be amongst its members and the state government.

**The CHAIR:** Thanks for those observations. You did mention the local government insurance scheme in passing; do you have all of your insurance with LGIS?

**Councillor STRANGE:** Yes, we do.

**The CHAIR:** I am inferring, but just for the record, you are happy as a shire with the insurance service provided?

**Councillor STRANGE:** Yes, I am, Chair. I represent 16 shires in the state council of WALGA, so I have made a point of getting to know exactly the feeling right through with regards LGIS, and it is a very strong and supportive one. As I mentioned, 139 shires have all taken it up. Some have gone to the market and come back. From a local point of view, around this table I make the point to our CEO that every year we need to see the LGIS report, what our premiums are and then what our rebate is and what is covered, and we are more than satisfied at this point.

**The CHAIR:** Has the shire been out to the marketplace in connection with insurance premiums in recent years?

**Councillor STRANGE:** No, we have not. It is really in conversations that our CEO has been having with his colleagues; but, no, we have not.

**The CHAIR:** I will touch on one more thing before I ask my colleagues if they would like to ask some questions. We have received some submissions expressing great concern about the Local Government Standards Panel system and that complaints mechanism generally. We have also received some feedback from a number of local governments that there is no problem—we do not have anything to do with it. So they are the extremes that we have been exposed to. What has your experience been at Bruce Rock? What can you tell us about the complaints panel?

**Councillor STRANGE:** I am very glad to say that I have not had any involvement with it.

**The CHAIR:** Touch wood!

**Councillor STRANGE:** The first thing, probably the diversity in local government, and the complaints and the agitation in the sector in some communities, and quite possibly more in the metro area than in the country area, because we are very much focused on getting some of the basic services done, I did have a look at it. I mean, the original intent was to mediate and assist local government through and now it seems to have got involved with more handling of complaints. Of course, every complaint has to be looked at, you would think, and I suppose you could involve the CCC with that as well. That probably overstates the problems out there by a long shot. The 16 shires that I represent, occasionally there are a few bumps along the road, but generally everyone is very focused and committed to what they are doing.

**The CHAIR:** Thanks very much for that.

**Hon LAURIE GRAHAM:** As far as medical services are concerned, what has been the experience of the shire in providing a reliable medical service within the town and do you need to or would doctors provide it themselves?

**Councillor STRANGE:** Thanks, Laurie. Again, that is a question and something that local government has stepped up to ever since I have been involved here—I have been a councillor here for over 30 years now. The situation being that we do not employ a doctor, but we do and have built a house for our doctor and doctors as time has gone on. We do supply a car. We did build a medical centre, which we lease out to him at a very minimal rent, just to have that service. I would have to say—

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when you say medical service, it probably relates more, does it not, in doing what we have done—by building that medical centre we have attracted a full-time dentist and we have allied health services that come to Bruce Rock. Our GP—getting back to that, Laurie—we only have a GP for three and a half to four days. We have been hoping that our regional centre to the north—Merredin, 48 kilometres away—would cover the loss where we do not have a doctor. But a lot of money was spent on Merredin hospital—I think \$28 million to \$30 million; maybe Marty will have those figures at his fingertips—but they still have trouble getting full-time doctors there. But we are hoping that will certainly cover the gap that we have. But, Laurie, I cannot give you a figure on what it costs us each year, but I suggest it would be somewhere between \$200 000 and \$250 000 a year to have a doctor in town.

**Hon LAURIE GRAHAM:** On those days you do not have a doctor, is that doctor working back at Merredin or another government hospital, do you know?

[11.10 am]

**Councillor STRANGE:** He and his family have moved back to Perth, because of their children's education, probably about four or five years ago. He comes up here on a Monday morning and goes back on a Friday. Again, it is probably a sign of the times from a lot of the top-end personnel who are employed, whether it be government services right through to drive in, drive out, and it gets down to a lot of the basics perhaps that we are missing, whether that be education or health services. Aged care is a massive issue right now, which local governments are addressing, as I mentioned. While we are not happy with the service, I think we are not in a bad place.

**Hon LAURIE GRAHAM:** Could I go back to the issue of the department. Is it the loss of the senior personnel that you used to deal with where they were the same people there? Certainly in the 10 years I was involved in local government at the Shire of Greenough, the same faces were there all the time that you dealt with. Is it the loss of those faces as they have gone to more senior positions or taken retirement packages and the people who are now in the positions have not got the skills that were built up over a lifetime?

