

1920-21.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

PARLIAMANTARY STANDING COMMITTEE  
ON PUBLIC WORKS.

REPORT

TOGETHER WITH

MINUTES OF EVIDENCE

RELATING TO THE

ERECTION OF OFFICES FOR TAXATION

AND OTHER

COMMONWEALTH DEPARTMENTS IN SYDNEY.

*Presented pursuant to Statute ; ordered to be printed, 5th October, 1921.*

*[Cost of Paper :—Preparation not given ; 775 copies ; approximate cost of printing and publishing, £25.]*

Printed and Published for the GOVERNMENT of the COMMONWEALTH of AUSTRALIA by ALBERT J. MULLETT,  
Government Printer for the State of Victoria.

No. 139.—F.5090.—PRICE, 9D.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS.

Third Committee.

The Honorable HENRY GREGORY, M.P., Chairman.

Senate.

Senator Hattil Spencer Foll.\*  
 Senator George Henderson.†  
 Senator John Newland, Vice-Chairman.††  
 Senator Edward Needham.§  
 Senator William Plain.\*

House of Representatives.

Llewelyn Atkinson, Esquire, M.P.||  
 The Honorable Frederick William Bamford, M.P.  
 David Sidney Jackson, Esquire, M.P.¶  
 George Hugh Mackay, Esquire, M.P.  
 James Mathews, Esquire, M.P.  
 Parker John Moloney, Esquire, M.P.

\* Appointed 28th July, 1920. † Resigned 22nd July, 1920. ‡ Re-appointed 28th July, 1920.  
 § Ceased to be a member of the Senate, 30th June, 1920. || Resigned 12th May, 1921. ¶ Appointed 19th May, 1921.

INDEX.

	PAGE
Report .. .. .	iii
Minutes of Evidence .. .. .	1

LIST OF WITNESSES.

	PAGE
Ewing, Robert, Federal Commissioner of Taxation, Melbourne .. .. .	12
Goodwin, John Thomas Henry, Commonwealth Surveyor-General, Melbourne .. .. .	9
Hulme, Thomas Shallcross, Deputy Commissioner of Federal Taxation, State of Victoria, acting temporarily as Deputy for the State of New South Wales, Sydney .. .. .	5
Murdoch, John Smith, Chief Commonwealth Architect, Department of Works and Railways, Melbourne .. .. .	1, 6
Oakeshott, George John, Commonwealth Works Director for New South Wales, Sydney .. .. .	16, 17
Rain, Robert James, Staff Surveyor, representing Commonwealth Surveyor-General, Survey Branch, Department of Home and Territories, Sydney .. .. .	17
Thompson, Henry, representative of John Fairfax and Sons, Sydney .. .. .	15

EXTRACT FROM THE VOTES AND PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES.

No. 113 OF 25TH NOVEMBER, 1920.

10. PUBLIC WORKS COMMITTEE—REFERENCE OF WORK—SYDNEY—OFFICES FOR TAXATION AND OTHER DEPARTMENTS.  
 —Mr. Groom moved, pursuant to notices, That, in accordance with the provisions of the *Commonwealth Public Works Committee Act 1913-1914*, the following work be referred to the Parliamentary Standing Committee on Public Works for its investigation and report thereon, viz., Sydney—Offices for Taxation and other Commonwealth Departments.

Mr. Groom having laid upon the Table plans, &c., in connexion with the proposed works.

Question—put and passed.

# PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

## OFFICES FOR TAXATION AND OTHER COMMONWEALTH DEPARTMENTS, SYDNEY.

### REPORT.

The Parliamentary Standing Committee on Public Works, to which the House of Representatives referred for investigation and report the question of the erection of offices for Taxation and other Commonwealth Departments in Sydney, has the honour to report as follows:—

#### INTRODUCTORY.

1. At the present time a large number of the branches of the Commonwealth Departments in Sydney is occupying rented premises in various and scattered parts of the city—in many instances in quarters quite unsuitable for economic administration, and under conditions which fail to provide efficient facilities to the public, and are not conducive to the health of the officers employed.

#### PROPOSAL.

2. The projected building is intended primarily to accommodate the increasing operations of the Taxation Department of the Treasury, now located in comparatively unsuitable rented premises in the commercial centre of the city. Incidentally, the new structure will be for offices in which to concentrate the work of branches in Sydney of other Commonwealth Departments now occupying relatively unsuitable premises. The building is proposed to be ten stories high, of simple design, and of modern construction, adapted for alteration and subdivision to meet varying requirements at a minimum of cost. The estimated cost of erection, including incidental engineering services, but exclusive of site, is about £145,000.

#### EVIDENCE.

3. Evidence was taken in Sydney and Melbourne, and, as will be seen from the list of witnesses, the Committee, in the course of its investigations, had the benefit of the advice and opinion of the Chief Commonwealth Architect, the Federal Commissioner of Taxation, and the Commonwealth Surveyor-General. A careful analysis showed that the following Departments were occupying rented premises:—

Name and Location.	Square Feet.	Annual Rental.		Rate per Square Foot.	Tenancy or Date of Expiration.
		£	s. d.	s. d.	
17 Bligh-street— Pensions .. .. .	4,497	1,000	0 0	4 5	31st December, 1921
15 Bligh-street— War Pensions .. .. . (One room occupied by Coal Supervisor, No. 4 on third floor, from 1st October, 1920, at 15s. per week)	5,000	1,000	0 0	4 0	31st December, 1921
Warwick Building— Land and Income Tax— Second Floor .. .. .	6,560	1,000	0 0	3 3	30th September, 1923
First Floor .. .. .	31,692	5,000	0 0	3 1	30th September, 1923
Fifth Floor .. .. .					
Sixth Floor .. .. .					
Seventh Floor .. .. .					
Eighth Floor .. .. .					
Circular Quay— Naval Transport .. .. .	840	174	4 0	4 1	Monthly
Royal Insurance Company's Buildings, Pitt and Bridge streets— Commonwealth Film Censorship Board (Trade and Customs Department) .. .. .	1,590	300	0 0	..	31st May, 1926
Dawes Point, Sydney (near Customs Boatshed)— Trade and Customs (Customs Searchers and Watchmen) ..	155	26	0 0	3 4	Monthly

RENTED PREMISES—*continued.*

Name and Location.	Square Feet.	Annual Rental.		Rate per Square Foot.	Tenancy or Date of Expiration.
		£	s. d.	s. d.	
George and Globe streets— Lighthouse Branch (Office and Workshop, two floors) ..	1,680	156	0 0	1 11	Quarterly
249-251 Castlereagh-street— Repatriation Department—Second floor .. ..	4,900	350	0 0	1 8	30th April, 1922
Sutton Chambers, Pitt-street— Naval—Registering Workmen for Cockatoo Island Dockyard, Room No. 13 .. .. .	510	52	0 0	2 0	Monthly
City Mart Buildings, Hamilton-street— War Service Homes Commission— Third and Fifth Floors .. .. .	6,400	720	0 0	2 3	31st July, 1924, then monthly
Fourth Floor .. .. .	3,200	353	0 0	2 2	31st July, 1924, then monthly
Poster House, 23 Lang-street— War Service Homes Commission, Second Floor .. ..	..	585	0 0	..	..
Macquarie Chambers, 10 and 12 Loftus-street— Lands and Survey Branch (Mr. Surveyor Rain)—two rooms on Second Floor .. .. .	852	135	0 0	3 0	10th March, 1922, then monthly
13 O'Connell-street— Commonwealth Line of Steamers—Basement, Ground, and First Floors .. .. .	4,200	900	0 0	4 3	1st April, 1927
(Basement sub-let to Dr. Fiaschi, for storage of wine, £3 10s. per week, five years from 1st August, 1920)	..	..	..	..	..
Rice's Bond and Free Stores, Circular Quay— Trade and Customs, King's Warehouse .. .. .	1,540	375	0 0	4 0	31st March, 1923
121 Pitt-street— Commonwealth Police—Room No. 6 .. .. .	418	71	10 0	3 5	Monthly
London Bank Chambers— Immigration Branch—One room .. .. .	285	96	0 0	6 9	Monthly
		(£14 2s., cleaning)			

While the above shows an average rental of 3s. 3d. per square foot per annum, recent extensions of leases show a large increase in rent charges—in one case as high as 100 per cent.—and, as it is estimated space could be provided in the new building at a cost of 2s. 9d. per square foot, it is evident to the Committee that economy would be effected by the erection of premises.

## INSPECTIONS BY COMMITTEE.

4. The Committee, having heard the officials' explanations of the proposed work, and by inspection and inquiry acquainted itself with the proposal, visited Sydney, and carefully investigated the several sites, paying particular attention to their suitability for the purpose in view. The main objective of the Commonwealth is to obtain a site affording ready and easy approach by tram, train, and water, if possible outside the more expensive business areas, and sufficiently large to enable the housing of all permanent Commonwealth activities exclusive of Customs, Defence, Repatriation, and Postmaster-General's Departments. The requirements of the Taxation Department would best be met by a structure having large open ground floor space, with ample provision for the public making inquiries, and a good basement in which records could be stored. The other floors should consist of large open offices, enabling full supervision to be exercised; and, at least, one large lift should be installed.

5. In order to assist in arriving at a decision as to the urgency of the proposal to erect a building in Sydney, and for the purpose of comparing the prevailing conditions in the two capital cities, Elizabeth House, Melbourne, in which the Victorian Branch of the Federal Taxation Department is located, was inspected. The Committee is of opinion that Elizabeth House is excessively overcrowded and unwholesome, and wholly contravenes the health by-laws in regard to space, ventilation, &c. It was asserted that during the month of July, 1921, out of a staff of 435, approximately 35 officers per day were absent on sick leave. The provision for storing records considerably interfered with light and air, and provoked dust and other unpleasant conditions. A large number of female employees is on the staff, and no suitable retiring or cloak room accommodation is provided. This condition of affairs should be remedied as soon as possible.

## PROPOSED SITE.

6. The proposal of the Federal Taxation Department is to erect a building on a piece of land containing an area of 13,640 square feet, situated in Phillip-street, between the Government Printing Office and State Works premises, having a frontage of 127 feet 9 inches to Phillip-street, with a depth of 106 feet 8 inches to Phillip-lane, in which quarter of the city are located most of the Government offices.

## ALTERNATIVE PROPOSALS FOR SITE.

7. Several propositions have been submitted to the Committee. It has been suggested that the Commonwealth should purchase—

- (a) the premises at present rented for taxation purposes, known as "Warwick Building," and situate in Hamilton-street, Sydney.
- (b) the store and land having an area of about 17,150 square feet, occupied by Harrison, Jones, and Devlin, on the corner of Macquarie-place and Arbitration-street.
- (c) the block of land having a frontage of 93 feet to Phillip-street, with a depth of 122 feet, and an area of 11,346 square feet, adjoining Selbourne Chambers.

## COMMITTEE'S DECISION.

8. Having carefully considered the foregoing, the Committee is of opinion that—

- (a) "Warwick Building" should not be entertained. The structure is roomy and well built, but apparently laid out to suit the requirements of a factory or warehouse. The ceilings of the respective floors are low, ventilation and lighting are not good, and the sanitary conveniences and retiring-rooms are inadequate to meet the demands of a large staff;
- (b) the store and land occupied by Harrison, Jones, and Devlin are unsuitable. The building was erected primarily for storage purposes, and any alteration would entail a considerable outlay, without providing the requisite facilities;
- (c) the block of land in Phillip-street adjoining Selbourne Chambers is considered unsuitable on the grounds of cost, smallness of area, and lack of right-of-way at rear.

## APPROVED SITE.

9. The Committee is definitely of the opinion that the land in Phillip-street, between the Government Printing Office and State Works premises, recommended by the Federal Commissioner of Taxation, would satisfy requirements, provided it could be purchased at a fair market price, subject, however, to full consideration being given to other sites and prices, which are being submitted in answer to the Committee's inquiries. The block is central, handy to tram, train, and water, and a suitable building could be erected on the area.

## COMMITTEE'S RECOMMENDATIONS.

10. The decision arrived at by the Committee is shown in the following extract from the Minutes of Proceedings :—

Mr. MATHEWS moved: That, in the opinion of the Committee, it is advisable that a Commonwealth building should be erected in Sydney, for the purpose of housing various Government Departments, and more particularly Taxation, Electoral, Pensions, Works and Railways, Commonwealth Film Censorship Board, Lands and Surveys.

Seconded by Mr. MOLONEY.

Carried unanimously.

Senator PLAIN moved: That, after inspection of various sites for the erection of Commonwealth Offices to house the Taxation and other Departments in Sydney, the Committee is of opinion that the site recommended by the Federal Commissioner of Taxation, situate in Phillip-street, between the Government Printing Office and State Works premises, and having a frontage of 127 ft. 9 in. to Phillip-street, with a depth of 106 ft. 8 in. to Phillip-lane, is the most suitable, and would recommend its purchase for this purpose, if obtainable at a fair market price, subject, however, to full consideration being given to other sites and prices, which are being submitted in answer to the Committee's inquiries.

Seconded by Mr. MOLONEY.

Carried unanimously.

It was moved by Mr. MATHEWS: That the Committee recommends that a building, with a floor space of from 90,000 to 100,000 square feet should be erected, having large basement accommodation for the storage of records, ample floor space for the effective and economic control of Departments, sufficient lift facilities, efficient ventilation and lighting, luncheon-room on flat roof for convenience of officers, retiring-rooms for female employees, and, generally, on the lines shown on draft sketch plans submitted by the Chief Commonwealth Architect.

## CONCLUSION.

11. The Committee is unanimously of opinion that when the site has been secured, and the plans are prepared, the latter should be referred to the Committee for examination, inquiry, and report.

(Sgd.)

H. GREGORY,

Chairman.

Office of Parliamentary Standing Committee on Public Works,  
527 Collins-street,  
Melbourne, 3rd August, 1921.

ALTERNATIVE PROPOSALS FOR SITE

Several propositions have been submitted to the Committee. It has been suggested that the Commonwealth should purchase

- (a) the premises at present tenanted for station purposes, known as "Warwick Building" and situate in Hamilton-street, Sydney.
- (b) the store and land having an area of about 17,150 square feet, occupied by Harrison, Jones and Deylin, on the corner of Macquarie-place and Arbitration-street.
- (c) the block of land having a frontage of 83 feet to Phillip-street, with a depth of 132 feet, and an area of 11,046 square feet, adjoining Melbourne Chambers.

