

1922.



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
by Senator Newland

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G. M. ...

PARLIAMENTARY STANDING COMMITTEE of the Senate.
ON PUBLIC WORKS.
20-6-22

REPORT

TOGETHER WITH

MINUTES OF EVIDENCE

RELATING TO THE PROPOSED

PROVISION OF OFFICE ACCOMMODATION FOR
FEDERAL TAXATION DEPARTMENT IN MELBOURNE.

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 Sydney 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.

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EXTRACT FROM VOTES AND PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES.

No. 204 OF 6TH DECEMBER, 1921.

24. PUBLIC WORKS COMMITTEE—REFERENCE OF WORK—OFFICE ACCOMMODATION, FEDERAL TAXATION DEPARTMENT, MELBOURNE.—Mr. Groom moved, pursuant to notice, 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. :—Provision of office accommodation for Federal Taxation Department in Melbourne.

Question—put and passed.

PROVISION OF OFFICE ACCOMMODATION FOR FEDERAL TAXATION DEPARTMENT, MELBOURNE.

REPORT.

The Parliamentary Standing Committee on Public Works, to which the House of Representatives referred for investigation and report the question of the provision of office accommodation for the Federal Taxation Department in Melbourne, has the honour to report as follows :—

INTRODUCTORY.

1. The Central Staff of the Federal Taxation Department in Melbourne is at present accommodated in the Elizabeth-street Post Office Building, while the Victorian Branch is located in rented premises in Elizabeth House, on the corner of Elizabeth-street and Little Collins-street. With the expansion of business, it is represented that the accommodation for the officers of the Victorian Branch is now so restricted as to prejudicially affect the health and efficiency of the staff, and make the provision of better accommodation a pressing necessity.

PRESENT PROPOSAL.

2. The proposal submitted to the Committee for investigation was the advisability of the Commonwealth erecting its own premises for the Taxation Department in Melbourne, and three sites were suggested for inquiry as to suitability, &c.

These sites were—

- (a) an area of about $1\frac{1}{2}$ acres on the south side of the River Yarra, close to Prince's-bridge ;
- (b) an area about 100 feet by 200 feet facing the Treasury Gardens and situated between the State Treasury and the Chief Secretary's Office ;
- (c) an area at the rear of the Post Office Building in Bourke and Elizabeth streets.

The Building to be erected would vary in design in accordance with the site decided upon ; a sketch plan prepared for the Prince's-bridge site showed a rectangular building three stories high and of a site approximately 291 feet by 200 feet.

The Building suggested for the Treasury-place site was of a size of approximately 100 feet by 200 feet and running into seven stories, while the design suggested for the Post Office site was approximately 59 feet by 100 feet and seven stories high.

ESTIMATED COST.

3. The building for Prince's-bridge site is designed to give an effective office area of 133,698 square feet and is estimated to cost	£209,650
The building at Treasury-place is designed to give an effective office area of 93,296 square feet at an estimated cost of	£163,950
The Building on the Post Office site is designed to give an effective office area of 64,321 square feet at an estimated cost of	£125,000

and the time set down for completion is about two years in each case.

COMMITTEE'S INVESTIGATIONS.

4. The Committee visited the Central Office of the Taxation Department in the Elizabeth-street Post Office Building, the Victorian Branch Offices in Elizabeth House, and inspected the areas suggested as sites at Prince's-bridge, Treasury-place, and adjoining the Elizabeth-street Post Office with a view to ascertaining not only their suitability from the point of view of the Taxation Department, but their convenience from the point of view of the public.

5. There can be no question of the necessity for giving the staff of the Victorian Branch better working conditions than those under which they exist at present. The space in Elizabeth House, for which the Commonwealth pays a rental of £4,450 per annum, accommodates 441 officers within an area of 16,735 square feet, or a less area per officer than would be allowed under the Factories Act Regulations. To provide reasonable comfort for officers, it was represented that the Victorian Taxation Department, including the Central Office, needed about 60,000 square feet of floor space, and it, therefore, became a question whether this large amount of space could be obtained, by lease, in a privately-owned building, or whether it would be necessary for the Commonwealth to erect its own premises. Exhaustive inquiries were made as to whether the Taxation Department could be placed in an existing office, the property of the Commonwealth, or held under lease by the Commonwealth, but the Committee was satisfied that that amount of accommodation was not available in any Commonwealth building.

