

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

FOURTH PROGRESS REPORT

FROM THE

JOINT COMMITTEE OF PUBLIC ACCOUNTS

UPON THE

WAR SERVICE HOMES COMMISSION

(QUEENSLAND).

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MEMBERS OF THE COMMONWEALTH PARLIAMENTARY JOINT COMMITTEE OF PUBLIC ACCOUNTS.

(Third Committee.)

The Honorable JAMES MACRINNON FOWLER, M.P., Chairman.

JAMES EDWARD FENTON, Esquire, M.P., Vice-Chairman.

Senate.

- * Senator THOMAS WILLIAM CRAWFORD.
- * Senator the Honorable JOHN EARLE.
- † Senator ALLAN McDUGALL.
- ‡ Senator Lt.-Col. WILLIAM KINSEY BOLTON, C.B.E., V.D.
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- ‡ Senator JOHN DUNLOP MILLEN.

House of Representatives.

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- JOHN HENRY PROWSE, Esquire, M.P.
- JOHN EDWARD WEST, Esquire, M.P.
- § MATTHEW CHARLTON, Esquire, M.P.

* Resigned 28th July, 1920. — † Retired 30th June, 1920. — ‡ Appointed 29th July, 1920. — § Appointed 1st July, 1920.

(QUEENSLAND)

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INTRODUCTORY.

In continuation of its investigation of the administration of the War Service Homes Scheme, the Joint Committee of Public Accounts visited Queensland during the month of September last. Sittings were held in Brisbane, Bundaberg, Maryborough, and Toowoomba. It was ascertained in Brisbane that the condition of affairs and the grievances of the returned men, which would be brought under notice in these towns, might be regarded as typical of those existing throughout the State. The Committee therefore considered that, as it could inform itself generally at these places as to the position of matters, no good purpose would be served by taking evidence in other centres.

The Committee inspected a number of houses erected in and around the towns visited, and many of the areas of land acquired by the Commission. The principal officers of the Commission were examined concerning the operations in Queensland. Evidence was given by the State Secretary, as well as by representatives of various sub-branches of the Returned Sailors and Soldiers' Imperial League of Australia, and by the Honorary Secretary of the Toowoomba Branch of the Sailors and Soldiers Fathers' Association. These voiced in general terms the complaints which had arisen in this State in the carrying out of the scheme. A number of individual applicants, who considered that they had legitimate grievances concerning their treatment by the Commission, were also afforded an opportunity of stating their case to the Committee.

ACQUISITION OF LAND.

The building programme laid down by the Commissioner at the outset of the scheme provided for the erection of 1,500 houses annually in Queensland. In order to carry out this project, the Deputy Commissioner was instructed to purchase land from twelve to eighteen months ahead of requirements. Active building operations came to a sudden end about December, 1920, when less than 500 houses had been erected. In consequence, the Commission now owns in Queensland over 875 acres of land, representing more than 3,000 allotments, which cost £110,000. Six hundred and thirty-three acres are in the metropolitan area. The country areas are distributed as under:—

Locality.	Area.	Price.	No. of Lots.	No. of Houses Erected.
	acres.	£		
Booval	4	505	14	3
Bowen	3 $\frac{1}{2}$	520	17	Nil
Bundaberg	69 $\frac{1}{2}$	2,617	271	16
Cairns	17 $\frac{1}{2}$	3,700	68	9
Dalby	5 $\frac{1}{2}$	Donated	13	Nil
Ipswich	17 $\frac{1}{2}$	3,105	62	5
Mackay	10 $\frac{1}{2}$	800	50	Nil
Maryborough	19	1,895	73	15
Rockhampton	34 $\frac{1}{2}$	9,743	133	33
Townsville	16 $\frac{1}{2}$	1,730	73	25
Toowoomba	21 $\frac{1}{2}$	7,160	71	8
Warwick	2 $\frac{1}{2}$	475	8	4

The price paid for the land acquired works out at an average of £34 19s. per allotment in the metropolitan area, and £37 12s. in the country towns. The higher price paid in the country districts is explained by the Deputy Commissioner to be due to the fact that some of the metropolitan land is situated some distance from travelling facilities, and was purchased in anticipation of tramway extensions; whilst in country towns, where no such facilities exist, the choice of suitable areas was more limited, and purchases had to be made in immediately convenient locations. The Commission provides for allotments of 32 perches, with a frontage of 66 feet.