COMMITTEE'S DECISION

8. Having carefully considered the foregoing, the Committee is of opinion that—
- (a) "Warwick Building" should not be entertained. The structure is roomy and well built, but apparently laid out to suit the requirements of a factory or warehouse. The ceilings of the respective floors are low, ventilation and lighting are not good, and the sanitary conveniences and retiring-rooms are inadequate to meet the demands of a large staff.
  - (b) the store and land occupied by Harrison, Jones, and Deylin are unsuitable. The building was erected primarily for storage purposes, and any alteration would entail a considerable outlay, without providing the requisite facilities.
  - (c) the block of land in Phillip-street adjoining Melbourne Chambers is considered unsuitable on the grounds of cost, smallness of area, and lack of right-of-way at rear.

APPROVED SITE

9. The Committee is definitely of the opinion that the land in Phillip-street, between the Government Printing Office and State Works premises, recommended by the Federal Commissioner of Taxation, would satisfy requisite requirements, provided it could be purchased at a fair market price, subject however to full consideration being given to other sites and prices, which are being submitted in answer to the Committee's inquiry. The block is central, handy to tram, and water, and a suitable building could be erected on the area.

COMMITTEE'S RECOMMENDATIONS

10. The decision arrived at by the Committee is shown in the following extract from the Minutes of Proceedings:—

Mr. MATTHEWS moved: That in the opinion of the Committee, it is advisable that a Commonwealth building should be erected in Sydney, for the purpose of housing various Government Departments and more particularly Taxation, Electrical, Post and Railways, Commonwealth Film Censorship Board, Lands and Survey.

Seconded by Mr. MURPHY.

Carried unanimously.

Senator PLAIN moved: That, after inspection of various sites for the erection of Commonwealth Office in Sydney, the Taxation and other Departments in Sydney, the Committee is of opinion that the site recommended by the Federal Commissioner of Taxation, situate in Phillip-street, between the Government Printing Office and State Works premises, and having a frontage of 83 ft. 9 in. to Phillip-street, with a depth of 132 ft. 8 in. to Phillip-street, is the most suitable, and would recommend its purchase for this purpose, it being obtainable at a fair market price, subject however, to full consideration being given to other sites and prices, which are being submitted in answer to the Committee's inquiry.

Seconded by Mr. MURPHY.

Carried unanimously.

It was moved by Mr. MATTHEWS: That the Committee recommends that a building with a floor space of from 50,000 to 100,000 square feet should be erected, having large basement accommodation for the storage of records, ample floor space for the electric and economic control of Departments, sufficient lift facilities, efficient ventilation and lighting, luncheon-room on the roof for conveniences of clerks, retiring-rooms for female employees, and generally, on the lines shown on draft sketch plans submitted by the Chief Commonwealth Architect.

CONCLUSION

11. The Committee is unanimously of opinion that when the site has been secured, and the plans are prepared, the latter should be referred to the Committee for examination, inquiry and report.

H. GREGORY,

(Sgd.)

Chairman.

Office of Parliamentary Standing Committee on Public Works,  
727 Collins-street,  
Melbourne, 3rd August 1931.

# MINUTES OF EVIDENCE

(Taken at Sydney.)

WEDNESDAY, 30TH MARCH, 1921.

Present:

Senator NEWLAND, in the Chair;

Senator Foll,                     Mr. Mathews,  
Senator Plain,                 Mr. Parker Moloney.  
Mr. Atkinson,

John Smith Murdoch, Chief Architect, Commonwealth Department of Works and Railways, sworn and examined.

1. *To Senator Newland.*—The proposal into which the Committee is inquiring is one for the erection in Sydney of new offices for the use of the Taxation and other Commonwealth Departments. The Minister for Works, in submitting to Parliament a motion for the reference of this proposal for the consideration of the Committee, said—

This projected building is intended primarily to accommodate the increasing operations of the Taxation Department of the Treasury now located in comparatively unsuitable rented premises in the commercial centre of the city.

Incidentally also the new building is intended as offices in which to concentrate the work of branches in Sydney of other Commonwealth Departments now occupying relatively unsuitable and scattered rented premises.

The intended location of the building is in Phillip-street, being that district of the city wherein are located most of the Government offices.

The building is proposed to be ten stories high, of simple design and of modern construction, adapted for alteration and subdivision to meet varying requirements at minimum of cost.

Possible surplus accommodation within the building could, it is considered, be profitably rented until such time as expansion of Federal requirements demanded the space.

The estimated cost of the building, including incidental engineering services, but exclusive of site, is about £145,000.

The site is worth, probably, £20,000. The land on which it is proposed to build is in Phillip-street, between the Government Printing Office and the State Works offices. It has been vacant for some years, and I do not know why the State Government has not acquired it for its own future purposes. Mr. Ewing, the Commissioner of Taxation, speaks of this land as being

worth not less than £18,000; but putting its value at the figure I have given, the proposal which the Committee is investigating, means the investment of about £165,000. The proposed building is intended primarily to accommodate the Taxation Department, which now rents premises in Warwick Building that are not very suitable for its purposes. This building is a fine modern structure, mainly suitable for warehouse purposes, and was offered to the Commonwealth Government some time ago; but an examination disclosed defects from the point of view of first-class office accommodation requiring superior natural light, that its purchase would not have been advantageous, and it was decided that it would be better to erect a new building for the use of the Taxation Department. The proposed new building will be roomy enough to house in addition to the Taxation Department, the Sydney branch offices of the various Commonwealth Departments, excluding those of the Defence, Customs, and Postmaster-General's Departments. The Treasurer has approved tentatively of the scheme, and the Department of Home and Territories, which manages the property business of the Government, also approves of it, and it has the indorsement of the Minister for Works. The site that has been chosen is conveniently situated, and has frontage of 127 feet 9 inches to Phillip-street with a depth of 106 feet 8 inches to Phillip-lane. In the interests of economy, the building should be as high as can be constructed without offence to the building regulations of the city, and it is proposed that it shall consist of ten stories. The preparation of the scheme for submission to Parliament at the close of last session had to be so hurried that it was impossible to make the plans as complete as is usual; but the information available to the Committee is, I think, sufficient to enable it to come to a decision regarding the proposal. The following table gives the rented accommodation occupied in Sydney by the various branches of the Commonwealth Departments, exclusive of the Customs, Defence, and Postmaster-General's, and the rentals paid for the offices which they occupy:—

STATEMENT OF PREMISES IN SYDNEY LEASED FOR OFFICE PURPOSES.

Name and Location.	Sq. ft.	Annual Rental.			Tenancy or Date of Expiration.
		£	s.	d.	
17 Bligh-street—Pensions	4,497	500	0	0	Monthly
15 Bligh-street—War Pensions	5,000	500	0	0	Monthly
Warwick Chambers—Land and Income Tax—					
Floors Nos. 6, 7, and 8	19,232	1,950	0	0	} £3,500
First Floor	5,940	800	0	0	
Fifth Floor	6,520	750	0	0	
Circular Quay—Naval Transport	840	174	4	0	Monthly
Royal Insurance Company's Buildings, Pitt and Bridge streets—Commonwealth Film Censorship Board (Trade and Customs Department)	1,590	250	0	0	31.5.21
George and Globe streets—Lighthouse Branch Office and Workshop—two floors	1,680	156	0	0	1.8.20, then quarterly
Post Office Chambers, Pitt-street—Inter-State Commission, room No. 31, on first floor	273	60	0	0	2.4.20, then quarterly
Macquarie Chambers, 10 and 12 Loftus-street, two rooms on second floor (Surveyor Rain)	880	135	0	0	10.3.21, then monthly
Total	46,452	£5,275	4	0	

## ACCOMMODATION IN SYDNEY LEASED FOR PURPOSES OTHER THAN AS SHOWN ABOVE.

Name and Location.	Sq. ft.	Annual Rental.	Tenancy or Date of Expiration.
121 Pitt - street — Commonwealth Police (Room No. 6) .. .. .	418	£ s. d. 71 10 0	Monthly from 30.5.19
227 George-street (Kitcheners Limited)—Electoral Storage, first floor .. .. .	984	117 0 0	Monthly
Central Railway Station—Parcels Post Building ..	10,800	650 0 0	31.8.08
Sydney Railway Station—Mail Accommodation ..	6,000	300 0 0	7.11.21
Macdonnell House, Pitt - street — Construction Branch .. .. .	4,943	500 0 0 plus— 130 0 0 for cleaning	30.6.20, then monthly
Pier-street, Darling Harbor—Telephone Workshops	27,600	1,825 0 0 including rates and taxes	12.10.22
6 George-street—Repatriation Department—(lease from State Government)	..	200 0 0	31.3.28, then monthly (10 years from 1.4.18)
Sutton Chambers, Pitt-street, room No. 13, Naval—Registering workmen for Cockatoo Island Dockyard	510	52 0 0	Monthly
City Mart Buildings, Hamilton-street—War Service Homes Commission—third and fifth floors ..	6,400	720 0 0	4 years 7 months 23 days from 8.12.19 ; 31.7.24, then monthly
Totals .. .. .	104,107	£9,840 14 0	

This accommodation aggregates 104,107 feet, for which the rentals amount to £9,840 14s. Some of the activities carried out in these rented offices could not, however, be transferred to offices in the proposed building. This building will provide a total working space of 91,275 feet, exclusive of essential corridors, stairs, lavatories, and lifts; and as the Taxation Department requires about 30,000 feet of working space, there will be, roughly, 60,000 feet of space left for the expansion of that Department and for the accommodation of the branch offices of other Departments. The Customs Department wishes to have at its own disposal the whole of the accommodation provided in the Customs House at Circular Quay, and has, I believe, intimated that it would be desirable for the Works Department and the Electoral Department to vacate as soon as possible the rooms which they occupy there. This accommodation is not mentioned in the table that I have just read. The displaced offices could be accommodated in the new building. The following table sets out in detail the space available on the various floors according to the plans that have been submitted:—

Floor.	Working Space.	Essential Corridors.	Stairs, Lifts, and Lavatories.	Total.
	feet	feet	feet	feet
Basement ..	9,930	1,510	685	12,125
Ground Floor ..	9,965	1,460	750	12,175
First Floor ..	9,280	1,160	750	11,190
Second Floor ..	9,150	1,290	750	11,190
Third Floor ..	9,150	1,290	750	11,190
Fourth Floor ..	9,150	1,290	750	11,190
Fifth Floor ..	9,150	1,290	750	11,190
Sixth Floor ..	8,500	1,290	750	10,540
Seventh Floor ..	8,500	1,290	750	10,540
Eighth Floor ..	8,500	1,290	750	10,540
	91,275	13,160	7,435	111,870

The cubic contents = .. .. 1,646,952  
The estimated cost = .. .. £145,000

If the capital cost of the building and site be put down as £165,000, and 8 per cent.—which is a liberal allowance—be allowed for the upkeep of the building, interest, and the provision of a sinking fund to pay off the debt within a reasonable period—say 75 years—the annual cost of the working floor space would be 2s. 9d. per foot; whereas the average rental paid for the Commonwealth offices in Sydney, mentioned in the table I have read, is 2s. 10d. a foot. Therefore, the new accommodation would be cheaper than what is now rented, and would be much superior to it because of the concentration and better character of the offices. The

rented premises are scattered all over the city, and many of the offices are not suitable for the work to be done in them.

2. *To Mr. Mathews.*—The rents are still going up. Recently the rental paid by the Taxation Department for its accommodation in Warwick Building was increased from £3,500 to £5,000 a year.

3. *To Senator Newland.*—The Works Department first had this project brought under its notice on the 11th May last, by the following letter from the Secretary to the Department of Home and Territories:—

The attached helios show the locality and dimensions of a site which the Federal Land Tax Commissioner recommends shall be acquired for the purpose of housing Commonwealth Departments in Sydney.

A schedule is attached showing the accommodation which is leased in Sydney for Commonwealth purposes.

The Federal Land Tax Commissioner suggests a building of seven stories, or more, to meet requirements.

I shall be glad to have your views on this matter at an early date, and also as to whether any accommodation will be available for general Commonwealth purposes on the completion of the proposed alterations to the Post Office Buildings.

On that, on the 25th May, the Director-General of Work reported to his Minister as follows:—

SYDNEY.—Suggested acquisition of land on which to erect office building for the accommodation of Commonwealth Departments.

The Secretary,—

Referring to memorandum of 11th May from the Home and Territories Department, covering plan of land in Phillip-street, Sydney, which it has been suggested to that Department should be acquired on which to erect modern office building for accommodation of Commonwealth Departments, and asking for the views of this Department regarding the proposal, it is considered that the land in question is admirably situated for the suggested purpose, and although relatively small in area, it is nevertheless sufficiently large on which to provide office floors of convenient size and shape.

Without, at this stage, going into detail, each floor might be expected to afford, say, 9,500 super. feet of effective working floor space after allowing the space occupied by lifts, stairs, corridors, means of obtaining light, &c., and as about ten floors might be erected without offence to local building regulations, approximately 100,000 super feet of first-class office space would be obtained on the site.

A steel framed building of modern construction and design would, if the land is reasonably low in price, certainly provide the Government with perfect and concentrated accommodation at a most reasonable annual charge when compared with the average rates being paid for more or less suitable rented offices in Sydney.

Regarding the question as to whether any accommodation will be available for general Commonwealth purposes in the General Post Office building when the contemplated remodeling of that building is completed, I may say that the Government's policy with regard to the extent of this work is still undefined. If, however, the view of this Department, that the General Post Office rebuilding scheme should be developed to the utmost capacity of its very valuable site, be adopted, it is



unlikely that the whole of the space provided may be required by the Postmaster-General's Department for some years. That Department's requirements are still, however, not definitely known, and, furthermore, it is difficult to forecast what these requirements may be in, say, about four years, as it will certainly be that time before the work, owing to the necessity for carrying it out piecemeal, can be completed.

In looking ahead in the matter of general Federal Commonwealth accommodation in Sydney, it would thus probably be well not to expect the Sydney General Post Office to afford much relief in the way of accommodation.

Another factor to be taken into account in connexion with the whole subject is the future use of the present mail sorting building at the railway station when it may have been wholly or partly vacated by the Post Office. In that event, and in the event of the suggested new building in Phillip-street materializing, the best destiny for the mail sorting building would, perhaps, be reversion as offices to the Railway Department, who own the fee simple. As Commonwealth offices, it would not be so well situated or suitable as a new building specially designed for the purpose, as now suggested in Phillip-street.

When that report was written, it was thought that the parcels sorting work might again be done in Martin-place, and that the parcels office at the railway station might be disposed of to the New South Wales Railways Commissioners, on whose land it is built, its site being held by the Commonwealth on a long building lease. Since then, however, the Postmaster-General's Department has decided to continue to use that building. If its use were discontinued by the Postmaster-General's Department, it would provide a great deal of good office accommodation, containing as it does about 70,000 feet of floor space, which is 20,000 feet of space less than will be provided by the proposed new building.

