

Under the terms of funding from AUSLINK - Roads to Recovery, the Commonwealth is failing to permit legitimate expenditure to be accounted to projects being done under this scheme. Depreciation costs of plant and equipment utilised in projects under the scheme are not permitted to have the depreciation component of the plant and equipment charged to the project. This is contrary to all accounting principles, the net effect of which is forcing Local Government to meet this cost from its own resources! There has been some comment from the Commonwealth that as this is additional work to that already being done under Council own resources, therefore depreciation does not impact on R2R projects (I cannot locate anything in writing from the Commonwealth)!!

This is an absolute fallacy, depreciation occurs for each and every hour the plant and equipment operates. For example if Council hired a Contractor to work on a R2R project, not only does the Contractor have a margin for profit but also there would be margins for all the other indirect costs including depreciation. The same would apply if a local government leased its major plant, the leasing cost would be applied to the project to the extent the plant was involved on the project. The condition is designed to give the impression the Federal Government is getting more for its dollar, it certainly is at the great disadvantage and on the back of Local Government.

There is current studies on the sustainability of Local Government and the blatant cost shifting onto Local Government from the other two spheres of Government. One report from the Australian Local Government Association (as a result of a intensive study) indicated that up to 60% of local governments are not viable in the long term. A conclusion also drawn by an independent study by the WA Local Government Association. Is there any wonder when Governments can get away with shoddy and underhand tactics that are being exhibited in this exercise.

Regards,

Barrye Thompson  
CEO  
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# John Grey Gorton

*an informal biography*

*Alan Trengove*



CASSELL AUSTRALIA

priorities to limited resources which is essential in a small country district also has to be practised at the national level. In a sense local government enabled him to serve an apprenticeship in assessing priorities.

He expressed his feelings toward local government in a speech he made after being elected president of the shire in 1949. Claiming that the office of municipal councillor was one of the most honourable that a man could hold, he pointed out that the councillor was elected for his personal qualities rather than for any political affiliations he might have. His decisions and acts had an immediate effect on the everyday lives of the people of his area, and he gave his thought and action without any recompense except a sense of having accepted a responsibility and of service to the community.

In the same speech he went on to mention the financial problems of municipal councils. Read for the first time today, the comments he made then in the Kerang Shire Hall are not without irony in view of the disagreement he would one day have with State Premiers on the vexed subject of Federal tax reimbursements to the States.

'... It seems to me,' said Gorton, 'that local government as we know it faces one of its most difficult periods. We are already, as has been pointed out in this chamber more than once, frustrated in many ways. Our income is fixed, limited to a tax on real estate of so much in the pound. Our expenses are steadily rising and our activities continually dwindling. A tax on real estate may be reasonable and right if we are concerned solely with matters which benefit real estate owners. It is not so recognizably right to limit councils to income from this sort of tax when health matters, public buildings, libraries, swimming pools and so on are to be our responsibility—as they should be.' He urged that councils be given more means of revenue such as 'a good deal of petrol tax' to be used for the maintenance of roads as distinct from the construction of roads.

In four years on the Kerang Shire Council he won a reputation for clear thinking and energy. H. Lester Smith, a former veteran councillor and shire president who knew him at this time, says that although Gorton became increasingly politically-minded, he never played politics in the council chamber.

'Like all of us, he was on the council to get things done,' says Smith. 'The war had broadened his outlook and he knew there was more to the world than just his own back fence. I suppose if there