As a result of the cessation of active building operations, land to the value of over £88,000 still remains idle. Most of this land is in large areas near Brisbane, and is not likely to be developed for some years. Estates around Brisbane, on which not a single house has yet been commenced total over 520 acres, the cost of which was more than £45,000. No land for building purposes has been acquired by the present Deputy Commissioner, but he was of opinion that, judging from outside values, the land had, on the whole, been well bought, and, if judiciously placed on the market, should bring prices at least equal to the cost.

The most serious complaint regarding the land purchases concerned an area of land situated in Newmarket-road, Hendra, near Brisbane, on which six houses have been built. It is low-lying, and, as it receives the soakage from higher slopes, the exceptionally heavy winter rains have rendered the land absolutely unfit for homes. Some allotments were a slimy morass; on others there were large quantities of stagnant water. The Deputy Commissioner and the occupants have been endeavouring to drain the land by digging open surface drains, but these were quite ineffective, as there was no "get-away" for the water. It is admitted by the local shire council that the best solution of the difficulty is by deepening and grading the road drains, and, although that body proposes to construct a deep concrete drain in the vicinity to carry away flood water, it has no funds at present available, but has made application to the State Government for a loan of £1,000 for this purpose.

Strong exception was taken by the local branches of the Returned Sailors and Soldiers' Imperial League of Australia, and the Sailors and Soldiers Fathers' Association, to the acquisition of the Lydwin Estate, at Toowoomba, on account of its high price. This estate comprised 10 acres, and, including a residence standing thereon, but which was useless for the purposes of the scheme, cost £5,000. The land is in a good locality, and is conveniently situated, but it is contended that it is altogether too expensive for War Service Homes purposes. The cost of preparing the land for settlement by clearing off the ornamental trees and making roads has been considerable. Complaints were also made regarding the lack of drainage. Protest was made before the completion of the purchase of this estate, and it was asserted that areas of land, quite as conveniently situated, could have been purchased at a much lower cost; in fact, an alternative offer was made of 7 acres of land for £900, which it was claimed was well suited for War Service Homes, being more elevated than the Lydwin Estate, and with a road on two sides.

BUILDING OPERATIONS.

As wooden houses are better suited for Queensland conditions, being cheaper and cooler than brick, practically all the work has been carried out in timber; only six brick houses having been erected in this State by the Commission.

At the outset the day-labour system was employed, and houses were commenced in such numbers that the organization of the Commission could not cope with the position; foremen were expected to supervise too many houses, and adequate and regular supplies of materials and labour were not available. Consequently this system was found to be too expensive, and was subsequently discarded. The present system is to call for tenders; if these are considered satisfactory and the applicants are content to sign up for the amount stated, the tender is accepted. The Deputy Commissioner was of opinion that contract work compared more than favorably with day labour jobs, and was found to be cheaper. He considered the quality of the work in each system to be about equal. One advantage of the contract system was that the cost of the house was definitely known before the work commenced.

It was complained that the original designs supplied to Queensland were not only too expensive, but, owing to insufficient verandah space, were unsuitable for the climate. Revised plans have recently been adopted which are claimed to be cheaper and more suitable, and which will permit of additions to the houses being made easily and economically.