4. *To Mr. Mathews.*—It would not require much alteration beyond subdivision, to make it available for the use of other Departments. It is a first-rate building that could be readily adapted to any purpose. The Postmaster-General's Department, however, intends to keep it for its own purposes.

5. *To Senator Newland.*—On the 24th September last the following letter was sent by the Treasury Department to the Home and Territories Department regarding the provision of accommodation for the Taxation offices in Sydney and Melbourne.

(Copy.)

Commonwealth of Australia.  
Department of the Treasury,  
Melbourne, 24th September, 1920.

The Secretary, Department of Home and Territories.  
Previous corr: Your letter of 1/6/1920—No. N.L. 20/1556.  
Subject.—Office Accommodation—Taxation and Pensions  
Staffs, Sydney and Melbourne.

For your information, I enclose a memorandum relative to the above matter received from the Commissioner of Taxation. The Treasurer desires to have this subject referred by Parliament to the Standing Committee on Public Works, and I shall be glad if you will be good enough to take the necessary action to that end.

(Sgd.) C. J. CERUTTY,  
Acting Secretary to the Treasury.

#### TAXATION DEPARTMENT.

##### OFFICE ACCOMMODATION—SYDNEY AND MELBOURNE.

##### Summaries of Recommendations made to Treasury by Commissioner of Taxation.

Sydney Office of Taxation Department (which must be permanently located in Sydney).

Rental under lease expiring on 30th September, 1920	£3,500 per annum
Rental for a further lease (time not settled)	5,000 per annum
Increase in rental	£1,500 per annum

Treasury was urged, on 22nd March, 1920, to purchase a vacant block of land in Phillip-street, Sydney, adjoining the Government Printing Office, having a frontage of 100 feet by a depth of 100 feet, estimated purchase price not exceeding £18,000, and erect thereon a building to accommodate the following New South Wales branches of Commonwealth De-

partments at present occupying privately-owned premises, and which must be permanently located in Sydney:—

	Rent.
Taxation Office, at present in Warwick Building, Hamilton-street	£5,000 0 0
Pensions (war and ordinary), at present in 15 and 17 Bligh-street, but recently ejected Commonwealth Police, at present in 121 Pitt-street	1,900 0 0
Naval Transport, at present in Circular Quay	71 10 0
Electoral Storage, at present in 227 George-street	174 4 0
Construction Branch, Works Department, at present in Macdonnell House, Pitt-street (plus £130 for cleaning)	117 0 0
Commonwealth Film Censorship Board (Trade and Customs Department), at present in Royal Insurance Co.'s Building, Pitt-street	500 0 0
Lighthouse Branch Office and Workshop, at present in George and Globe streets	250 0 0
Repatriation Department, at present in 6 George-street	156 0 0
Inter-State Commission, at present in Post Office Chambers, Pitt-street	200 0 0
Naval Registration of Workmen for Cockatoo Island, at present in Sutton's Chambers, Pitt-street	60 0 0
War Service Homes Commission, at present in City Market Buildings, Hamilton-street	52 0 0
	720 0 0
	£8,300 14 0

On a 5 per cent. interest basis, this rental represents a capital investment of £168,000.

The Works Department could, it is understood, erect for much less than this sum on present-day costs a building sufficient to fully accommodate all the above Commonwealth branch offices. The cost could be recouped in about ten years by savings in increased rentals, which are inevitable in the future for rented premises. Works officers are enthusiastic in support.

All these offices could be accommodated, together with the Works and Electoral branches now in the Customs House. As to the building in which the Committee is now sitting, the Commonwealth Bank chambers, I understand, though I have never seen the papers on the subject, that the arrangement was come to between the Prime Minister of the day, Mr. Fisher, and the Governor of the Bank, that the Government would occupy a certain area of space at a charge fixed on the capital cost of the building. I believe that the Commonwealth pays something like 7s. per foot per annum for the space that it occupies here. It is not likely that any of the offices of which I have spoken as housed at present in Sydney will ever be transferred to Canberra; it is the central administration offices of each Department that will be transferred there. It would, of course, be economical for the Commonwealth Government to give up the accommodation that it now rents here from the Commonwealth Bank at 7s. a foot for other accommodation at 2s. 9d. per foot, and the new accommodation would be conveniently situated. It is not essential that the Commonwealth offices shall be right in the business heart of the city. The proposed site is within five or six minutes' walk of the General Post Office.

6. *To Mr. Mathews.*—The basement of the new building could not be used for workshops. My suggestion is that it be devoted to the storing of the records of the various offices using the floors above it. I would give each office so much space in the basement for its records. The lighting of the basement will be quite good in the front, but, at the back, artificial light must be used. The storing of records in the basement will give much more working accommodation on the floors above it, because there will be fewer presses and shelves needed there.

7. *To Senator Newland.*—It is proposed that the building shall be constructed of brick, the exterior walls being embellished to a moderate degree with stone and

other structural features. The floors and floor supports will be of steel and concrete; steel stanchions and beams enclosed in concrete. The so-called mushroom construction, which has been referred to the Committee with several other works, was, until a year or two ago, considered unsuitable for buildings of this class, in which a good architectural effect is required, but it can be used where the floors are designed to carry low loads. In the proposed building, the load per super foot would not be more than 80 lbs.; whereas in a store the load might be as much as 250 lbs. to the foot. In connexion with the Adelaide Post Office, I am eliminating the beams and introducing flat slabs, 4 feet or 4 ft. 6 in. square, and perhaps 7 inches thick, at the top of the supporting stanchions, and under the floor itself. It is possible to handle a mass like that without sacrificing architectural effect, but that could not be done under the old system. The slab that I speak of will be seized upon to make a feature for the ornamentation of the ceiling.

8. *To Mr. Mathews.*—The construction to which I am now referring does not give the same strength as the so-called mushroom construction, but is adequate where the floor load is as low as 80 lbs. to the foot.

9. *To Senator Newland.*—The floor plate will go over the top of the slab that I have spoken of. I think that we may save a good deal of money by eliminating steel girders and adopting this system altogether. When the Adelaide Post Office was under investigation by the Committee I mentioned this form of construction, and said that if, after going into it, I found it suitable I would introduce it. One effect of its adoption would be to decrease the height of the building by 5 feet, representing a saving of 1s. 9d. per cubic foot. I propose to make calculations to see if that can be done, and shall let the Committee know the result of my work. As the proposed building can get no light through the north and south ends it is necessary to provide an interior space for light and air. To put light areas into the south and north walls would decrease its effectiveness.

10. *To Mr. Mathews.*—The Taxation Department desires that the whole of the ground floor, excluding the space used for lifts, lavatories, and staircases, shall be made into one large room. There would be a glass roof above the ground floor, and the upper floors would derive part of their light from the light area. A reason for not cutting the light area through the back part of the building is that we shall probably be asked to provide a number of small rooms on each side of the corridors. A plan on the wall shows a typical subdivision. There would be a corridor along each side of the building, giving access to rooms on each side of it, and along these corridors we can divide off small rooms or small and large rooms as may be required. It is proposed to make the ground floor one vast room; to have two very large rooms on the first floor, and to subdivide if necessary the remaining floors into smaller rooms according to the requirements of occupants. The Federal Commissioner of Taxation desires that all his rooms shall be as large as possible. The light well will be 20 feet x 76 feet, widening to 33 feet x 76 feet at the top. The rooms that will be lighted from the light area will be narrower than those lighted from outside, having a depth of only 14 feet, whereas the exterior rooms will have a depth of 22 feet. Each floor above the ground floor which will be one room could be divided into two rooms or into 24 rooms, or into any number of rooms between two and 24. There will be two entrances to the building, one at each end, the northern entrance being at the level of the basement, and the southern entrance eight steps below the level of the ground floor. Two lifts and one staircase will

connect with each entrance, from the basement to the top, and on each floor, close to each stairway, will be the lavatory and water closet accommodation. There will be ten water closets on each floor, divided into two groups of five. There will also be two strong rooms on each floor, and more strong rooms can be provided if necessary. The whole building will be fireproof, and I suggest the use of steel window sashes. In the front I propose to build up to the level of the first floor in Bowral trachyte, proceeding then with plain brickwork to the top floor, and finishing with freestone. The arches will be brick with copper fillings; they will occupy four floors. There is no provision for the taking of meals in the building.

11. *To Senator Newland.*—If such provision be desired, I think it would be best put on the roof. Except in the Postmaster-General's Department, I do not think provision is made for the taking of meals in any Government offices. To provide such accommodation in this building would mean the expenditure of probably an additional £8,000, but I should like to consult expert engineers as to the cost of cooking arrangements before giving an absolute estimate.

12. *To Senator Foll.*—In my opinion, this work is an urgent one. The Taxation Department is paying a high rental for accommodation which does not altogether meet its requirements, and would, I think, get better results from its staff in the proposed accommodation.

13. *To Mr. Atkinson.*—There would be about 30,000 feet of space left after the Taxation Department and the offices mentioned by Mr. Ewing had been provided for.

14. *To Senator Newland.*—It is not proposed to provide accommodation for the Commonwealth Shipping Line. If interest, maintenance and sinking fund on the capital cost of the proposed building came to £13,200 a year, we should have about £4,400 worth of floor space for disposal to other Departments after we had accommodated all the offices mentioned by Mr. Ewing. There would be no difficulty of disposing of any surplus space. The New South Wales Government, which has rented offices all over Sydney, would probably gladly take any accommodation that we could offer at 2s. 9d. per foot.

15. *To Mr. Mathews.*—The corridors would not be lighted by direct light; they would get their light through the windows of the intervening rooms. The lavatories and stairs are all on the light area. A light area could be cut in from the back, but it would mean the sacrifice of space, and would interfere with the continuity of the corridors, though, of course, bridges could be provided. I think, however, that if the proposed area be lined with white tiles there will be sufficient light throughout the building. We could, perhaps, make the light area 28 feet x 76 feet. The light areas at the Hotel Metropole are only 12 feet across. I should like to, and will, consider the idea to open up the light area to the lane on the east side, on the upper floors, introducing bridges over the area to preserve continuity of corridors.

16. *To Mr. Parker Moloney.*—Mr. Ewing, in making a proposal regarding this matter, mentioned the area of accommodation that his Department would require, and enumerated the requirements of other offices which he named. This accommodation aggregates in round figures 60,000 feet, leaving us 30,000 feet for disposal to other Departments. The rental value of the accommodation mentioned by Mr. Ewing would be about £8,800, so that we should have over £4,000 worth of space to dispose of. There will be no difficulty in disposing of this space, because, in addition to the

offices mentioned by Mr. Ewing, there are others mentioned by Mr. Goodwin, and those now housed in the Customs Department. Should there be surplus accommodation which the Commonwealth could not use, the State Government would, I think, gladly take it. This project does not, I think, take into account the proposal to amalgamate the Federal and State Taxation Offices. Judging by what has happened in Perth, if amalgamation took place here the Taxation Department would require in Sydney 50,000 feet instead of 30,000 feet. If that amount of accommodation were provided for that Department, there would, of course, remain less for other Departments.

17. *To Senator Foll.*—The building could not well be made any higher.

18. *To Mr. Atkinson.*—We are not obliged to observe the local building regulations, but we try to do so. I think it would be churlish to do otherwise.

19. *To Senator Newland.*—There is other vacant land in Phillip-street which might provide a site for the proposed building, but I do not think that an inquiry has been made concerning it.

20. *To Mr. Atkinson.*—I believe that it is bigger than the site under discussion.

*The witness withdrew.*

(Taken at Sydney.)

THURSDAY, 31st MARCH, 1921.

*Present:*

SENATOR NEWLAND, in the chair;

Senator Foll,  
Senator Plain,  
Mr. Atkinson,

Mr. Mathews,  
Mr. Parker Moloney.

Thomas Shallcross Hulme, Deputy Commissioner of Federal Taxation for the State of Victoria, acting temporarily as Deputy for the State of New South Wales, Sydney, sworn and examined.

21. *To Senator Newland.*—I joined the Taxation Department in Sydney on its inception, and at the end of 1917 took up the position of Deputy Commissioner for Queensland. In the early part of last year I was appointed Deputy for Victoria, but I have not yet entered upon my duties in Victoria, being appointed to act in Sydney in the absence of Mr. Magee. I know in a general way that it is proposed to build offices in Sydney for the accommodation of the Taxation and other Commonwealth Departments, but I have not seen the plans, and know nothing of the details of the scheme. The Taxation Department at present occupies six floors in Warwick Building. The floors are all of the same size, divided to suit our work. We occupy, roughly, 40,000 square feet of floor space, or a little over 30,000 square feet of working floor space, and could find room only for a few more officers on one floor. We are sadly in need of space for our papers and back records, and are considering how best to meet the difficulty caused by the present congestion. Every day reference has to be made to a taxpayer's file of returns, and this means the keeping of an immense bulk of records, and we are yet only in the baby stage of our growth. Papers relating to deceased estates and a few others might possibly be got rid of after a little time, but they are few in comparison with the whole, and it is questionable whether it would not cost more to go through the whole bulk to pick them out than would be gained by the increased accommodation we should thus get. Our income tax returns alone occupy the whole of the fifth floor, except for a small space taken up by some of the staff and index boxes. As time goes on, we shall require much

more space. I have been astonished this year at the increase in the number of returns. This increase is due in part to a better understanding of the law; in part to the activity of the Department in prosecuting cases of failure to make returns; to the increased earnings of the people; and to a number of other causes. Up to last year we rented the first, fifth, sixth, seventh, and eighth floors of Warwick Building for £3,500, but when we came to renew our lease in September last we had to pay £5,000 a year for this accommodation.

22. *To Mr. Mathews.*—We have since taken the second floor at £1,000 a year, and we have been offered half the space on another floor for £600 a year.

23. *To Mr. Atkinson.*—We pay in rent now £6,000 for six floors.

24. *To Mr. Mathews.*—Our lease expires in September, 1923.

25. *To Senator Foll.*—At present it is practically impossible to obtain office accommodation in Sydney. I know a firm of solicitors that has been looking for accommodation for months. Of course, our requirements are much larger.