**Councillor STRANGE:** Yes, I think you have pretty well nailed that, Laurie. In conversations with our CEO, it is just that—that they do not have the experience in local government at all. They have just got into a position and got to a position and so on. They have not been out to the regions and seen grassroots local government in action to take back as they have gone through those ranks. That is very much lost.

If I could again try to look at the glass-half-full scenario: Bruce Rock has a good relationship with the department. Bruce Rock has a very good relationship with the current minister and he works very hard to help where he can. It is not only in that local government field; it is the other services that are not related to his portfolio that he has been able to connect us with people. That has worked particularly well. I will give you an example, if I can, Chair.

**The CHAIR:** Please.

**Councillor STRANGE:** I certainly do hope to see you up here at some point. The minister came through last May. He had two hours. He was on his way back from Kalgoorlie. In that two hours, one hour was going around Bruce Rock having a look at what we have actually built. We employ 40 people on our council. Most of them are outside staff, so hands-on. It is only in the history, over many decades, of where we have got to and what we have done and our particular projects. He got it straightaway that everything that we have done is to retain services and to do it in the best interests of our electors, our people, and bringing people together, whether it be our recreation centre program or bringing the sports together. We had one major issue with a business in



Bruce Rock, Bruce Rock Engineering, that was developing and growing quite strongly. They were in a growth period and there were vacant blocks of land they were looking to get hold of. Very luckily, some of the blocks the council owned and that was certainly a no-brainer for us. That transferred, with some conditions, to the organisation. There was one block of land that was not—it got tied up in bureaucracy. The minister did get involved. Duncan Ord, the director general, was very helpful in that area. In a very short time, six months, he allowed that block to be transferred, I think on a long-term lease, to Bruce Rock Engineering. They have gone from employing 25 people. They are probably sitting around 55 now. They are just building their accommodation block on those blocks so they are going to 75 people. For a town our size, that is astronomical. It was an opportunity that we were so frustrated with that we may lose; that they may have looked at other options which may not have meant people in Bruce Rock using our facilities. Again, we thank the minister very much, and Duncan Ord, as I have mentioned, the director general. In that way, it was extremely helpful.

**The CHAIR:** That is the project that you have detailed, I think, in your submission. Thanks for adding your further personal perspective to that. We have covered a lot of ground today. I am going to go to my colleagues.

**Hon MARTIN ALDRIDGE:** Councillor Strange, can I just ask some questions about the department to add to the questions that the Chairman and Deputy Chairman have asked. Does the department or departmental representatives visit the shire on a regular basis? Is that something that has been done in the past or is currently undertaken?

**Councillor STRANGE:** No, it is not. In the past, yes, and with that experience that Mr Graham mentioned, that was a regular occurrence and a relationship was built. At best now, and perhaps it is only once a year, they will come to a zone meeting to address 16 shires. Unfortunately, the addresses are very much disconnected with the local governments that we have in the wheatbelt because of the lack of experience that they have.

**Hon MARTIN ALDRIDGE:** Are those departmental officers based in the regions? Is there a department of local government regional officer based in Northam or Merredin or are they all centralised in Perth HQ?

**Councillor STRANGE:** As far as I know, they are centralised in Perth. But certainly in our patch, the eastern wheatbelt, there is nothing—no.

**Hon MARTIN ALDRIDGE:** Is there somebody within the department, say if there were some troubling regulatory issue that you stumbled across today as the president of your shire, you would know that you could put a call into that person and that is the person who would help you with your issue, or is it that these days you would go to WALGA to get that initial advice?

**Councillor STRANGE:** That is a good question. Again, going back, you would go to a particular person who had some history within the wheatbelt perhaps and you would be guided by that or would be put in touch with someone who could help. Now you actually go through a process. Whether it be Telstra, Western Power or the department, we do not have any direct contact with people who can answer the questions and provide some guidance.

**Hon MARTIN ALDRIDGE:** Can I ask, on another area: you talked in your submission about financial assistance and the financial assistance grant scheme. I want to ask a couple of questions around that. Do you believe that the formula for determining the financial assistance grants is fit for purpose? Does it particularly recognise the challenges faced by small regional local governments, which are often the service provider of last resort for some of those services you have mentioned today, and I am sure many you have not, where you are delivering services on behalf of your

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community which perhaps larger or metropolitan local governments probably would never even contemplate?