Although, as already stated, there was a shortage of supplies at the commencement of operations, large contracts were subsequently entered into, in addition to which the Commission purchased saw-mills and extensive timber areas, in anticipation of the original building programme being adhered to. Owing to the slackening off of building operations towards the end of last year, vast quantities of stores remain unused. The following statement shows the value of stores on hand in the various depôts in Queensland as at 1st September, 1921:—

Locality.	Timber.	Paints.	Joinery.	Plumbing Goods.	Hardware.	Total.
	£	£	£	£	£	£
Rockhampton	3,708	47	3	57	18	3,833
Townsville	4,197	237	508	536	472	5,950
Cairns	2,236	226	208	110	320	3,100
Park-road, South Brisbane ..	60,157	9,042	1,822	23,709	15,758	110,488
Total	70,298	9,552	2,541	24,412	16,568	123,371

The Committee was impressed by the enormous accumulation of timber and other materials, and by the large fleet of motor lorries standing idle in the Park-road Depôt. The depôt is well kept, but the cost of working it is heavy, owing to its congested and overstocked condition. It is understood that Central Administration has appointed an agent to dispose of the large stocks of pine which are still being received in fulfilment of saw-milling contracts.

Evidence was submitted to the Committee indicating that the prices which were being charged by the Commission to contractors, who had been directed that they must obtain the materials for War Service Homes from the Commission, were in some instances considerably higher than the prices appearing in ordinary trade lists. It was explained to the Committee that, under Central Administration instructions, materials had to be issued at their actual cost to the Commission plus 15 per cent. for handling charges. Owing to the present depressed state of the market in Queensland, contractors are often able to obtain special "cut" prices from the merchants for many of their materials, and it was admitted by responsible officers that the soldiers would probably receive their houses cheaper if contractors were permitted to secure their supplies in the open market.

In some of the groups of houses visited the Committee found that neither water nor lighting facilities had been provided; in many cases roads had not been made, nor had any attention been given to the important question of drainage. Strong representations were made to the Committee that these very necessary conveniences should be attended to immediately. The Deputy Commissioner explained that in all cases where water, gas, or electric light mains were in the street the specifications provided that the houses should be connected. In such cases the cost is capitalized; but where these conveniences are provided later the applicant has to bear the expense of installation. The delay in laying water mains in some instances has been due to the Water and Sewerage Board's lack of funds, and also the fact that the Board has made it a condition before laying pipes that the Commission will guarantee not only the cost of laying the service from the mains to the building alignment but also payment of water rates in respect of the properties. As a matter of fact, in all cases where houses have been vacated by applicants, the Commission has paid any outstanding rates, but the Deputy Commissioner is not disposed to render the Commission liable for the whole of the water rates on all War Service Homes. Roads and drainage are matters under the control of the local councils, and in every instance the Commission endeavours to have their provision expedited.

A few complaints reached the Committee concerning defective materials and construction, but, on the whole, they were not of a serious nature. In one or two instances defects were complained of which had appeared some considerable time after delivery had been given and after the occupant had expressed his satisfaction with the house.

COSTS OF HOUSES.

The general and principal complaint throughout Queensland concerned the excessive cost of the houses erected by the Commission under the day-labour system. Estimates given to applicants were greatly exceeded, in some instances to the extent of over £200, and in consequence the price of the houses was considerably beyond what the soldiers could afford to pay. It was also contended that the value was not in the houses, and that the costs were unreliable. The larger and better built houses in a group were sometimes sold at prices lower than the others. The accountant of the Commission admitted in evidence that little reliance could be placed on the earlier office estimates owing to the rapidly increasing prices. It was also apparent to him from the cards that mistakes were being made in the records, both as regards labour costs and particulars of material used. When an applicant wished to obtain possession of his house an approximate sale price was quoted, and after the final cost had been ascertained the price was adjusted. When the architect took up his duties towards the end of 1920 he found the office estimates much too low, and had to increase them on an average from £75 to £100 per house. Finding it almost impossible to get any group foreman to say what a particular house in a group had cost, he instituted a system of dividing the cost of labour and material in a group over all the houses in order to arrive at a fair selling price.

In the early stages of the work arrangements had not been made for the regular delivery of material on the jobs, and, as in other States, the workmen, when only a limited quantity of material was made available to them, naturally would not give the best results. This undoubtedly was one of the factors which tended to increase building costs.