26. *To Senator Newland.*—At the present moment we are employing about 630 persons. Recently some permanent appointments were made, which I hoped would allow us to reduce our temporary hands, but the increase in the work has made this impossible. When the rush is over, we may be able to dispense with a few. There have not been complaints from the officers of overcrowding or inconvenience, but it is thought that there should be more accommodation in the way of retiring-rooms for ladies, and luncheon-rooms. We have small retiring-rooms for the female staff, but no luncheon-room. If an official lunches in the building, he or she has to eat at the desk. In my opinion, this is a bad practice, and I think that it would be well to provide luncheon-rooms where possible. I would not favour the working of an officer right through the day without a luncheon adjournment. Such a system would, to my mind, diminish the health of the staff, and impair efficiency. What I should like to see provided is a large dining-room, with arrangements similar to those in this building, where a luncheon is provided at a reasonable rate. In such circumstances, probably few of the staff would go out to lunch. Our officers do not work through their luncheon-hour; there is an interval of three-quarters of an hour for luncheon. When I left Sydney at the end of 1917, the staff numbered about 450; now, as I have said, it numbers 630. The Entertainments Tax Act had then only recently been passed, and since then the War-time Profits Act has been passed, and the work generally is increasing. Whether it will continue to increase at the same rate will depend on the increase of the population and the nature of its employment. The repeal of the Entertainments Tax Act would not greatly reduce our staff. There are 23 officers in the Entertainments Tax Branch, and in the Statistics Branch we might, perhaps, dispense with one officer. The amalgamation of the State and Federal Taxation Departments has been discussed at Premiers' Conferences, and a Royal Commission is at present taking evidence on the subject; but I should not like to express an opinion without giving the matter more consideration. As to the effect of amalgamation on the staff, that would depend largely upon whether it were determined to follow the State system or to bring the State system into line with that of the Commonwealth, or to combine the two systems; but I imagine that in any case there would be a saving of staff. The State Taxation Department employs between 160 and 170 persons, its offices being in the old Ordnance Building, Lower George-street; but I know

nothing practically of them, although I have heard that the storage accommodation is considerably better than ours. I take it that the removal of the Federal Capital to Canberra would affect only the central office in Melbourne. It is essential, in my opinion, that our accommodation should be enlarged. Furthermore, we are now at the mercy of our landlord. Had we been told last September to vacate the building, I do not know where we could have gone. It would be a very serious matter to have part of the staff located in one building and part in another, because that would mean the breaking up of our records, which would cause great delays. Even the mistakes which occur now from time to time through the misplacing of a file, and the delays due to the passing of a record from one officer to another, frequently cause trouble. In the interests of the public it is desirable that the Taxation office should be centrally situated. A very large number of persons pay their taxes in cash, and working men often send their wives with money. It is essential, therefore, that the building should be easily accessible from the tram routes, the steamer wharfs, and the railway station.

27. *To Senator Foll.*—I think that as rentals go in Sydney now, we are paying a fair rent, though the subject is not one that I have gone into much of late. I have heard of astonishing increases in rents during the past twelve months. We had no difficulty in renewing our lease, though we practically had to accept the landlord's terms. Values have gone up considerably of late; but I do not know whether they will continue to rise, or whether there will be a reaction. In my opinion, it would be a good business arrangement to erect a building for the accommodation of the Department.

28. *To Mr. Mathews.*—Our present accommodation is not of the best; the building was not designed for the purposes for which it is being used. As to the site of the proposed new building, I am not too sure that it would be as convenient to the public as our present site.

29. *To Mr. Atkinson.*—Among the disadvantages of our present position are the lowness of the ceilings and the badness of the lighting, especially on the first and second floors, where the electric lamps have to be kept constantly lighted. Generally the building is unsuitable in not providing sufficient accommodation. It was designed for a warehouse rather than for offices, and for the storage of goods rather than for the accommodation of a large staff of officials. It is draughty, and the lighting is bad. A modern building, giving us more floor space and better lighting, would, I dare say, having regard to the interest on capital outlay involved, enable a saving in rental to be made, and the improvement of conditions would better the health of the staff, so that there would be less sick leave, and we would get more work done, though it is difficult to estimate in figures the value of these advantages. I should like to add that the lift accommodation is very bad.

(Taken at Melbourne.)

### SECTIONAL COMMITTEE.

MONDAY, 11TH JULY, 1921.

Present:

Mr. GREGORY (Chairman);  
 Senator Plain, | Mr. Mathews.  
 Mr. Mackay,  
 John Smith Murdoch, Chief Architect, Commonwealth  
 Department of Works and Railways, recalled and  
 further examined.

30. *To the Chairman.*—I have already given evidence in regard to the proposed erection of new Taxation

offices, Sydney. Mr. Bingle, who was to be here this afternoon, regrets his inability to attend, but has furnished me with the following memorandum concerning information for which you asked:—

#### OFFICE ACCOMMODATION, SYDNEY.

Site	...	...	...	£20,000
Building	...	...	...	145,000
Total	...	...	...	£165,000

Ten floors, containing about 91,275 square feet of space, exclusive of corridors, lifts, &c.

Will give accommodation in an extremely favorable situation at about 2s. 9d. per square foot, after calculating at 8 per cent., including a sinking fund.

The obligation of this Department is to advise as to the site for building purposes and the building which could be erected thereon, i.e., to act as architects and, perhaps, contractors. The onus of showing the necessity for the provision of such a building, and the uses for which it is required, rests with the requisitioning Department—the Home and Territories. Of course, the Works Officers appearing before the Committee are only too glad to furnish any other information they can.

The question of provision of office accommodation for Federal Departments in the various State capitals is one that has been causing the Departments concern for some time, and is by no means peculiar to Sydney. In Melbourne it is somewhat complicated by the ultimate removal of the Central Administration to Canberra, but the same complications do not arise in regard to Sydney. The removal of the Seat of Government to Canberra will not affect the requirements for office accommodation in Sydney. The offices required in Sydney are for Federal activities inseparable to New South Wales. They are well-established requirements which must be met, and which will not diminish, but will be sure to increase with the growth of the State. For instance—

Taxation, with the additional population which years will give, the volume of taxation business to be dealt with must increase, and the more returns the more staff and accommodation required to deal with them.

Electoral.—Added population must mean added volume of business and added staff to cope with.

Federal Works.—The same argument applies.

Similarly with other activities; the more populous the State, the more the requirements.

Experience has shown that rented premises not having been specially built for the purpose cannot be fully and economically used. There is also expense and loss from the removals—cost of moving, fittings, &c.—which take place in connexion with rented premises from various causes—landlords will not renew leases, premises become too small, &c.

In the calculations which have been made credit only has been taken for the savings in rentals; to this there should be added savings in administration, less messengers running between offices when they are all together, less loss of time in officers going backwards and forwards to interview one another, less paid for cleaning, &c.

WALTER D. BINGLE,

Secretary Department of Works and Railways.

11th July, 1921.

I entirely indorse those views. When giving evidence before the Committee in Sydney, on 30th March last, I undertook to go into certain matters affecting the question. Taking the first of these, the Committee will remember that the building plan put before it was in respect of a certain site. Senator Newland, however, drew attention to another vacant allotment in an apparently favorable position in the same street, and, in reply to Mr. Atkinson, I said that from a casual glance at that site I was inclined to think it was larger than that for which we had planned the building. I find, however, that it is about 2,000 square feet less in area, and has not the advantage of having a right-of-way at the rear. The site for which the building has been planned has a frontage to a main street, and runs through to a lane at the rear. That lane simplifies very materially the problem of lighting the building. The second site has not a right-of-way at the rear, and has only a right to light from the front street. Another point is that the bedrock price at which it is offered for sale is very much more than that of the original site under consideration. I do not think that Mr. Goodwin, or any one else, was authorized on behalf of the Department to make special inquiries in Sydney as to the sites

that were available for this purpose. The site for which the building has been planned was selected by Mr. Ewing, Federal Commissioner of Taxation, as being eminently suitable for his work, and that is the only site that has been referred to the Department of Works. It was referred to us by the Department of Home and Territories, with the object of obtaining information as to its value as a site on which to build these offices. I have already quoted my memorandum on the subject, in which I state that it is an eminently satisfactory site on which to build, and, without going beyond my province, I may say that the price mentioned as that at which it might be purchased appealed to me as not being excessive. The suitability of its position is undoubted. It is in the centre of the Government office area, and is six or seven minutes walking distance of the General Post Office, Sydney. In making my computation on a previous occasion I stated the space that would be required for certain Departments which occupied rented premises. In that calculation I did not include the Electoral Department, explaining at the time that the Electoral and Works Offices, Sydney, were housed in the Customs House, and therefore did not pay

rent. The list I gave the Committee was in respect of rented offices only. The Customs Department, as soon as it is convenient, would be very glad, as I explained, to have the exclusive use of the whole of its building. I have not to change my opinion regarding the suitability of the site first selected. I would strongly advise the Committee to put out of consideration the No. 2 site mentioned by Senator Newland, because of its price, its reduced area, and the fact that it has not good lighting facilities. There may be other suitable sites, but I think that first selected is exceptionally favorable for the class of building that is contemplated. When I was last before you I submitted a list of premises in Sydney leased for office purposes by the Commonwealth Government. That list must now be regarded as no longer obtaining. Changes have taken place, and because of those changes, which include increased accommodation and rental alterations, it is now obsolete. The Department of Home and Territories, on the 8th instant, supplied our Department with the following new schedule of accommodation, and I ask the Committee now to substitute it for the schedule already appearing in the printed evidence:—

SYDNEY, NEW SOUTH WALES.

STATEMENT OF PREMISES LEASED FOR COMMONWEALTH OFFICE PURPOSES.

Name and Location.	Square Feet.	Annual Rental.		Rate per Square Foot.		Tenancy or Date of Expiration.
		£	s. d.	s.	d.	
17 Bligh-street— Pensions .. .. .	4,497	1,000	0 0	4	5	31st December, 1921
15 Bligh-street— War Pensions .. .. . (One room occupied by Coal Supervisor, No. 4 on third floor, from 1st October, 1920, at 15s. per week)	5,000	1,000	0 0	4	0	31st December, 1921
Warwick Building— Land and Income Tax— Second Floor .. .. . First Floor .. .. . Fifth Floor .. .. . Sixth Floor .. .. . Seventh Floor .. .. . Eighth Floor .. .. .	6,560 31,692	1,000 5,000	0 0 0 0	3 3	3 1	30th September, 1923 30th September, 1923
Circular Quay— Naval Transport .. .. .	840	174	4 0	4	1	Monthly
Royal Insurance Company's Buildings, Pitt and Bridge streets— Commonwealth Film Censorship Board (Trade and Customs Department) .. .. .	1,590	300	0 0	..	..	31st May, 1926
Dawes Point, Sydney (near Customs Boatshed)— Trade and Customs (Customs Searchers and Watchmen) ..	155	26	0 0	3	4	Monthly
George and Globe streets— Lighthouse Branch (Office and Workshop, two floors) ..	1,680	156	0 0	1	11	Quarterly
249-251 Castlereagh-street— Repatriation Department—Second floor .. .. .	4,900	350	0 0	1	8	30th April, 1922
Sutton Chambers, Pitt-street— Naval—Registering Workmen for Cockatoo Island Dockyard, Room No. 13 .. .. .	510	52	0 0	2	0	Monthly
City Mart Buildings, Hamilton-street— War Service Homes Commission— Third and Fifth Floors .. .. . Fourth Floor .. .. .	6,400 3,200	720 353	0 0 0 0	2 2	3 2	31st July, 1924, then monthly 31st July, 1924, then monthly
Poster House, 23 Lang-street— War Service Homes Commission, Second Floor .. .. .	..	585	0 0	..	..	..
Macquarie Chambers, 10 and 12 Loftus-street— Lands and Survey Branch (Mr. Surveyor Rain)—two rooms on Second Floor .. .. .	852	135	0 0	3	0	10th March, 1922, then monthly
3 O'Connell-street— Commonwealth Line of Steamers—Basement, Ground, and First Floors .. .. . (Basement sub-let to Dr. Fiaschi, for storage of wine, £3 10s. per week, five years from 1st August, 1920)	4,200	900	0 0	4	3	1st April, 1927
Rice's Bond and Free Stores, Circular Quay— Trade and Customs, King's Warehouse .. .. .	1,540	375	0 0	4	0	31st March, 1923
21 Pitt-street— Commonwealth Police—Room No. 6 .. .. .	418	71	10 0	3	5	Monthly
London Bank Chambers— Immigration Branch—One room .. .. .	285	96	0 0	6	9	Monthly (£14 2s., cleaning)

Mr. Goodwin will no doubt refer to this new schedule, but, looking over it, I find that the properties leased for purely office purposes, excluding offices in the Commonwealth Bank building, cover 74,390 super. feet of floor space, the annual rental of which is £12,307. I do not include in that total the Parcels Post building at the Central Railway Station. The total space I have just given relates only to rented buildings for purely office purposes, and nearly the whole of the space so occupied could be legitimately transferred to these new offices. This new schedule puts a better complexion upon the project now before the Committee. It points far more favorably to the advantages that would accrue from the erection of the new building. My calculation, based upon the original list, showed that we were paying something like 2s. 10d. per foot per annum for space, but the new list shows that we are actually paying between 3s. 3d. and 3s. 4d. per foot per annum.

31. *To Mr. Mathews.*—That advance has not necessarily taken place within the last three or four months. The original schedule which I gave the Committee in March last embodied the information on my file of papers at that time, but I would not say that it was quite up to date. I showed that the new building, provided the work could be carried out according to the estimate—and I am now more convinced than ever that it can be—would cost 2s. 9d. per foot per annum, calculated on a capital cost of 8 per cent.

32. *To the Chairman.*—Regarding the life of such a building as we are proposing to construct as being 75 years, or even 100 years, the capital put into that building, and obtaining throughout its life, should not be expected to be always at the rate of 8 per cent. Taking the average over that period, and having regard to the history of finance, which I suppose, like all histories, will be repeated, the average, I think, could come down to quite 6 per cent. The capital cost of 8 per cent. includes provision for a sinking fund, but a sinking fund spread over 75 years would not amount to much. The cost of space in the new building will be a good deal less than we are now paying for rented premises. In addition, we shall have the added facilities of our own premises, and there will be no costs in respect of shifting as at present. I have calculated the capital cost at the very high rate of 8 per cent., but I do not think that percentage will obtain throughout the life of the building. Although the Government is borrowing money to-day at 6 per cent. over a period of ten years, when the loans so raised come to be renewed the probability is that the renewal rates may be only  $4\frac{1}{2}$  per cent.

33. *To Mr. Mathews.*—It might be, as you say, more than 8 per cent., but I do not think we can expect the price of money to remain at its present high level over such a long period as 75 years. One per cent. would be sufficient to set aside for the maintenance of such a building, and a sinking fund of  $\frac{1}{2}$  per cent. would work off the cost in under 50 years.

34. *To the Chairman.*—The new schedule does not include the office accommodation in the Commonwealth Bank building, which is the subject of a special arrangement made between the Prime Minister's Department and the Governor of the Bank, apart altogether from the Department of Home and Territories. There are some services included in the schedule which, as you say, should not be taken into consideration in connexion with this building. Among these are the Customs searchers and watchmen, now housed at Dawes Point, the workshop of the lighthouse men, and the King's warehouse accommodation. The latter could be provided for at the Customs House if the Electoral Office and the Works Department were transferred to these new offices. There is no doubt, on the figures set

out in the new schedule, that we could very easily fill this new building, especially if the Works Office and the Electoral Department were transferred from the Customs House. Even if we were unable to do so at the outset, I believe the State Government would snap at the accommodation which we would be able to offer, especially at the price which we could quote for it. The services included in the schedule of rented premises comprise some that would not be accommodated in this new building, but the space occupied by them is small.