**Councillor STRANGE:** Again, yes, you are quite right: I think a review of and some debating. In our submission, there is certainly a list of additional services we provide. It is quite extensive. If you even went further than that—again, I do not want to keep harping on too much—we spend a lot of our time in support of state services and federal, whether that be Telstra as I mentioned, Western Power, Water Corp. Again, we have jumped into the aged-care space and it is an area that, while we are very good at building infrastructure, the home-care packages and service providers base is very daunting. But our residents in Bruce Rock and the wheatbelt are looking to local government to take the leadership there. That will be another huge area.

**Hon MARTIN ALDRIDGE:** I have heard some local governments are experiencing quite significant year-to-year fluctuations in their grants. Is that because the quantum of money available is changing or is it that the formula that is being applied is changing to the local circumstances?

**Councillor STRANGE:** I could not answer your question accurately there. Again, perhaps I could take that on notice and we will get that information to you. But generally, in this organisation it is fairly stable. It has more of an effect where local governments are really struggling of course. We do have a buffer so we can ride through some of those lows and we do pick up perhaps the next year or whenever it may be. But I will get that information to you.

[11.20 am]

**Hon MARTIN ALDRIDGE:** That would be great if you could provide it as supplementary information. I guess where I was trying to get to was that these days local governments are increasingly being encouraged to have long-term financial plans. I guess what I want to understand is whether there is some uncertainty around the assistance grants that you get from year to year and how much that impacts that long-term financial planning.

**Councillor STRANGE:** Yes, and, of course, it would be an issue there. Just with regards to long-term financial planning, I think we have all got to realise and be realistic about this. It all looks fine on paper. I am a primary producer. We work with the weather, things happen, things change and we adapt. We have the same philosophy around this table. We have a long-term financial plan, but we are ready to adapt one way or another if things change, and, again, I am not sure whether state or federal governments have long-term financial plans that we could rely on, because of the same reasons—whether it be GST, iron ore or the worrying part of the coronavirus. Things happen. We have got a long-term financial plan. Yes, Mr Aldridge, it would be terrific to have that consistency with our FAGS funding, but we here in Bruce Rock do adapt.

**Hon DIANE EVERS:** Following on, still on financial issues, I notice in your submission you talk about the closure of the tier 3 rail lines and the additional imposts on road maintenance, and I understand just how expensive that can be. Partly on that issue—also, are you finding other areas of raising revenue? Do you have any beneficial enterprises or areas where you can pick up a bit more revenue in order to pay for some of those costs?

**Councillor STRANGE:** Yes. You mentioned one of the most serious things to happen probably in the wheatbelt and the effect on our road network, and there is certainly a discussion going on. Local government will not shy away from protecting its major asset, and that means its roads. We have said, whether it be to state or federal governments, that the road network is crumbling. We can give you some very good evidence and data to prove all of that. It has had a major impact, and, of course, with that comes the discussion about road-user charges, levies and all sorts of different things. Of course, the big organisations that move bulk products around here, mainly grain, have certainly

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balked and been quite aggressive towards local governments that even speak that way. Just on from that, the secondary freight routes project is probably borne out of part of that, and there is plenty of documentation. To be able to leverage \$90 million, almost, putting two local governments working together to address some of these road problems. I think \$20 million of that has come from the state government, and I would like to think that this stage 1. So that is local government stepping up to the major problem.

The other part of your question is: what can we do and what we have we done with regards to raising extra revenue? I mentioned earlier that this model is quite [inaudible]. We are very much involved with private works, and part of it is in our submission. We have contracted to Main Roads and Water Corp. We run our own concrete business here. We do not have a local provider. We built a huge water tank for Water Corp a few years ago, with a net benefit and cash benefit to this community, and employment benefit. We have also done a lot of works for Main Roads, and some of that has been building bridges or culvert extensions because they have trouble getting contractors to the wheatbelt. Some of this is past. Of course, the other benefit is that we have quite a large plant with a high number of employees so the farming community use the concrete business whether it be for fertiliser or grain sheds and grader works or for land care, where you have got tree planters and all sorts of other things. There is a huge benefit there and some revenue coming in from that.