High charges for cartage have also been responsible to some degree for the undue costs. Having a store depôt only on the south side of the Brisbane River, across which there is only one bridge, necessitates supplies for houses in the districts over the river being carted many miles before reaching their destination.

VACANT HOUSES.

Since the Commission commenced operations in Queensland 116 houses, which had been allotted to applicants, have been vacated. Many of these have been re-allotted to other soldiers; but at the time of the Committee's visit 24 were let to ineligible persons, and 49 were vacant. The Deputy Commissioner attributed this state of affairs to unemployment and sickness, the men realizing their inability to meet the payments having in some cases voluntarily vacated the houses;

whilst, in other instances, owing to the Commission's delay in satisfying applications, the men had made other arrangements to obtain homes. It was represented on behalf of the Returned Soldiers' League that this condition was due to the cost of the houses being far in excess of what the men could afford to pay.

The position at Bundaberg may be quoted as typical of that existing in other towns. At Bundaberg the Commission has erected sixteen houses, and, although there are about 500 returned men in the district, the great majority of whom are paying rent, only two War Service Homes have been taken over by soldiers; five have been let, and nine are empty. It was stated that after the sugar-crushing season probably all the houses now let would be vacated. The Secretary of the local Branch of the Returned Soldiers' League informed the Committee that, owing to irregular employment, many of the men were not in a position to undertake the responsibility of purchasing houses which cost from £600 to £800. The value of the houses was not questioned by the witness, but cheaper and less pretentious homes, which could be sold for about £500, would have better suited the requirements and the means of the men. Some men who were able to finance these houses objected to their situation and to the lack of conveniences, such as water and lighting. On one area of 54 acres owned by the Commission in Bundaberg, the Committee found that the ten houses which had been erected thereon were widely scattered, and in consequence the provision of water and lighting would not only be delayed, but would be an expensive item.

Many complaints were made to the Committee by applicants who had purchased land for their homes in localities conveniently situated to their place of occupation. On applying for the erection of a War Service Home on their land they were invariably informed that their application could not be approved whilst there were unallotted houses in that particular district. The Deputy Commissioner explained that Central Administration had definitely instructed him that no further building was to be undertaken in districts where there were unallotted dwellings.

GENERAL COMPLAINTS AND SUGGESTIONS.

Objection was taken to the policy of building groups of houses by day labour in anticipation of requirements. Most of the men preferred to be given an opportunity to have their houses built according to their own requirements and in localities chosen by themselves. It was stated, particularly in Maryborough and Toowoomba, that local contractors had offered to build houses at much less cost than those erected by the Commission.

In each centre visited it was urged that the purchase of already erected houses should be permitted, as in many instances soldiers could in this way obtain suitable homes for much less than the price at which a house could be built.

It was pointed out that on the Queensland gold-fields there is very little freehold land, most of the areas being held under mining homestead and gold-field leases. Such a title is not acceptable to the Commission, and, in consequence, applications to build war service homes on such areas had been refused. It was suggested that the Commonwealth might overcome the difficulty by compulsorily acquiring the land.

Representations were made that occupants should be at liberty to sell their houses at any time to any purchaser, and to retain the surplus of purchase money in excess of the amount of principal and interest due to the Commission at date of payment. It was also contended that men who have been compelled to sell or leave their homes should be entitled to a refund of so much of the instalments paid by them as represented payments of principal. It was further suggested that soldiers desiring to pay off their indebtedness under a mortgage to the Commission should be at liberty to do so at any time without having to make a declaration as to the reasons for such action, and that the Deputy Commissioner should be empowered to execute releases of mortgages without reference to Melbourne.

Greater powers generally to the State Deputy were asked for on account of the delays which occurred through reference having to be made to Melbourne in so many cases. Failing this it was proposed that an Advisory Board be created to deal with matters which have now to be referred to Central Administration.