35. *To Mr. Mathews.*—You want to know exactly what services the Government intend to house in these new offices. My experience is that one may formulate certain intentions only to find out later on that they are not easy to carry out; and, two or three years hence, when this building is erected and ready for occupation, it might be found very inconvenient to carry out all the proposals now formulated. The question of accommodation is an ever-changing one.

36. *To Mr. Mackay.*—I am not hoping to accommodate all our Departments in this new building, but it will accommodate all Departments requiring ordinary office accommodation.

37. *To Mr. Mathews.*—The Taxation Department will eventually require 60,000 square feet. That would leave 30,000 feet available for other Departments. I do not think, however, that it will require 60,000 feet from the outset.

38. *To the Chairman.*—The Works Department has not been advised as to what Departments will be accommodated in these new offices. We have simply been told that a new building, primarily for Taxation Office purposes, is required, and we have been requested to make the best possible use of the land. On page 6 of the printed evidence it is shown that, while I was giving evidence in March last, Mr. Mathews suggested that I should consider the desirableness of making an opening from the east to admit more air and light into the area planned in the middle of the building. The light area in the centre of the building above the ground floor is 76 feet x 18 feet. Mr. Mathews suggested that, after passing the second-floor level, the opening I have mentioned should be made, and I promised to look into the matter. The suggestion appealed to me. It has, however, one rather fatal objection. On those floors, where the subdivision would be such as would require a corridor running all round the building, the corridor would be blocked at this opening, and it would be necessary to cross the opening by means of a bridge. That is structurally possible, but would be a rather theatrical method to adopt. I have given serious consideration to this question of lighting, and, whereas the lighting system Mr. Mathews suggests is applicable and is often used in certain problems, I hardly think that it should be applied in this case, because it would break the continuity of the corridors. If there should be any doubt as to the sufficiency of the light as provided for on the plans—personally, I and the staff associated with me think that it need not be doubted—then, without very much loss of space, and to make assurance doubly sure, we might increase the light area as it stands from 76 feet x 18 feet to 76 feet x 22 feet. I suggest that we do so. To give effect to this suggestion, it would take 9 inches off the width of four bays longitudinally of the building, and add to the fifth bay to that extent. That would increase the width of the light area by 3 feet. Then I suggest, further, that we should commence to set back the light area, so as to make it wider when we reach the third floor, instead of commencing to do so at the sixth floor, as shown on the existing plan. If that were done, instead of making the opening in the east wall, there could

be no doubt whatever as to the lighting of the building being absolutely sufficient. The majority of the floors will be left in big single rooms, so that the light will be coming in from both sides.

39. *To Mr. Mathews.*—The suggestion I have just made would reduce the floor space to the extent of 2,526 feet; but, having regard to the extreme importance of good light and supply of air, I think perhaps we might make this alteration.

40. *To the Chairman.*—I have prepared a plan, which I produce, showing the form which the light area would take, under this altered scheme, on the third, fourth, and fifth floors, and also a plan showing the light area on the sixth, seventh, and eighth floors. Mr. Mathews also pointed out, when I was under examination in Sydney, that no provision had been made for luncheon rooms; and, in reply to Senator Newland, I said that if such accommodation were desired it could best be provided on the roof of the building. I mentioned that I did not think provision had been made for the taking of meals in Government offices, other than in the Postmaster-General's Department, and that to provide such accommodation would probably mean an expenditure of £8,000. I said, however, that, before giving an actual estimate, I should like to consult expert engineers as to the cost of the cooking arrangements. I have since carried out my promise to look into the question. I need hardly remind the Committee that the matter is important, since the provision of such accommodation would create a precedent. No Commonwealth offices have luncheon rooms. The Melbourne General Post Office, however, has luncheon and recreation rooms, and the same accommodation is to be provided in the Perth and Adelaide General Post Offices. The Commonwealth Bank, Sydney, has dining rooms, and the Bank of New South Wales, I understand, has similar accommodation. I find that, for an expenditure of about £9,250 for building, and probably £800 for apparatus, making a total of £10,050, this accommodation could be provided. It would consist of a dining room 63 feet x 30 feet, where, roughly, 160 persons could dine at the one sitting. Without much trouble, three times that number could dine there if provision were made for three sittings between 12 o'clock noon and 2 p.m. There would also be a kitchen 45 feet x 22 feet, and also arrangements for washing up, suitable cold storage, and an office 15 feet x 15 feet, which would probably become a small shop, where the management would sell tobacco, cigars, cigarettes, biscuits, and so forth, for the supply of officers. My estimate would likewise include a smoking room 36 feet x 27 feet, and a retiring room 36 feet x 27 feet for ladies, with a roof garden 52 feet x 27 feet between the two, as well as a ladies' lavatory, a men's lavatory, and separate lavatories for the male and female cooking and catering staffs. They would be immediately over the lavatories in the building below, and would not involve any undue expense.

41. *To Mr. Mathews.*—The building could hold anything from 900 to 2,000 persons, according to the way in which it was used. If every floor were an open room, 50 square feet of space, on the average, would be devoted to each worker, but where one room was occupied by two or three officers, the average would be reduced. The maximum accommodation would be for about 2,000 people. The lunch-room accommodation I have mentioned would not be sufficient for anything like that number, but it is unlikely that the majority of the officers would want to lunch in the building. Assuming that luncheon was available for two hours, there could be three relays of 160 each, so that the dining accommodation would be sufficient for about 500.

42. *To Mr. Gregory.*—In the new Sydney General Post Office buildings we are providing rooms for bought

lunches and brought lunches. I will supply the Committee with details as to the cost of a room to which employees bringing their lunches with them might retire to eat them, and where there would be heating apparatus, instead of a full dining-room service. I think it would be well to have a small office or shop, where pastry, cigars, and cigarettes might be obtained. There is such a shop in the London Post Office, where pastry, &c., is prepared and sold to the staff.

43. *To Senator Plain.*—Where dining rooms are provided and meals served, as in the Commonwealth Bank, Sydney, the prices charged are sufficient, I believe, to pay for the cost of the whole service, exclusive of rental.

44. *To the Chairman.*—The building will be of axed trachite to the top of the first floor, and thereafter will be of brickwork up to the ninth floor, with a stone band about 17 feet wide at the top. Brickwork is very much cheaper than sandstone. I will give you an estimate of the difference in cost. We go up with 84 feet of brickwork and with three arches, which will be filled with copper. The three big arches in the centre of the building cover four floors, and where those floors cross these big arches I propose to put in copper panels, which are always very beautiful in association with bricks. It is not necessary to keep these copper panels polished—they quickly assume a beautiful green tone, an example of which is to be found in the tower of St. James' Church, Sydney. Brick construction is by no means inartistic. Some of the most beautiful buildings in Sydney are of brick. I should like this building to be of either stone or brick; I do not want a spotty building. If we eliminated a lot of detail—the days when perpetrations of that kind were considered advisable have passed—the cost of this building in stone would not be too great.

45. *To Mr. Mathews.*—I was asked in Sydney whether it would be possible to go higher than we propose. The Commonwealth is not restricted by the City Council's building regulations, but we must respect them. The building now planned is within the building regulations; and, if we were to go higher in that particular locality, the building would be out of scale with those surrounding it, and would be apt to become inordinately prominent. If we cut out the cooking apparatus, and simply provided a retiring room for the ladies and a room where the staff might eat the lunches that they brought with them, my estimate of the cost of such accommodation would be reduced from £10,050 to probably half that sum. The public has to bear a large share of the cost of any such arrangement.

*The witness withdrew.*

*(Taken at Melbourne.)*

## SECTIONAL COMMITTEE.

TUESDAY, 12TH JULY, 1921.

*Present:*

Mr. GREGORY (Chairman);

Senator Plain,  
Mr. Mathews,

Mr. Parker Moloney,  
Mr. Mackay.

John Thomas Hill Goodwin, Commonwealth Surveyor-General, sworn and examined.

46. *To the Chairman.*—I am aware of the reference to the Committee of the proposition for building offices to accommodate the Taxation Department in Sydney. In March, 1920, the Commissioner of Taxation brought under notice a block of land in Phillip-street, having a frontage of 127 ft. 9 in. by a depth of 103 feet to a lane, and he suggested that this site would be suitable for the purpose of erecting offices for taxation and

other Commonwealth purposes. Inquiries were made, and the land was placed under offer at £25,000, *i.e.*, £197 per foot. Valuations were obtained from leading Sydney valuers, and also from the Federal Taxation authorities. The outside valuers value the land at £150 per foot, and the Land Tax authorities at £130 per foot. The Chief Architect, Commonwealth Department of Works and Railways, has reported that the land is suitable for building purposes; and, without going into details, he could construct a building, each floor of which might be expected to afford 9,500 square feet of effective working floor space, after allowing for lifts, stairs, corridors, light areas, &c. As about ten floors might be erected without offending the local building regulations, approximately 100,000 feet of first class office floor space would be obtained. He suggests a steel-framed building of modern construction, and has expressed the opinion that the interest on the building cost at 8 per cent. would amount to about 2s. 9d. per square foot. The average cost of rented premises in Sydney at the present time is a fraction over 3s. 3d. per square foot, excluding that rented from the Commonwealth Bank, which costs, on an average, about 7s. 6d. per square foot. The total amount of floor space rented in Sydney, inclusive of the Commonwealth Bank, is 96,000 square feet. This new building would not contain accommodation for the members of Parliament, nor the Prime Minister, neither would it contain a suite for the Governor-General, who would remain at the Commonwealth Bank. The Commonwealth at present pays the Bank for 17,520 square feet, and the total rental is £6,784 per annum. The rent paid to private owners is, in round figures, £12,300, for an accommodation of approximately 79,000 square feet. It will be noted that there is a very wide margin between the one quotation of £197 and the other of £130 per foot. When I am asked to buy land, I make it a practice to get information from all sources. I also endeavour to investigate valuations governing recent sales. With respect to the block in question, however, there have not been any very recent sales in the neighbourhood. We have no option over the block to-day. The brief option of six weeks expired a long time ago. However, the land is still virtually under offer. I have not attempted to negotiate. It is vacant to-day, but I understand that the owners, namely, the Scottish-Australian Investment Company, have plans already prepared for the construction of a large office building, in respect of much of which offers to lease have been made. I am asked

whether, if the Government desired to purchase the block, it could do so by compulsion. That could be done, but it would not be advisable. The owners have the money available for going on with their proposed structure. Among the lessees indicated was the New South Wales Government, which undertook to lease a number of floors. To compulsorily acquire under those conditions would not be wise. It would be better to try to come to some reasonable agreement regarding price. As to whether efforts have been made to see whether there are other suitable available blocks, I do not know of any site which could be regarded as more suitable. Some other blocks have been placed under offer, but not one is suitable. The next best—No. 2 site—was placed under offer by Cornell, Humphreys, and Walters, and this also is in Phillip-street. It has a frontage of about 93 feet by a depth of 118 feet. That, however, is too small; it contains only 11,000 square feet, compared with 13,500 feet in No. 1 site, which has, in addition, the advantage of a right-of-way at the rear. Moreover, the price for No. 2 block was still dearer, being equal to £295 per foot. It might prove a better commercial position, but would not be better from the viewpoint of Government Departments. No other blocks have been placed under offer which could be considered suitable, and no further investigations have been made by the Home and Territories Department to ascertain whether any other suitable sites actually exist. A ten-story building can well be put upon site No. 1 in order to take all the Commonwealth offices in Sydney. The Taxation Department looked around for themselves, and covered the ground pretty considerably, before suggesting No. 1 block, which, at present, by the way, is used as a tennis court. Although I have not anything up-to-date to go upon, I think the site is still available for negotiation, because the representatives of the owners wrote me in May, and I replied that the proposal to erect Commonwealth offices in Sydney was in abeyance, and that no decision to buy could be arrived at. I believe that plans are ready for going on with the proposed private suite of offices on this site; and, since material and labour are both cheaper now, the owners may go ahead before long. I put in a plan of the city of Sydney, depicting, as marked in red with numerals attached, the premises leased for Commonwealth office purposes; and, as marked in blue with blue numerals, the premises leased for Commonwealth storage accommodation. The following schedule gives full particulars, except that it does not include the Commonwealth Bank:—

## STATEMENT OF PREMISES LEASED FOR COMMONWEALTH OFFICE PURPOSES.

Name and Location.	Square Feet.	Annual Rental.		Rate per Square Foot.	Tenancy or Date of Expiration.
		£	s. d.	s. d.	
(1, in red)—17 Bligh-street— Pensions .. .. .	4,497	1,000	0 0	4 5	31st December, 1921
15 Bligh-street— War Pensions .. .. . (One room occupied by Coal Supervisor, No. 4 on third floor, from 1st October, 1920, at 15s. per week)	5,000	1,000	0 0	4 0	31st December, 1921
(2, in red)—Warwick Building— Land and Income Tax— Second Floor .. .. . First Floor .. .. . Fifth Floor .. .. . Sixth Floor .. .. . Seventh Floor .. .. . Eighth Floor .. .. .	6,560 31,692	1,000	0 0	3 3 3 1	30th September, 1923
(3, in red)—Circular Quay— Naval Transport .. .. .	840	174	4 0	4 1	Monthly
(4, in red)—Royal Insurance Company's Buildings, Pitt and Bridge streets— Commonwealth Film Censorship Board (Trade and Customs Department) .. .. .	1,590	300	0 0	..	31st May, 1926
Carried forward .. .. .	50,179	£8,474	4 0		



STATEMENT OF PREMISES LEASED FOR COMMONWEALTH OFFICE PREMISES—continued.