6. Attention was next paid to the possibility of obtaining the necessary space by leasing privately-owned premises. It was found impossible to discover any existing building available and capable of providing the accommodation and—although the Committee had under consideration at least one attractive proposition to build and lease to the Commonwealth the amount of space required, having regard to the convenience of the public, the inadvisability as at present of having the Taxation Department on upper stories of a building in which the lower floors are utilized for business purposes, and the general principle of the desirability of the Commonwealth providing accommodation for its officers in its own premises rather than paying away large sums annually in rent—it was unanimously decided by the Committee to recommend that premises be erected by the Commonwealth for the purpose of the Taxation Department.

7. Consideration was then given as to which of the sites suggested would be most suitable for a Commonwealth Building for the purpose in question. The Prince's-bridge site was strongly recommended by the Federal Taxation Commissioner as providing an area sufficiently large in his opinion to house the officers in a single-storied building. Apart from the want of economy of constructing a single-storied building of such dimensions, it was ascertained that the shape of the area available did not lend itself to the construction of a rectangular building sufficiently large to provide 60,000 square feet of space on one floor, and the design submitted to the Committee showed a three-storied building providing as previously stated 133,698 square feet. Evidence obtained further showed that a sum of about £12,800 would be required to provide suitable foundations on this area, which is made ground, and that the State Government, who owned the land, while ready to meet the convenience of the Commonwealth, preferred that the Department, if possible, be located in some other situation which would not necessitate the termination of an existing lease to private individuals of the Prince's-bridge area. Careful consideration was given to this site, by reason of the fact that it was so strongly recommended by the Federal Taxation Commissioner, but the Committee is unanimously of opinion that this site is not suitable.

8. The Treasury-place site, while offering a situation for a Government office equal to anything in Melbourne, had certain disabilities as to convenience of access to the tax-paying public, and meant the purchase or lease from the State Government of a very expensive piece of land, and altogether involved an outlay which the Committee was unable to recommend.

9. The advantages and disadvantages of the Post Office site were then carefully examined. The Commonwealth property at the corner of Bourke and Elizabeth streets consists of an area of land having a frontage of 316 feet to Elizabeth-street with a depth down Bourke-street of 131 feet 9 inches. At the rear of the site and beyond the Lane, which goes through from Bourke-street to Little Bourke-street for the convenience of postal vehicles, there is an area of land with a frontage of 58 feet 10 inches to Little Bourke-street and extending back a distance of 198 feet 5 inches to the private commercial property of Messrs. Stephens and Sons. On the eastern side is another right-of-way 12 feet wide called Angel-lane. This site is Commonwealth property in a position in the very centre of the city, admitted by all witnesses to be the most convenient from the point of view of the public of all the sites considered, and would permit of the turning to good account of a piece of land which, it has long been realized, is not doing commercial duty commensurate with its value. This area, together with an area at the corner of Elizabeth-street and Little Bourke-street, about 62 feet by 115 feet, was mentioned some time ago by the Economies Commission as a suitable area on which the present Elizabeth-street building could be so extended as to enable the whole of the postal business of Melbourne to be conducted there, and the Spencer-street building to be devoted to other purposes.

10. While averse from recommending anything which might be taken as clashing with a scheme of this kind, the Committee was assured by a representative of the Postmaster-General's Department that there was no prospect of the vacant land at Elizabeth-street being utilized for postal purposes and, under the circumstances, the Committee is unanimously of opinion that the area 58 feet 10 inches by 198 feet 5 inches previously mentioned should be selected as a site for the Taxation Department.

11. On this site, it will be possible to erect a building of seven stories high giving a total floor area of 64,321 square feet, of which the Committee suggests that sufficient accommodation be made available to the Telegraph operators, who now occupy unsuitable quarters in the existing Post Office building. The Central Taxation Department have, at present, ample accommodation in the Post Office Building, which should prove suitable until that staff is transferred to the Seat of Government at Canberra.