The State Secretary of the Returned Sailors and Soldiers' Imperial League of Australia submitted to the Committee that a Soldiers Widows' Insurance Fund should be established, and be used to pay off instalments on War Service Homes in cases where a soldier died leaving his widow in necessitous circumstances. His association suggested that a small charge of, say, 6d. per month might be collected from each purchaser and credited to a special fund for this purpose. He cited a case where a returned soldier—with a wife and two children—died suddenly. He had met his instalments on his War Service Home regularly, and had spent about £50 in painting and improvements, but as he left only his life insurance money—amounting to £250—his widow had to forfeit the home.

COMMONWEALTH BANK.

In the early stages of the War Service Homes Scheme the Commonwealth Bank carried out the work of providing houses under an agreement which operated throughout the Commonwealth, but which was afterwards terminated. The Bank commenced operations in Queensland in August, 1919, and completed all work in hand by November, 1920. During that period 464 houses were erected, and additions or alterations made to seventeen others. Contracts were let for all jobs, and as these were signed before the increase in wages and materials took place, the average cost per house, without land, amounted to £560 6s. 4d. Houses were erected throughout the State under the supervision of Messrs. J. and H. G. Kirkpatrick, and in country towns local architects were appointed to obtain tenders and supervise the work. Applicants generally were well contented with the homes provided for them by the Bank, and the work seen by the Committee had been carried out satisfactorily.

OPERATIONS IN QUEENSLAND.

The following table shows the position of the activities of the War Service Homes scheme in Queensland as at 31st October, 1921. The figures for the Commission and the Commonwealth Bank are set out separately:—

	Applications Approved.		Number of Houses.					Existing Houses Purchased.		Mortgages Discharged.	
			Completed.		Under Construction.		Assisted to Complete.	No.	Amount.	No.	Amount.
	No.	Amount.	Allotted.	Unallotted.	Allotted.	Unallotted.					
Commission ..	1,646	£ 1,041,291	795	85	6	Nil	12	616	£ 368,950	114	£ 53,274
Commonwealth Bank ..	1,244	649,418	465	Nil	Nil	Nil	16	506	285,228	197	79,870
Total ..	2,890	1,690,709	1,260	85	6	Nil	28	1,182	654,178	311	132,644

COMMITTEE'S FINDINGS AND RECOMMENDATIONS.

Many of the complaints and grievances in Queensland, particularly in relation to the cost of the houses, were identical with those brought under notice in other States. The Committee considers that, as far as possible, a uniform course should be adopted throughout the Commonwealth in providing remedies. Such recommendations as have already been made in previous reports, and which are applicable to Queensland, have therefore been repeated herein.

The land purchases in Queensland proceeded altogether too far ahead of requirements, and thousands of pounds worth of land is likely to be left idle for many years.

The land in Newmarket-road, Hendra, near Brisbane, should not have been acquired. It should have been apparent to anyone inspecting this area that it was subject to flooding in wet weather. Portion of the land was below the level of the roadway, and the adjacent areas were covered with vegetation indicative of swampy conditions. The local shire council must accept some responsibility for permitting such land to be used for the building of homes without making proper provision for its drainage. Special efforts should be made towards effectively draining the area, and the cost of such work should not be charged to the soldiers.

The purchase, for War Service Homes purposes, of the Lydwin Estate, at Toowoomba, was a mistake. The cost of the allotments was too high, and rendered the total cost of the homes prohibitive.

In order that returned soldiers in the gold-mining areas may obtain the benefits of the War Service Homes Act, negotiations should be entered into with the State Government with a view to such leasehold areas as may be required for the purpose being converted into freehold.

The great majority of the cases complained of to the Committee were those in which the soldier was given to understand his house would cost approximately the sum stated to him at the outset by the Department. This amount has frequently been exceeded to the extent of £150, and even £200, and it has been complained by many of those who have been saddled with such expensive houses that their income is too small to enable them to meet the monthly payments. Construction often proceeded without proper care being taken to keep the costs within the estimates. The Commission seems to have made it almost a practice to build up to the limit provided by the Act, whereas the type of house desired by most of the applicants in Queensland was one which would cost not more than £500. The prices for the Queensland houses built with single pine walls and iron roofs compare very unfavorably with the brick houses with tile roofs erected in the other States.