Name and Location.	Square Feet.	Annual Rental.			Rate Per Square Foot.	Tenancy or Date of Expiration.
		£	s.	d.		
Brought forward ... ..	50,179	8,474	4	0		
(5, in red)—Dawes Point, Sydney (near Customs Boatshed)— Trade and Customs (Customs Searchers and Watchmen) ..	155	26	0	0	3 4	Monthly
(6, in red)—George and Globe streets— Lighthouse Branch (Office and Workshop, two floors) ..	1,680	156	0	0	1 11	Quarterly
(7, in red)—249-251 Castlereagh-street— Repatriation Department—Second floor ..	4,900	350	0	0	1 8	30th April, 1922
(8, in red)—Sutton Chambers, Pitt-street— Naval—Registering Workmen for Cockatoo Island Dockyard, Room No. 13 ..	510	52	0	0	2 0	Monthly
(9, in red)—City Mart Buildings, Hamilton-street— War Service Homes Commission— Third and Fifth Floors .. ..	6,400	720	0	0	2 3	31st July, 1924, then monthly
Fourth Floor .. ..	3,200	353	0	0	2 2	31st July, 1924, then monthly
(10, in red)—Poster House, 23 Lang-street— War Service Homes Commission, Second Floor ..		585	0	0		
(11, in red)—Macquarie Chambers, 10 and 12 Loftus-street— Lands and Survey Branch (Mr. Surveyor Rain)—two rooms on Second Floor .. ..	852	135	0	0	3 0	10th March, 1922, then monthly
(12, in red)—13 O'Connell-street— Commonwealth Line of Steamers—Basement, Ground, and First Floors .. ..	4,200	900	0	0	4 3	1st April, 1927
(Basement sub-let to Dr. Fiaschi, for storage of wine, £3 10s. per week, five years from 1st August, 1920)						
(13, in red)—Rice's Bond and Free Stores, Circular Quay— Trade and Customs, King's Warehouse .. ..	1,540	375	0	0	4 0	31st March, 1923
(15, in red)—London Bank Chambers— Immigration Branch—One room .. ..	285	96	0	0	6 9	Monthly
		(£14 2s., cleaning)				
Totals .. ..	73,901	£12,222	4	0	3 3	

STATEMENT OF PREMISES LEASED FOR COMMONWEALTH STORAGE ACCOMMODATION, ETC., OTHER THAN FOR OFFICE PURPOSES.

Name and Location.	Annual Rental.			Tenancy or Date of Expiration.
	£	s.	d.	
(16, in blue)—Central Railway Station— Parcel Post Building (10,000 square feet) .. ..	650	0	0	31st August, 2008
Mail Accommodation (6,000 square feet) .. ..	300	0	0	7th November, 1921
(17, in blue)—Macdonell House, Pitt-street— Postal Construction Branch—Portion of Sixth Floor (4,943 square feet) ..	500	0	0	Monthly
	130	0	0	
				and for cleaning
(18, in blue)—Pier-street, Darling Harbor— Telephone Workshops (27,600 square feet) .. ..	1,825	0	0	12th October, 1922
				(Including rates and taxes)
(19, in blue)—6 George-street— Repatriation Department (Lease from State Government) .. ..	200	0	0	31st March, 1928, then monthly
Redfern— Repatriation Store .. ..	182	0	0	Monthly
82 Pitt-street— Repatriation .. ..	150	0	0	Weekly
				(Rent paid by Repatriation Department)
Glebe— Electoral .. ..	65	0	0	Monthly
(20, in blue)—Central Wharf— Naval Stores (4,057 square feet .. ..	350	0	0	Monthly
(1,800 square feet .. ..	150	0	0	Monthly
Darling Island— Postal Store .. ..	550	0	0	Quarterly
Redfern— Postal Store Yard .. ..	120	0	0	Monthly
Total .. ..	£5,172	0	0	

The various figures in connexion with these statements have only just been compiled. I understand that all the offices indicated in the special office statement could be accommodated in the proposed new Federal Taxation building—except, as I have pointed out, the Governor-General's, the Prime Minister's, and Members of Parliament suites, in the Commonwealth Bank. My attention is called to the fact that there are some small offices, which would not be transferred to the proposed new building, included in the schedule. I agree, for example, that the reference to Naval Transport, 840

square feet, need not be included since accommodation would have to be found elsewhere for Naval Transport, and similarly the accommodation for Customs searchers and watchmen at Dawes Point. Similar remarks apply to the Lighthouse Office and workshop and to the Naval Office for registering workmen for Cockatoo Island. As to the accommodation for offices for the Commonwealth Line of Steamers, I think this branch could be located in the proposed new building in Phillip-street, because the site is not far away from the head-quarters of other companies. It is not proposed to remove

the Commonwealth Works Director's office or the Electoral Office from their present accommodations. The proposed Taxation building would provide accommodation for all the other Government offices located in the Commonwealth Bank, with the exclusion of those that I mentioned just now. The Commonwealth Bank is not administered by the Home and Territories Department, but by the Prime Minister's Department. Although the rent works out at about 7s. 6d. per square foot, it is really not dear. It is based upon 5 per cent. of the cost; and lighting, cleaning, lift, repairs, and maintenance are all provided. We could not get such accommodation for anything like the same rental elsewhere in Sydney. I consider that the neighbourhood of No. 1 site is the proper place for proposed Commonwealth offices. It would be convenient to the public in practically every respect.

47. *To Mr. Mathews.*—I regard the site as one of the best in Sydney. My only objection is that it is rather small. But I do not know that we could get a bigger one having anything like the other attributes. I am not prepared, without a great deal more investigation and consideration, to suggest a price; but it is certain that the Government would have to pay more than the taxation valuation.

48. *To Mr. Parker Moloney.*—I do not regard No. 2 site as being as good; and, in addition, its cost is nearly £100 per foot more. It has been reported upon by the Commonwealth Works Director in Sydney as an excellent site for building purposes, and he estimates the value to be £200 per foot. It has been placed under offer to us, however, at £295 per foot. It is not recommended, first, because it is not as large as, and, secondly, because it is very much dearer than, No. 1 site. Even if the cost were the same, it would not be large enough. At any rate, I have turned it down. The owners of No. 1 site gave the Commonwealth reasonable time to consider the option, but the authorities have not been able to make up their minds. It would scarcely be reasonable to expect the owners to hold their proposed activities in abeyance. They gave the Commonwealth an opportunity while they had their own plans prepared, and had received good leasing offers. If we could get the principle laid down that we were to get a suitable piece of land and erect a building thereon, that would be all that was wanted. At any rate, negotiations could be entered into; and that stage has not yet been reached. A few pounds per foot is neither here nor there if a site such as that is really wanted. Even if the price for the land was £197, and the price for the building were estimated at a certain figure, such a proposition in such a part of Sydney would be bound to be a good one. The Warwick Building property was placed under offer for Commonwealth purposes, but was not considered suitable, and was turned down. While it is central, it would have been of no use for Commonwealth offices. The Federal Taxation Commissioner would not listen to the project.

49. *To Mr. Mathews.*—In addition to the accommodation which would be provided by the erection of the Federal Taxation building upon this proposed site, it is expected that there would be some small area available for Commonwealth office purposes in the proposed new Post Office, Sydney. There would not be very much, but with this ten-storied building there ought to be ample for very many years to come.

*The witness withdrew.*

(Taken at Melbourne.)

## SECTIONAL COMMITTEE.

TUESDAY, 19TH JULY, 1921.

*Present:*

Mr. GREGORY, in the Chair;

Senator Plain,

Mr. Bamford,

Mr. Mathews,

Mr. Parker Moloney.

Robert Ewing, Federal Commissioner of Taxation, sworn and examined.

50. *To the Chairman.*—I am aware that a reference has been made to your Committee of a proposal to erect a large building in Sydney, particularly for the accommodation of the Federal Taxation Department. I have not seen the plan, but I was consulted by the Federal Works Department as to the floor space required. I know the proposed site for the building. It is the best I know of in Sydney. Efforts have been made at my own instigation to secure it. I am aware that other sites are available, but from what I can learn, no other site is as suitable as the site in Phillip-street between the Government Printing Office and the office of the Public Works Department. To put it perhaps a little extravagantly, that site is ideal for our purposes. There is a site in Phillip-street nearer to King-street; but it is not so good as the one to which I have already referred. I am not absolutely *au fait* at the moment with the value of the site, but my recollection is that the company which owns the land is claiming a price per foot which is supported to some extent by sales of other land in the vicinity; but I still think that the price they claim is in excess of what might be called its reasonable market value. I should be inclined if an unreasonable price were asked for the land to recommend its compulsory acquirement; because I do not know of any other site now available in Sydney that would be as suitable for our purposes. If we do not get this site, we shall not be in a very happy condition to carry on our work there. The valuation placed upon the land for taxation purposes is, so far as we are able to judge, the fair market value of the site. I have heard that the company owning the land has a building scheme in contemplation. If that be so, the question of dispossession enters into the matter, and there should be negotiations to discover what increase, if any, over the market value should be given to the owners of the land in the circumstances. I am, however, inclined to think that the building proposition is not a very ancient one. I think it has been thought of in quite recent times. I am aware that Mr. Hulme said that we occupy, roughly, 40,000 square feet of floor space. The net space occupied is 38,252 square feet, but that makes allowance for stairways, lifts, and things of that sort. That accommodation is not sufficient for present requirements. Quite a number of our branches are working under very cramped conditions. The reasonable space required for the present staff is, in my opinion, 50,000 square feet. I am, in saying this, looking only to the immediate present requirements of the Department in New South Wales alone. In New South Wales, the State taxation consists of income tax and land tax on leasehold estates beyond municipal and shire boundaries. That is to say, where there is no other land tax under local Government provisions, the State steps in and imposes a land tax. The State's land tax, therefore, is limited to Crown leases away out in the Western Division. It produces but a very small revenue, involves very little work, and a very small staff is required in connexion with it. But if the State Government should find itself driven to the extremity of proclaiming the land tax again—because the tax is only in suspense pending a proclamation—then the position as to accommodation

would become a very serious one. If the New South Wales Government imposed a general land tax at the present time, they would require an enormous staff to deal with all the persons who would be liable to the tax. It is impossible to say just how many. Assuming that a State land tax is not re-imposed in New South Wales, there will be no difficulty in providing for the amalgamation of the State and the Commonwealth Income Tax Departments, and practically no additional accommodation would be necessary. A floor space of 50,000 square feet would accommodate both Departments at the present time. Looking forward it is necessary to bear in mind that the Taxation Department must keep pace with the population. Sometimes it grows more rapidly than the population in view of the fact that Arbitration awards bring into the taxable field many persons who were not formerly within it. I have said that the Department must keep pace with the growth of the community, but it may be contended that it is not necessary that the whole Department should be accommodated in one place. That brings up the question of decentralization. This is to be found in perhaps its more extensive and best form in the United Kingdom. The population there is so great in a very great many districts that each has its taxation representative and branch. These representatives are known as Surveyors of Taxes. Each surveyor has a central office in which the taxpayers of his district are dealt with. Similar decentralization is inevitable in Australia, and we have almost arrived at the stage now when something in that direction must be attempted. In my opinion, we certainly have arrived at it in Victoria. At the end of another twelve months, we shall have arrived at it also in New South Wales. It is quite possible to carry out a system of decentralization, though there will be some difficulties to overcome. There must be supervision of such a character as to secure uniformity in different districts in the application of rules and assessments. That will be merely an extension of existing conditions. We have six States, and one central office. I supervise all to the extent of securing uniformity of methods in each State. If we add to the number of offices, we must extend our supervision. That is the principal difficulty associated with decentralization. There is a greater risk of lack of uniformity, but there is nothing impracticable about it. It would mean the proclamation of districts, and would require that all returns from those districts should be sent to the offices established in them. What I had in mind for New South Wales was a first branch, at any rate, at Newcastle. Newcastle is a city as big as Perth. It has a back country with a population which, combined with its own, is greater than the population of Western Australia. Western Australia has its office in Perth, so that there is full justification for a separate office in Newcastle. There is power under the Act to bring about decentralization. We may have as many Deputy Commissioners as we require, and can establish offices wherever we consider them necessary. This is a matter which I have brought under the notice of the Treasurer. I discussed it with him incidentally yesterday, but we must have further discussions on the subject. It would probably be necessary to have the boundaries of districts delineated by proclamation, and we should do that as nearly as possible according to the topography of the country to meet the interests of taxpayers by enabling them to do their taxation business at a convenient centre. If we begin with the assumption that, for immediate requirements in New South Wales, 50,000 square feet of floor space is essential in the Sydney office, we must then consider the growth of the city itself, which must always be accommodated in the Sydney office. The last census figures give a population of nearly 900,000 resident in Sydney. For the

purpose of income tax, I think those figures must be discounted somewhat, because, at the time the census was taken, Sydney was crowded with people from the country. Already there are serious complaints from country towns, who consider the figures given for Sydney are ridiculous. If we discount the census figures, we may say that Sydney has a population of about 800,000 *bonâ fide* residents, half of whom are adults. That will give 400,000, and of that number approximately two-thirds will be wage-earners. That will give 250,000 wage-earners, and in the whole of the State of New South Wales, we have for this year alone 230,000 taxpayers. The assessments actually issued on last year's income only represented 210,000 for New South Wales. Assuming that the population of Sydney is 800,000, and of New South Wales a little over 2,000,000, Sydney will have two-fifths of the population of New South Wales, and should have two-fifths of the taxpayers of that State. As a matter of fact, Sydney has approximately half the taxpayers of the State, and may be a little over. Sydney has approximately 100,000 taxpayers, and that means in returns probably 150,000. We have about that many who are *primâ facie* assessable, but not *primâ facie* taxable, but whom we must reach with returns. I think that the growth of population in New South Wales in a decade has been about 300,000 on 1,750,000. I am not quite sure of the figures, but the increase is about one-sixth, or 16 per cent. for the decade, which represents an increase of about 1.6 per annum. I think we may estimate the growth of the population at approximately 2 per cent. per annum. If we have immigration later on, the population may increase annually by 2½ per cent. This will mean that the taxpayers will increase to the extent of about one-third, or an increase of nearly 1 per cent. per annum. An increase of 100,000 in a decade will mean an increase of 10,000 per annum, so that, in the course of another ten years, there should be double the number of taxpayers now in Sydney. If we look forward to ten years' growth in Sydney only, and we are then to have double the number of taxpayers, we must practically double the staff, and so in the course of ten years will require a floor space of 100,000 square feet for Sydney alone. At present, we are doing the work of the whole State in Sydney. As Sydney has half the taxpayers, they would require half the space, so that 25,000 square feet of floor space would be sufficient for Sydney alone at the present time, and in ten years' time, 50,000 square feet of floor space would be required to carry on the Sydney business. We have not yet made provision for an office at Newcastle, and until we do so, the work which will be done there must continue to be done in the Sydney office. So far as I can look forward, a building giving the Federal Taxation Department 90,000 square feet of floor space would meet all requirements for the future. I have not seen the plans of the proposed building, but I know the general scheme, because I outlined it to the Chief Architect. It is essential that in these matters there should be co-operation between the Commonwealth Works Department and the Departments requiring accommodation, and I must say that the officers of the Commonwealth Works Department have gone out of their way to help. I consider that the Federal Taxation Department must be held almost entirely responsible for the internal arrangements of the building. I am inclined to suggest that, in the erection of the building, the main scheme should be large open floors. These could be subdivided into rooms by partitions, but we must have big, open floors for our work. If expansion had to be provided for later, the partitions might be removed, and we should have big, open floors again available. I should not like to say that I look upon the construction of the proposed building as a

matter of extreme urgency, providing that it might be occupied in two years' time. With that limitation it is urgent. It would probably take two years to erect, and in that time we should badly need the extra space the proposed building would provide, assuming that we failed to give effect to a system of decentralization. If, under such a system, we might establish at once branches at Newcastle, and one or two other places, the urgency for additional accommodation in Sydney would not, of course, be so great.