I mentioned also our factory units, which are stated here, and how many we have built. It is a project that we started probably 25 years ago, when the first unit was built. Currently, all are filled, bar one. They are attracting new businesses to Bruce Rock. They initially had a subsidised rent and then went into a commercial rent, which has worked extremely well. Right now, I think the stars have aligned. We have got some young business men and women who have moved to Bruce Rock. They are ex-locals. They understand living in the regions. They love living in the regions and having their families here in Bruce Rock. They are getting involved with all the activities, particularly the sport clubs, and of course you have got benefits with the school and so on. Right now, it is working particularly well. Some of those units that were built have been onsold. They have made that commitment and said, "We would like to buy that unit." There is an income stream, while modest, with our private works, our factory units. Where it has dropped off, and again, probably at a higher level is with Water Corp and Main Roads and their contractors—probably long-term contracts in place, where we do not get included now with a lot of the small jobs. Quite often you will see a maintenance job being done. We have a state road that runs through Bruce Rock called the York–Merredin, where a crew will come up with an army of men, women and some machinery to do a two or three-day job. The local government, we are well placed to do that job, but we do not get asked anymore, perhaps because of the contracts that are set in place by the state. That is sad, because it is an extra cost to the state government, and we can get a better bang for their buck by doing it here locally, and we get the net benefit here too.

**Hon DIANE EVERS:** Thank you; that is very important. We talk about buying local, but that is a perfect example where we did not follow the buy local ideas. Can you just tell me with the other councils that you work with, would you say that they are all or many of them are looking into these same areas? It sounds like a very optimistic outlook to have planned ahead with the factory units and also with the contracting ability.

**Councillor STRANGE:** Yes. Some have. I have to go back probably 30 or 40 years when a lot of this groundwork was done in Bruce Rock. Full credit to the council of the day then and certainly the CEO of the day. They were not hindered by all of the things we are talking about. They were out there doing things. To upscale, if you like, and look at doing some these things now, some local governments would struggle to do. Again, it is a bit like the department struggling to attract good,

solid staff in CEOs, right down to finding grader operators or whatever might be. I am pretty certain it would be pretty difficult to set up now if we had to start from scratch. As I said, we are finding it more and more difficult to justify, but if every now and again we get a job from whoever it might be, that may be worth \$10 000, \$20 000 or \$40 000, it is extremely helpful. This is just my observation: some local governments are probably looking to go more the other way. They may look at sharing more resources, which you can with certain areas, whether it be an EHO or other senior staff. If you have got good connectivity, you may be able to do that, but at the end of the day, the local government, our biggest assets are our roads, and if you start selling off graders to rationalise your fleet, your reconstruction or maintenance grading or whatever it may be, roads will just decline and decline, because you have still got same kilometres of roads.

**The CHAIR:** We are probably drawing to a close. Just before we do draw to a close, councillor, I invite you, if you have any further comments to make. I just want to ask you something about—drawing from page 4, I think it is, of your submission. You have already told us a lot about your shire's efforts to encourage economic development, support local business and so on, but I noticed you referred to the removal of the small business network program and the impact that then had on your shire employees having to pick up some the slack. Can you tell us a bit more about that, please?

[11.30 am]

**Councillor STRANGE:** Yes. The program was a very good one. It was obviously funded by the state government and it gave the opportunity for existing and new businesses at the first point of contact how to go about the expansion or starting off of businesses. They did a mighty job around the place. Since the decline of that, it has put more onus on individual shires, for a start. Again, not all shires have the expertise in there. We certainly do not shirk the issue. Any advantage that we can get out of a business expanding or moving to Bruce Rock, we will allocate as much time as we can. I suppose that in all that compliance area, that we may not be on top of that all the time—it gets pushed back a little further, which upsets a few bureaucrats. We are very much like that. If we have an opportunity, we will take it up. In extension to that, an organisation called the Wheatbelt Business Network—a private organisation—has picked up the slack in that area. It is a wonderful organisation with a terrific network. But, again, you pay a membership to it and perhaps a user fee, if you like. But that organisation, perhaps, has more advantages because it, itself, and its network, right through the regions, is local and understands the local issues and understands—whether it be planning, health or whatever it may be—all the hurdles we go through and it understands where to go, whereas the state organisation, although it should, probably got tied up in some bureaucracy. Again, that is a benefit but we are paying for that.

**The CHAIR:** Where was the small business network office in your area?

**Councillor STRANGE:** Marty might be able to help me there. Caroline Robinson, who is a farmer, south of Mt Walker, started the operation. They are very much mobile. Wherever they need to be, they will be there. Other organisations like the Wheatbelt Development Commission, while it has an office, has become more and more mobile. You have RDA—Regional Development Australia Wheatbelt—which has become more and more mobile. Provided that you have the right connectivity, we are getting a lot more efficient work done in that space. Again, it is probably more that mobile and online service that we are getting.