The soldiers, unfortunately for themselves, with few exceptions, have made no definite contract with the Commission to build for the amount originally quoted to them, and, as a matter of fact, have signed undertakings to pay "the capital cost when ascertained." Having placed himself unreservedly in the hands of the Commission is no reason why a soldier should be denied any redress of what is a legitimate grievance.

It appears to the Committee that there can be no claim on any applicant for a sum in excess of the maximum allowed under the Act, unless such extra expense was arranged for at the instance of the applicant himself.

It is undoubtedly a fact that some of the houses erected under the day-labour system have been charged to the occupants at considerably more than their worth. As, in the main, the extra cost in these instances is admittedly due to bad administration and defective supervision, it is not right that the soldier should have to pay for these. Where a complaint of this kind has been made, a valuation, as at the time of the erection of the house, should be obtained from an impartial source, and the amount thus arrived at should be the price charged to the soldier.

Many cases came under notice where the value of the house is not challenged, but the complaint is that the cost is considerably beyond what the occupant had stipulated, and beyond what he is able to pay. Where houses of the class desired by the applicant are purchaseable this course of satisfying him might be adopted, or he should be permitted to transfer to a cheaper house, provided another eligible person can be found to take over the property vacated. Where this is not practicable, the monthly payments might be reduced and, of course, the period of payment extended accordingly.

Where constructional defects appear in houses within six months after occupation and it is obvious that they are due to lack of supervision or faulty material, the soldier should not have to bear the expense of rectifying the defects.

Considerable delays have occurred in many instances in completing houses. As applicants have to pay interest on the expenditure from its inception, such delays may add considerably to the cost of the homes. Although interest on work progressing at the ordinary rate cannot be objected to, it is unfair to the applicant to be charged with the whole of the interest, where work has been drawn out beyond a reasonable period.

The attempt to compel a soldier to accept a house already erected by the Commission, although unsuitable to him by reason of its price or situation, is to be deprecated. When, in addition to this, the soldier is informed that, if he does not take the house offered to him, he will have to go without, it appears that the intentions of the Act are being deliberately and improperly put aside.

It is quite reasonable that applicants should be supplied with sketch plans of the standardized dwellings in order that they might have an opportunity of studying them before making a selection. The absence of complaints concerning the homes built by the Commonwealth Bank was, it is considered, mainly due to the personal interest taken in each applicant and the desire, so far as practicable, to meet individual tastes in the planning and designing of the homes. The personal touch, so essential to the success of an undertaking of this character, appears to have been somewhat lacking from the transactions of the Commission.

Deputy Commissioners might with advantage be vested with greater discretionary power to deal sympathetically with those cases of genuine hardship where an occupant of a War Service Home, through causes entirely beyond his control, such as unemployment, or illness, falls into arrears. More pains should be taken to deal with each case on its merits rather than by the automatic issuing of threatening notices at stated intervals, culminating perhaps in an ejection order. Parliament recognised that cases of hardship would arise, and special provision was made in Section 45 of the Act for the extension of the period of repayment. The low percentage of arrears is an indication that the great majority of the occupants fully recognise their responsibilities.

Unless many soldiers are going to be deprived of the benefits of the scheme, through no fault of their own, the conditions regarding the surrender of houses when payments have fallen behind must be considerably modified. To protect a soldier against the loss of his home owing to unemployment or sickness, a scheme of insurance might be adopted, the premium for which should be only a slight addition to the ordinary monthly payments on the house. Such a scheme would probably be welcomed by all those who had undertaken the responsibility of purchasing a home. The further proposal that a fund be established to enable the widow of a soldier who had died after obtaining a War Service Home, to continue the payments, might be incorporated in the unemployment insurance scheme suggested.

J. M. FOWLER,

Chairman.

Melbourne, 3rd December, 1921.