51. *To Mr. Bamford.*—If the income tax exemption were increased, that would materially reduce our work. I understand that your Committee is dealing with the question of additional accommodation for the Federal Taxation Department in New South Wales, but, if there is no technical objection to my doing so, I should like to bring under the notice of the Committee the extremely urgent necessity for additional accommodation for the Victorian office. I should like members of the Committee to visit Elizabeth House, and note the conditions under which our work has to be carried on there. If a fire were to take place in Elizabeth House, the position would be hopeless. We have to put in twenty-five new filing presses, and I should like to ask any member of the Committee who has seen the building where he thinks we are going to put them. There is really no space there to accommodate them. I have been asking for a building in Melbourne for a Victorian office for the last three years, and I have not got it yet. The matter of providing a suitable building for the Federal Taxation Department in Melbourne is of infinitely greater urgency than is the provision of additional accommodation in Sydney. Elizabeth House, of course, was never built for the purpose of the taxation office. If I could have two branches established, one for Gippsland, at Sale, and another at Hamilton, Camperdown, or Warrnambool, for the Western District, that would, of course, instantly relieve the pressure in the Melbourne office. We must have the position in Melbourne considered immediately for another reason. We have a lease of Elizabeth House only until September, 1923, and then we must leave the place, unless we resume the building, and stay there. We require additional accommodation in Brisbane, and in Adelaide also.

52. *To Senator Plain.*—If we had branches established at places other than Sydney, we would divide the present staff; some of each section would be sent to each branch. I could not say what staff would be required in each separate district, unless I knew how many taxpayers would have to be dealt with in each.

53. *To the Chairman.*—Some additional expenditure is unavoidable under a system of decentralization; but it should be more productive, and in that way the additional expenditure should be more than met. With decentralization, we should require at least one more inspector, if not two. There would probably be more travelling for myself, and, perhaps, for the Assistant Commissioner of Taxation, in order that we might keep in touch with the taxpayers. I have been doing a little of this work myself in the Northern Rivers District of New South Wales. It is difficult to give you any idea of the probable increase of expenditure in that one direction in view of the fact that the work is increasing in every direction. I understand that the Taxation Commission is to report only on the incidence of taxation. They may refer to the question of decentralization. I am aware that one or two witnesses have urged decentralization; but they have not proposed any definite scheme. I have been pondering the matter for the last three years. I have seen it coming, and have been trying to look ahead.

54. *To Mr. Bamford.*—The cost of collection of taxation is about 2 per cent. I am not quite sure whether it is a little under or a little over that amount. Decentralization would, I think, decrease

the percentage cost of collection, inasmuch as the district officers would be more closely in touch with taxpayers within their districts, and might more rapidly trace people who are evading taxation.

55. *To Mr. Mathews.*—I think we can manage with the Warwick Building in Sydney for, say, the next two years, but by that time for additional filing space we shall be up against the difficulty with which we are now faced in Victoria. I do not anticipate that in New South Wales there will be an amalgamation of State and Commonwealth taxation officers within the next twelve months. I have estimated that for 100,000 taxpayers we require about 150,000 returns. We find that it pays to issue the 50,000 additional papers to secure the small amounts that are collected in that way. The small amounts we get in pay I think the salaries for the whole of the Department for all the States, apart altogether from fines. An increase in the exemption would not avoid the necessity for the collection of small amounts. At present with the lowest exemption at £100 small amounts above that sum have to be collected. If the minimum exemption were increased to £200 or £300 there would still be the small margin starting from the amount of the exemption, and the necessity for collecting small amounts of taxation is inseparable from any exemption. I should like very much to have provision made for a restaurant like that at the Post Office for the benefit of officers of the Taxation Department. I have not been in the restaurant of the Commonwealth Bank, but I know of it, and how successful it is. We require something of the kind, and we specially require proper accommodation for all female workers. We have none now, and something of that kind is very necessary. The owners of the Phillip-street property in Sydney are asking £195 per foot for it. We brought this piece of ground under special notice. We knew of other sites that might be obtained, but this is by far the most suitable for our purposes. If you were to go outside the city for a site there would be at once a complaint by taxpayers that they were required to go out of the city to do business with the Federal Taxation Department. The further the distance from the city the greater the trouble with the taxpayers on that account. I could not say at once whether a site near the Sydney Railway Station would give taxpayers more trouble, but I do not know of any land available there. I know of no other equally suitable site at a lower price.

56. *To Mr. Bamford.*—I noticed that recently land was sold in Castlereagh-street for £490 per foot, but that was near Martin Place. As you come down from Martin Place, and draw a line due east from Elizabeth-street to Phillip-street when you reach Phillip-street you will do so at about the locality of the alternative piece of land which has been referred to. Land in Phillip-street in about the locality of the land in Castlereagh-street, which was recently sold for £490 per foot, would cost more than £190 per foot. As you come down towards Circular Quay you get into what may be described as an official locality. There is little or no trading business done there, and it is very convenient place for departmental buildings. There are many departments established in that locality to which people have to come in great numbers every day, and it would be no trouble to them to come to the Federal Taxation Department at the same time. If you compelled people to go to the Central Railway Station to conduct their taxation business they would still have to attend the other Departments, and would complain of an extra tax in having to travel to the Central Railway Station.

57. *To Mr. Parker Moloney.*—When you ask me what I would suggest in the event of the owners of the

Phillip-street site being unwilling to meet the Government in the matter of price I have to say that it is a somewhat difficult question to answer straight away, and I should like a little more time to consider it. It is not possible to do anything with Warwick Building to fit it to meet the requirements of the Department. I have no doubt that you have seen the lifts in use there. There are 600 officers and they cannot all use the lifts. Then there are thousands of taxpayers to be accommodated, and Warwick Building is quite unsuitable for our purpose. I fancy that we were offered Warwick Building for £115,000, but it would be of no use to the Taxation Department to buy it, and we want to get out of it as soon as we can. We are remaining there because at present there is no better place to go to.

58. *To Mr. Bamford.*—The frontage of the Phillip-street property is 100 feet or slightly over, and it has a similar depth.

59. *To Mr. Parker Moloney.*—If a decentralization system were adopted the present building in Sydney would be sufficient for our accommodation for a couple of years. If a branch established at Newcastle supplied a population of 100,000 or approximately 50,000 to 60,000 taxpayers, that would of course give immense relief in every branch of the Sydney Income Tax Office. I stopped at Newcastle on my way from Brisbane. I did so intentionally to see taxpayers and to look for land. I found two blocks of land in Newcastle in excellent positions for a building for our purposes. The adoption of a system of decentralization would not affect the proposal with which the Committee is dealing. I have already explained to the Chairman that we should require the accommodation proposed within the next ten years. We must provide for the increase of taxpayers in Sydney alone, and they must all be dealt with at the Sydney office. I have estimated that in about ten years time the accommodation required for Sydney taxpayers alone will need to be double that now provided. So far as accommodation in Melbourne is concerned we have had under consideration Crown land sites, and in that respect the matter may be considered as not so urgent as the Sydney office, because the most suitable site available there is in the hands of a private company, and the longer the matter is delayed the greater will be the amount we shall be called upon to pay. On every other ground the necessity for increased accommodation for the Federal Taxation Department is much more urgent in Melbourne than it is in Sydney.

*The witness withdrew.*

## SECTIONAL COMMITTEE.

MONDAY, 25th JULY, 1921.

*Present:*

Mr. GREGORY, in the Chair;

Mr. Bamford, / Mr. Mathews.

Henry Thompson, Representative of John Fairfax and Sons Limited, Sydney, sworn and examined.

60. *To the Chairman.*—I am manager for Messrs. Raine and Horne, auctioneers and estate agents, who are agents for the premises known as Warwick Building, the property of Messrs. John Fairfax and Sons Ltd. On the subject of the acquisition by the Commonwealth of premises for the accommodation of the Federal Taxation Department you are aware that the Department now has accommodation in the Warwick Building. The position briefly is this: The Government Architect, in his evidence, stated that there was a proposition to acquire a site in Phillip-street at a cost of £20,000, on

which it is proposed to erect premises estimated to cost £145,000. Messrs. Fairfax and Sons Limited are prepared to sell the premises known as Warwick Building for £135,000. The Acting Deputy Commissioner of Taxation stated in his evidence, before the Committee, that in his opinion premises erected on the site suggested in Phillip-street would not be as convenient for the public as the premises in which the Department is now located. He further pointed out that it is necessary that the offices of the Federal Taxation Department should be in a convenient place in the city. He stated one or two objections to Warwick Building. One was that the ceilings are, in his opinion, too low. I have had them measured, and I find that they run from 10 ft. 10 in. to 11 ft., which I think may be regarded as a fair average height of ceiling. The Deputy Commissioner further objected that artificial light had to be used for the first and second floors of Warwick Building. It is almost impossible in any modern building, except such a building as the Commonwealth Bank, to obtain good natural light for the first and second floors, and in most modern buildings now tenants who have a great deal of clerical work to do select, for choice, the fourth and fifth floors of a building. The Deputy Commissioner further objected that the lift accommodation in the Warwick Building is bad. It has to be admitted that the lift accommodation provided was not designed to carry so many people as make use of the lift there under existing conditions, but the Deputy Commissioner of Taxation might himself obviate the difficulty if he established his cash receiving offices and his information offices on the ground floor. That would meet the trouble due to lack of lift accommodation. The lifts are at present used to a very great extent by clerks and boys running up and down from one branch of the Department to another with papers. That might very well be prevented, and these officials might be directed to make use of the goods lifts. The Deputy Commissioner mentioned the necessity, in his opinion, for additional storage accommodation, and it occurred to me that that might be provided on the first and second floors, where it is claimed that the light is bad, and the clerks now occupying those floors might be accommodated higher up where the light is better. I should like to stress the point I make that if the cash receiving branch and the information branch were established on the ground floor a lot of the trouble with regard to the lifts would be overcome. With regard to convenience of locality, the Warwick Building is well known and practically everyone is now aware that it is in the occupation of the Federal Taxation Department. A change to a less convenient locality might not be considered desirable.

61. *To Mr. Mathews.*—I should not say that it is difficult to describe the location of the Warwick Building. Everyone knows it; it is "back of the A.M.P." The portion of the city in which it is located has progressed very much compared with three or four years ago. More modern premises have been erected there, and the insurance companies are making it a centre for their business.

62. *To the Chairman.*—The Warwick Building is erected on a solid rock foundation. The external walls are brick, faced, up to the ground floor level, with Pyrmont sandstone, with bands and cornices at first and second floor levels. The rest of the building is faced with O.K. bricks. The floors are reinforced concrete on steel columns and girders which are encased in concrete. The roof is of similar construction covered with Val de Travers' asphalt. The stairs are steel and reinforced concrete. The lifts are four in number, there being two passenger and two goods lifts, all electrically controlled. One goods lift has been converted into a passenger lift. The construction of the building and provision for fire have been approved by the Board of Commissioners of New South Wales. The present lava-

tory accommodation could be, if necessary, increased by 50 per cent. I give the following particulars of the floor space:—

	Gross area	Net area
Basement	8640 sq. ft.	8,240 sq. ft.
Ground floor	do.	5,382 "
1st to tenth	do.	6,800 "
11th	do.	6,350 "
Roof	do.	8,275 "

The net area does not include stairs, lifts and strong, rooms, of which there are two on each floor. The building is situated in the midst of professional and business premises, and there is a constant stream of people passing it all day. It should, on this account, be most convenient for persons having business with the Federal Taxation Department, whilst if the Department removed to Phillip-street all these people would lose a very great deal of time in having to go up there to do their business with the Federal Taxation Department. I do not think that the location will be injuriously affected by the construction of the proposed city railway. I understand that a station is proposed in George-street, which would not be more than 300 yards away from Warwick Buildings. The site of the station to which I refer is in George-street, where Hunter-street runs into it. I can readily promise that, if it were intended by the Commonwealth authorities to purchase the building, the whole of the plans and specifications would be made available. The floors have been so constructed as to bear practically any weight. I have seen each floor almost choked up with paper. No question can arise as to the stability of the building. I submit for the information of the Committee a return showing the existing tenancies of the building with their rental values.

63. *To Mr. Mathews.*—It will be observed from the return I have handed in that the total rents received from the building amount to £9,522 15s. per annum. It will be seen from the return also that the ground floor is valued at £1,500 per annum, and there is a reference to an increased rental of £780. The reason for this is that the floor is at present let on a lease expiring on 14th September, 1922, at a rental of £722 per annum, and when the lease runs out the rental value of that floor, it is estimated, will be £1,500, or more than double the present rental value. Portion of the third floor, the rental value of which is put down at £500 per annum, is at present in the occupancy of Messrs. Fairfax and Sons Ltd. for the purposes of the *Sydney Morning Herald*. There is a revenue of £850 derived from the fourth floor from two tenants, but the rest of the floor will go up to £1,000. The New South Wales Government are paying a rental of £1,450 for the tenth and eleventh floors on a lease expiring on 8th October, 1922, when the rent will go up to £1,800. The total rental value is estimated at £12,902 15s., whilst the total receipts from rent to-day amount to £9,522 15s. The expenses of management at the present time are:—Wages for four men, including three lift men and a caretaker, £871; electric power lifts and maintenance, £200; repairs, £180; insurance, £508, or a total of £1,759. Estimating the value of the building at £135,000, the present returns represent an average of 5.8 per cent. If to the present revenue there is added the rental value of portions now in occupation by the *Herald*, £2,100, the average return would be 7.3 per cent., and adding again the increased rentals which will be payable on expiry of existing leases, representing £1,280, the average return on the estimated value of the building would be 8.3 per cent. It is quite possible for the existing lavatory conveniences to be extended and the existing downpipes would be sufficient for the purpose. The width of Hamilton-street is about 30 feet, and the width of the right-of-way about 15 feet. The flat roof of the building might be readily converted into luncheon rooms.

64. *To Mr. Bamford.*—The flat roof is quite accessible. I might say that Messrs. Stewart Bros. estimate the cost of constructing the building to-day at £123,750.

65. *To the Chairman.*—The value of land in the locality, I should say, runs from £200 to £225 per foot. The building has been erected for about six years, and I should say that it would cost 30 per cent. more to erect such a building at the present time.