12. Even if a development should occur on the lines suggested by the Royal Commission on Economies in 1919, the building now projected could be made to form a section of the completed building and, if not, ample space still exists to erect accommodation for other Commonwealth Departments or to meet any expansion of the Taxation Department, even if, at some future time, the amalgamation of the Commonwealth and Victorian State Government staffs should be effected.

13. With a view to catering for the health and comfort of the Staff, the Committee is unanimously of opinion that, in designing the building, steps should be taken to provide adequate cloak and rest rooms for the Staff. It is also considered that a Luncheon Room with necessary kitchen and equipment should be provided, care, however, being taken to see that this provision does not err on the side of extravagance, and that the Luncheon Room is made to pay for itself.

14. If these recommendations be followed, the Committee is convinced that accommodation can be provided contiguous to the Postal Building in Elizabeth-street, which will be healthy, well-lighted, and convenient for the employees, while providing the maximum amount of convenience and accessibility for the public.

J. NEWLAND,
Vice-Chairman.

Office of the Parliamentary Standing Committee on Public Works,
Parliament House, Melbourne.
14th March, 1922.

MINUTES OF EVIDENCE.

(Taken at Melbourne.)

FRIDAY, 24TH FEBRUARY, 1922.

Present:

Senator NEWLAND, in the Chair;

Senator Plain, Mr. Parker Moloney,
Mr. Jackson, | Mr. Mathews.

Robert Ewing, Commissioner for Taxation for the Commonwealth, sworn and examined.

1. *To Senator Newland.*—The requirements of the Commonwealth Taxation Department for office accommodation must be viewed in the light of the character of the legislation relating to taxation. Assuming that the existing legislation continues in anything like its present form, the immediate requirements of the Department for its Victorian office will be 60,000 square feet of space. The prospective requirements will depend largely on the future character of the legislation relating to taxation. Assuming that this is anything like the existing legislation, prospective requirements will be largely determined by the growth of population, any alteration in the basic wage, and generally the development of trade. The growth of population under unstimulated conditions of immigration is about 2 per cent. per annum, according to Mr. Knibbs's figures, and such an increase will mean, as a general rule, a similar increase in the work to be done by the Taxation Department, assuming that all other existing factors remain unaltered. I think you will find a reference to the same point in my evidence regarding the requirements of the Taxation Department in New South Wales. The development of business will probably be affected by world conditions and immigration, and I think it is certain that the effect upon the Taxation Department will be to cause it to grow, perhaps, a little more than with the 2 per cent. annual increase of population. It is difficult to measure future growth by past growth, for the simple reason that, in the early days of the Department, we had not the machinery which we have had during the last couple of years for tracing defaulting taxpayers. The number of returns lodged in the first year was surprisingly small in proportion to the number now being lodged. The Deputy Commissioner for Victoria has informed me that for this year the additional returns received in excess of last year already amount to 50,000. The number for New South Wales is 80,000. But this growth, I am inclined to think, must be regarded as somewhat abnormal for the purposes of judging future expansion, and an estimate formed on that basis would not be a safe one, because the Department must eventually complete its labours of combing the whole community, and getting the taxpayers out of it. Thereafter, in ordinary circumstances, the progress should be that which would result from progress of business, additions to population, and an alteration of the standard of living, all of which factors will have a bearing; and, finally, from the character of the legislation, which is the most vital point of all. I may here