**Hon DIANE EVERS:** When you say “mobile”, sometimes people have different ideas in their head of what you mean. Does that mean they are on the road and go places, or do they have an office in one place but they spend most days out on the road, or is it just virtual online with someone sitting in Perth?

**Councillor STRANGE:** Just to clarify that, some do have offices. We do not have one in Bruce Rock. Distance can be an issue so they are very much mobile in their vehicle. As I said, if we have connectivity, they can be extremely efficient, and it works particularly well. We are pleased to have that service and I think that will probably get better.

**Hon DIANE EVERS:** That is good. Thank you.

**The CHAIR:** Noting the time, I think we will start to draw this to a close, councillor, but are there any further points you want to make to us at this stage?

**Councillor STRANGE:** In closing, Chairman and committee—again, I really hope that you find yourself in Bruce Rock one day—I will explain the culture, first of all, of our organisation. We have some very long-term employees here. I have made mention in other forums that we are on our fifth CEO, or shire clerk, since World War II. Some people are probably horrified by that, but every one of them has contributed in a major way to the development of this community. Every one of them has lived in this community and has had their children educated here. We have had health professionals, generally, over that time, and they have become a big part of the community. Any employee you have that lives in your community and is a part of it will get it, and that culture just builds and builds and builds. He is not the only one. The council around here, in the last nearly 50 years there have been only two shire presidents. Again, if you said that to the AICD courses and boards and so on, they would say, “Oh no, that’s far too long”, but in saying that, progress has been made and the appetite is still there, so that is working well. Councillors around the table—of course, we always ask for more diversity—but we have nine councillors. Seven of them are males, which probably does not stack up in modern terms these days, but it is a very open community—male or female. One female was off and one female came on. There are no gender issues around my council table, I can guarantee you that. Everyone has almost freedom of speech of what they can say and everyone has input. The other part of that is that we have diversity amongst us. First of all, we have had the owner of BKE, I have mentioned before, on council, who brings another dimension; and we have a dentist, who is now our deputy president, who brings another dimension. Around the table, we would have farming businesses with multimillion-dollar turnovers—a lot bigger than some local governments. So when they are asked to do a lot of this training, they do get their back up about doing a half-day or full-day finance course when they are already running these multimillion-dollar businesses. They are questioning why they are on this council. They know the big picture but they are feeling the burden of all these other things.

The culture within our workforce: we have had employees who have been there for 40 and 50 years, which has just been outstanding. We have had a couple of juniors come along over the last few years, and I see them very much as long-termers as well. Again, that culture, whether it is our councillors versus workers’ bowls evening coming up—some people may not think that is so important but that builds that culture and may close any gap between councillors and workers. I mentioned that we employ 40 people. Over the last 20 years, we have taken on some major building projects, whether it be bringing our sporting clubs together, co-location—there was a total cost of \$4.5 million to bring several sporting facilities together. I am sure that if you looked at pricing that up now with contractors involved, it would be \$10 million plus. So we are able to do works a lot better and get that benefit and employ people at the same time. All of these benefits—again, you will see them when you come up—is saving money for the shire and has built up that culture over decades and decades.

**The CHAIR:** Thank you very much again for your participation, councillor, and, again, compliments about the way your council colleagues are working for their community.

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I will now just ask for the broadcast to end. We are still in session, even though the broadcast has ended, but I will conclude with these formalities. A transcript of this hearing will be forwarded to you for correction. If you believe that any corrections should be made because of typographical or transcription errors, please indicate those on the transcript. Errors of fact or substance, of course, must be corrected in a formal letter to the committee. When you receive your transcript of evidence, the committee clerk will also advise you when to provide your answers to questions taken on notice, which we discussed earlier. We look forward to receiving that further information. Of course, if you want to provide any additional information which comes to mind or elaborate on any of the matters that we have discussed today in addition to those matters taken on notice, we would be more than happy to receive that further input.

With that, thanks very much once again and we will bid you a good day.

**Councillor STRANGE:** Thank you, Chair and committee, and thanks for the committee. I look forward to seeing you up here.

**The CHAIR:** Cheerio for now.

**Hearing concluded at 11.39 am**

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