66. *To Mr. Bamford.*—In addition to the wooden partitions, the sash frames of the windows are of wood and not of steel.

67. *To the Chairman.*—The floors are of cement covered with Teratzo composition. I am not aware that that is considered very cold. It is used for floors all over the city. I am under the impression that in most of the offices it is covered with linoleum. I submit that the building would be more suitable for offices for the Federal Taxation Department than a building erected at a less convenient site away from the centre of the business of the city.

George John Oakeshott, Commonwealth Works Director for New South Wales, Department of Works and Railways, sworn and examined.

68. *To the Chairman.*—I am aware of the reference to the Public Works Committee of provision for offices for the accommodation of the Federal Taxation Department. I have had consultations with Mr. Murdoch on the subject. I have prepared for you a return instituting a comparison between the prices of building materials on the 30th June, 1920, and the prices ruling on 1st July, 1921. It will be seen from the return that the price of bricks has slightly increased, the price of hardwood has decreased slightly, the price of corrugated iron has fallen considerably. The price of lead, linseed oil and white-lead has fallen considerably also. Labour costs have increased all round, and this is accounted for to some extent by the decrease in the hours from 48 to 44. The comparison in respect of wages is scarcely a fair one, because whilst I have put down for 1920 the ruling rate for the different trades, as a matter of fact, it was at the time almost impossible to get masons, bricklayers, or carpenters, and we had to give more than the ruling rates to secure them. Bricks and labour would be the chief items in connexion with the proposed building, and on the whole there has been very little increase in the cost of these items, whilst I think I may say that we get more work out of men now than we did some time ago. They seem to have settled down more. I should personally prefer freestone to bricks for the building, but it would cost £3,500 more. A brick building would be more economical and would be quite efficient.

69. *To Mr. Bamford.*—I have not estimated the probable cost if the building were constructed of steel and concrete. I should not care to give an estimate without the opportunity to look thoroughly into the matter.

70. *To the Chairman.*—I could not recommend the acquisition of the Warwick Building for the reason that the light in the lower stories is very bad. It is not nearly sufficient for clerical work. In the second place I consider the ceilings of the rooms are too low. From the general lay-out of the building I should say that it was designed for a warehouse, and would no doubt be very suitable for such a purpose, but it is not a suitable building in which to carry on the work of a Department, where a number of officers are called on to work close together. If it were utilized a system of artificial ventilation would have to be adopted. I have never been on the roof of the building, and, therefore, cannot say whether it could be converted into luncheon rooms. For a Department employing some 600 men and women I consider that provision for luncheon rooms is extremely necessary. I am personally very keenly in favour of such welfare work. The practice is almost

universally adopted now where a great number of persons are employed in the one building. In the case of my own office what I object to most strongly is the officers opening up their lunches and eating them on the desks and on the ledgers. It is not good for the men, and it is certainly not good for the ledgers. The luncheon rooms established in the Commonwealth Bank building have succeeded extremely well. They represent a paying proposition. I understand that the Governor of the Bank in estimating the cost of the luncheon rooms does not take into account the rental of the floor. I believe that his reason for this is that the Bank should itself pay for the accommodation. All other expenses are charged to those who make use of the rooms, and, as I have said, they represent a paying proposition. I think it is right that provision for luncheon rooms should be made in any building such as that proposed to be erected for the Taxation Department. I shall supply you to-morrow with information with respect to the space occupied at the present time in the Customs building by branches of Departments other than those belonging to the Trade and Customs Department.

71. *To Mr. Mathews.*—The height of the ceilings in the suggested new building for the Federal Taxation Department is 12 feet 6 inches, but there is not the same depth in the rooms from window to window as in the case of the Warwick Building. The beams in the proposed new building would not be so heavy, and would not take up so much space as those in the Warwick Building. I have shown in my return that cement has gone up 7s. 6d. per ton since 1920, and lime about 6s. 8d. per ton. The quotations I have given are for locally manufactured cement. I cannot at the moment give the pre-war price of cement. Bricks have gone up about 7s. per 1,000. Taking prices on the whole, I do not think there would be very much difference in the cost of building now as compared with the cost in 1920.

72. *To the Chairman.*—I think that for a building such as that proposed for the Taxation Department, the arrangement to obtain light by an internal well is quite good enough, in view of the height of the building. The provision for light by a recess in an outside wall is adopted in the case of American skyscrapers running up to 20 and 25 stories. Even with glazed tiles, as proposed for the building under consideration, the light would be very much dissipated if introduced by an internal well, in the case of a very high building, before the lower stories were reached. But with a ten-story building the internal well should give a good light on the ground floor, provided that as designed in the plan the area of the well is sufficient. I think that the design would provide adequate ventilation.

(Taken at Sydney.)

## SECTIONAL COMMITTEE.

TUESDAY, 26TH JULY, 1921.

*Present:*

Mr. GREGORY, in the Chair.

Mr. Bamford, | Mr. Mathews.

George John Oakeshott, Commonwealth Works Director for New South Wales, Department of Works and Railways, recalled and further examined.

73. *To the Chairman.*—I promised yesterday to supply particulars of the floor areas in the Customs House Building occupied by branches of Departments other than the Department of Trade and Customs. I find that the Works and Railways Department occupies 8,817 square feet of floor space; the Works and Railways Department (Naval Works Branch), 1,316 square feet; Home and Territories Department (Electoral Branch), 3,620 square feet; Attorney-General's Department (Investigation Branch), 664 square feet, or a

total of 14,417 square feet. Department of Navigation occupy 5,153 square feet, but I have not included this area in the previous total, because I understand that the Navigation Department will come under the control of the Minister for Trade and Customs. I have been looking into your suggestion with regard to light areas, and there will not be sufficient time for me to prepare an alternate plan before the Committee will leave Sydney, and I think it would, therefore, be well if I communicated with Mr. Murdoch telling him exactly what you have put before me, in order that he might be in a position to supply you with a plan indicating the relative advantages of the two systems of lighting. I have no doubt whatever that light introduced by a recess at the side of a building is the better course to adopt in the case of a New York skyscraper, but the proposed building for the Taxation Department is only eight stories high, exclusive of basement and ground floor, and the light would not have far to descend if a central well is adopted. The proposed well, as it reaches the top, widens out, and, I understand, that Mr. Murdoch has suggested a still further increase in the width of 3 feet. That is quite a practicable suggestion, and with the use of glazed tiles, which he proposes, ample light would be provided, by his design, for the centre of the building where light is most required. The recess system is frequently adopted for large hotels and buildings used for residential purposes, but it is not for the same reason as necessary for a departmental building, as I suppose that the less a clerk looks out of the window the better for his work. For the purpose of ventilation the central light area is quite as good as a side recess. The area of the proposed central well makes ample provision for ventilation. If designed for ventilation only an area one-tenth of the size of that proposed would be sufficient. There should be no difficulty in the proposed building in conveying papers from one floor to another without having to ask clerks to carry them up and down. That could easily be provided for by the use of mechanical contrivances. The design makes provision for four passenger lifts, two on each side. If a luncheon room were established a goods lift would not be necessary, because all necessary provisions for the luncheon room could be sent up by a passenger lift. The width of the proposed entrance is 10 feet, and the doors would be 3 ft. 6 in. in width. There is provision for one entrance to the basement and another to the ground floor at the north and south ends of the Phillip-street site. A person entering by the basement entrance could get to the other floors by the lifts or by the staircases. I realize that there is insufficient space provided in the Warwick Building for the public coming to do business with the Department. Much greater space for the convenience of the public is provided for in the proposed new building.

74. *To Mr. Bamford.*—The plans were prepared for a building to be erected on the Phillip-street site, because to put the proposition into a concrete form it was necessary to select some particular site and design plans to suit it, and the Phillip-street site was that most favoured by the authorities of the Federal Taxation Department.

Robert James Rain, Staff Surveyor, representing the Commonwealth Surveyor-General's Branch, Department of Home and Territories, Sydney, sworn and examined.

75. *To the Chairman.*—I have been making inquiries in connexion with the selection of a site for the accommodation of the Federal Taxation Department. I produce a list of sites which have been brought under my observation. Three sites were brought under my notice by Messrs. Richardson and Wrench, estate agents. One is near the Pastoralists and Farmers' Association in Phillip-street, but it has an area of 42 feet by 80 feet, or only 3,400 square feet, which I consider too small. The second was the Club premises. I was asked to treat the particulars confidentially, and it is sufficient to say that the price quoted

I consider prohibitive. The third site brought under my notice by this firm was one in Phillip-street on which there are erected at the present time a terrace of three-story buildings and a garage. An area of 13,800 square feet at this site would be available straight away, but an area of 5,600 feet is held under lease for the next five or six years. This site gives a total area of 19,400 square feet, and no price has been quoted. The property is part of a trust estate, and might have to be put under the hammer. I think that the price would not exceed £200 per foot. The area of the land is 157 feet x 125 feet, and this would represent considerably over £30,000 for the land alone. There is no right-of-way at the back of this site. It was considered possible that some additional land alongside of this site might be obtained at a reasonable figure, but the owners quote £600 per foot for it. Mr. Warren Paine, estate agent, of Pitt-street, brought two sites under notice. His No. 1 site is the large vacant allotment in Phillip-street, which you inspected yesterday. The area is 127 feet x 106 feet or 13,550 square feet. The price quoted for this site is £25,000, and I, personally, think it is too high. The second proposition put by Mr. Paine was the Harrison, Jones and Devlin building in Loftus-street, which you had a look at yesterday. A further suggestion has been made regarding Goldsbrough Mort and Co's building, but the objections which apply to the Harrison, Jones and Devlin building would, I think, apply with greater force to the Goldsbrough Mort building. The next site was brought under my notice by Mr. Cormack. I understand that the Committee was communicated with in regard to this site in Castlereagh-street, near Campbell-street. I believe that Mr. Oakeshott reported that the locality was not suitable. I have had a look at the property, and have arrived at the same opinion. It comprises 12,160 square feet. The measurements are 95 feet frontage with a depth of 137 feet on one side and 119 feet on the other. No price was quoted for this property, as I did not like the locality. It is not a great distance from the Central Railway Station, but it is away from all the public offices. The next site on my list is the Warwick Building, which was submitted by Messrs. Raine and Horne. Another site was submitted by Cornell, Humphrey and Walter, 93 feet x 122 feet or 11,350 square feet. I have since found out that this property was sold last year for £18,600, or at the rate of £200 per foot. The owners are now asking £25,575 or £275 per foot. I suggested to Mr. Walter, of this firm, that the owners were looking for a good profit, but his answer was "Not at all, they are barely covering themselves." The next property was brought under my notice by Horning and Co., a building at present occupied as a girls' high school in Elizabeth-street, but I regarded the price quoted as prohibitive. Some smaller sites were brought under my notice, but they were of insufficient area. Nine sites have been under consideration. It is a difficult matter to secure an area as extensive as that required—something in the vicinity of 13,000 square feet. The only two vacant sites that in any way approach the area required are the two sites in Phillip-street which the Committee has inspected. I should like to bring under the notice of the Committee some evidence given by Sir Thomas Henley before the Taxation Commission on the 14th July, in which he quoted figures showing how, in one case, the taxes exceeded the rent from the property. The Sydney water supply rate was 9d. in the £1, the sewerage rate 1s., the city rate 4s. 1½d., the Federal land tax 5s. 0½d., Federal income tax 2s. 2½d., State income tax 1s. 8d., a total of 14s. 10½d. in the £1. His evidence gives considerable information showing how privately owned land is taxed. The owners must pass this taxation on to make a profit, but if the Commonwealth owned land it would be free from most of this taxation. Sir Thomas Henley mentioned a number of instances to show what taxation and rates mean as applied to a number of city properties.

He mentioned, for instance, that the rates and taxation in connexion with the Hotel Australia in Castlereagh-street represent £36 8s. per foot per annum. Farmers in Pitt-street pay rates and taxation amounting to £100 per foot frontage per annum. All this has to be passed on if owners of property are to make a profit.

76. *To Mr. Bamford.*—I believe that the municipal valuation last year for the No. 1 site in Phillip-street amounted to £130 per foot. The people who own this site own the adjoining building, of which they use part for their own offices, and let a portion to the Government Printer. They claim not to be anxious to sell, unless they get their price. So far as I know, there would be no difficulty in getting a good foundation at the No. 1 site in Phillip-street, but that is rather a matter for the experts of the Works and Railways Department. My personal opinion is that too much is being asked for the No. 1 site in Phillip-street, and I should be inclined to make the owners an offer of £20,000. I understand that they made a proposal to the State to erect a building on the site to suit the requirements of the State Departments at a rental of 5s. per square foot. This would have meant a lease at that rate for a considerable number of years. The State Government turned down the proposal. I may say that State Departments are located all over the city, and their position in this regard is about as bad as is the position of Commonwealth Departments. There is a property at the corner of George-street north, past Circular Quay, with an area of 1,680 square feet, which has been rented for some time past by the Lighthouse Branch of the Trade and Customs Department at £156 a year, or £3 per week. The rent was recently raised to £5 per week. The Lighthouse branch considered this rental too high, and I have been looking round for suitable accommodation for the branch, and have been unable to find any. Officers of the branch have themselves been making inquiries, but without success. Another case I may refer to is that of the Pensions Office in Bligh-street. That property belonged to some estate, and the owner lived in England. After the property was sold the rent was immediately jumped up 100 per cent. The Commonwealth authorities had nothing to do but pay it. Whenever a building changes hands in the city the rental goes up, in some cases over 100 per cent. The man who bought the Pensions Office building told me that his own rent for offices in Pitt-street had been raised 100 per cent. It has been the same all over the city. Rentals in the city run from 4s. in outside and undesirable localities to 10s. per square foot per annum. The rental for the London Bank Chambers across the road from the Commonwealth Bank building is 7s. per square foot per annum, for Somerset House 6s. 6d., and the rental for buildings near Hunter-street runs up to 10s. per square foot per annum.

77. *To the Chairman.*—I am very strongly of the opinion that it is advisable for the Commonwealth to erect a building for the accommodation of different Commonwealth Departments. Under existing conditions a very great deal of time is wasted in communications between one Department and another, because the offices are so very widely scattered. Sir Thomas Henley in his evidence before the Taxation Commission said that the public must pay all taxes. The owners must make a profit out of their property, and they pass on the taxation in rent. The question whether the present is a good time to build is one concerning which officers of the Commonwealth Works Department could express a more valuable opinion than I can. I do not think that the price of land in the city will fall.

78. *To Mr. Bamford.*—I think that prices for building materials have taken a turn for the better. I believe that a property in Castlereagh-street on the same side as the Hotel Australia, and in the next block towards Hunter-street, which was formerly occupied by Little, the auctioneer, was sold recently for £470 per foot. There is a two-story building on the land, but it is an old type of building.