repeat what I have so frequently said, that as legislation changes, it tends to become what might be regarded generally as more equitable, but inevitably it becomes more complex. Equity cannot be secured without complexity, and therefore equity means much additional work for the Taxation Department in order to see that equity is secured. The more concessions granted to taxpayers in certain sections of the community—I put it that way without making any distinction for any purpose whatsoever—the more it is the duty of the Department to see that every one in those sections gets those concessions, and that no one out of them gets them. This means an additional staff to see that that result is achieved, because there is nothing like taxation to produce the desire to escape it. A Taxing Department's work consists largely of work of a preventive character. We shall probably receive over 1,250,000 returns this year for the Commonwealth. The first year I do not think we had more than 600,000. Out of the 1,250,000, approximately half will be taxpayers, the other half being exempt. We are obliged to handle the other half, although we get nothing out of them. The work must be done, and that means staff; staff means accommodation. With the growth of that work, there must be a growth of staff, and with the growth of staff there must be also a growth of accommodation. Those are basic principles. I have said that the present requirements of the Department in Victoria are 60,000 square feet of space. Assuming that the controlling office for Victoria remains in Melbourne, and that there is only one office for the State, provision must be made for an annual growth of 2 per cent. of the population, plus a speculative growth on account of immigration, plus or minus any effect due to the variation in the basic wage, and also plus any effect on trade leading to increased business. I am inclined to think that, for the immediate future, this will be on the down grade; but I think in the near future it will be fairly well on the up grade. When it will come about I do not know. I do not want the Committee to be seriously affected in considering the accommodation required by any statements that may be made that the Department may be on the down grade soon. I want the Committee to look further ahead, and realize that the Department must be on the up grade afterwards. If we commence with 60,000 square feet of space now for the Victorian office, it will give the present staff of that branch just about as much space as it is reasonably entitled to. Further accommodation must be provided for, of course, but caution may be exercised, and along these lines: that the prospective accommodation for which I am applying may be considered in the light of providing a building giving accommodation under such conditions that it can be added to with little or no expense. A very important feature that has to be kept in mind is this: if this space is given now, and if the controlling office for Victoria remains in Melbourne, and only one office exists in Victoria, the building to be erected must provide for expansion, and very rapid expansion, because we can never tell

the moment when we shall be obliged to put on 40, 50, or even 100 additional officers. I have looked at the matter from every point of view in considering possible sites. The present accommodation for the Victorian branch in Elizabeth House is 16,735 square feet of space, in which are accommodated 441 officers. The possibility of establishing branch offices in Victoria at some later date must be considered. I touched on that matter when giving evidence in regard to the provision of an office in New South Wales. The same possibility exists in Victoria, although to a lesser extent, because of the smaller territory. But with the growth of population, I think it will be, sooner or later, a very acute question, and we may be obliged to follow the lead of England and establish taxation centres, practically self-contained, in various places throughout Victoria. However, the time is not yet ripe for this, and I do not think it would be wise to do it, even in the immediate future, if the work can be successfully carried on in Melbourne without inconvenience to the public. I have had in mind the division of the State into three, or even four, sections; but I have no clear conception of the proper divisions to be adopted. Ballarat, Bendigo, and Sale, are centres of districts; but when one comes to work out the volume of business that could be done in those towns, geographical difficulties present themselves; also, the existing postal facilities and the travelling facilities for taxpayers to their district centre; and, further, the possible disinclination of taxpayers to go to a local centre and their preference to go to the head centre of the State. That difficulty exists in England. Many taxpayers there prefer to have their assessments dealt with by the Board of Inland Revenue in London than by the local office. The principle, however, could be adopted in Australia, notwithstanding that conditions of settlement differ here from those in England; but many taxpayers may prefer to have their cases dealt with in Melbourne rather than at the local centres. Of course, the question affects business people more than it does the wage-earners. The opening of branches of this sort would involve considerable capital outlay in premises. To provide accommodation for the officers, not only in buildings, but also in homes, would be a problem. In my inquiries, I made an investigation into the conditions applying in one town in Victoria, and I found that there was not a single residential house to be had; so that if we sent 50 or 60 officers to that place they would be obliged to live in tents. That is a serious difficulty which presents itself in the matter of opening branches. If the Committee desires to look at the future conditions of business along these lines, it will be necessary to pay regard to the prospects of trade in any particular part of the State; but I am of opinion that it would not be wise for it to trouble very much about that aspect of the question so far as Victoria is concerned, as I doubt whether the necessity for branches will arise within ten years. I think it is a matter that can be left to work itself out later on. But the Victorian branch of the Department does require 60,000 square feet of space at once, under such conditions that it can be expanded at short notice within the next ten years. With that object in view, I have looked out for sites, and three have come under my notice—at Wirth's Park, in Post Office-place, and the space opposite the Treasury Gardens, at the back of the State Treasury, and between it and the State Lands Department. The various points to be taken into consideration are: the convenience of the public, and the departmental convenience, including banking facilities, postal arrangements, the total area available, the natural lighting, the existence of buildings on the sites, the possibility of obtaining foundations, and the character of the buildings to be erected.

Wirth's Park site contains 1 acre 37 perches, or 83,853 square feet. The Post Office site contains 12,335 square feet. The public offices site contains 23,236 square feet. A building for the Taxation Department should have as many officers as possible on the one floor. Economy of administration is secured by a reduction of the number of floors to the irreducible minimum. Time is saved to the staff by obviating travelling from one floor to another. Staff is saved by avoiding the necessity for additional messengers, and a saving is effected in the absence of any necessity for elevating appliances for the public, the staff, or for papers. Much more efficient supervision is obtained by having the whole staff on one floor. When a big staff like ours is accommodated in a comparatively cramped building, where it is necessary to occupy a number of floors, the supervision of officers travelling from one branch to another is practically impossible. We are obliged to employ special vigilance officers, as they may be called, who are always touring round to see that the staff are not wasting time; and under these arrangements, our staff have very little opportunity to waste time. They are kept at their desks fairly successfully, but it involves the expenditure of a lot of money. If we can get the same accommodation on one floor, the work can be done much more expeditiously and much less expensively. From this point of view, the Wirth's Park site is the best. It has a disadvantage so far as distance from the Post Office is concerned, and a little more time would be occupied in posting letters, despatching telegrams, and banking money; but these are the most serious objections to the site, and they are far outweighed by the great advantages it possesses. From the point of view of public convenience, the site would be as convenient as either of the other sites, although it would probably come second in that respect to the site in Post Office-place, which would certainly be the most convenient from the public point of view. Convenience to the Department is a generic term covering a very wide field, implying, of course, ideal accommodation for the staff and its supervision, in other words, the carrying out of the work. At Wirth's Park site, there is a ground area of over 80,000 square feet, which would permit of the erection of a building with 60,000 square feet of space, providing ideal conditions immediately. There could be a quadrangle in the centre, which could be dealt with according to the ideas of a landscape gardener. But, apart from the beautification point of view, it would provide splendid lighting and breathing space for the staff. Ample provision could be made for luncheon-rooms and similar accommodation for the staff. We would have the officers located in very large, well-lighted rooms, and thereby we would secure very effective supervision, and by that means greater economy and expedition of the work. I have compared Wirth's Park site from that point of view with the Post Office-place site, and I have come to the conclusion that the latter is a bad position. I am led to believe that other Commonwealth officers not connected with the Taxation Department strongly favour the Post Office-place site, but for reasons quite apart from the main one, that of providing effective accommodation for the Taxation Department. They may be more strongly influenced by the architectural possibilities and so on of the location, but it has only one quarter of the superficial area of the Wirth's Park site, and this means that, to begin with, there would need to be five floors. Furthermore, these five floors would need to be constructed in such a manner that they could be added to at any time, and one can appreciate the difficulties of carrying on work in five floors when one or two further floors were being added at a later date. Let me compare the natural

lighting obtainable at Wirth's Park site with that which could be obtained on the Post Office-place site. The Wirth's Park site has no building around it, and it is not at all probable that it will ever be the location for large buildings. On the other hand, there are nothing but large business buildings around the Post Office-place site. That area is very cramped. It is a very dark spot, and the air space to be obtained would be infinitely less than could be secured at Wirth's Park site. If you have a large staff, you must give them as much natural light and fresh air as possible, otherwise you cannot get good results. Another objection to the Post Office-place site is the number of floors that would be required involving a considerable cost in supervising. Moreover, the lighting there would be very bad. Artificial light would have to be used to a very great extent, whereas at Wirth's Park it would only be used at night. The Post Office-place site is owned by the Commonwealth Government. The Wirth's Park site and the Public Offices site are owned by the State Government. The former is held under lease by Wirth Brothers, whose lease expires on the 30th June next. A request for the renewal of the lease has not been granted, and will not be granted, I understand, until the question is settled as to whether this Committee approves of the site for the erection of Taxation Offices or not. There is a building of one story with high walls on the area, but as it would not be useful to the Taxation Department, it would have to be removed. There is also a building on the Post Office-place site which would have to be removed. The Public Offices site, opposite the Treasury Gardens, is unoccupied. I have placed the three sites in order of merit, as follows:—First, Wirth's Park site; second, the Public Offices site; third, the Post Office-place site. The Public Offices site is a good one. It would give us, with three floors, what space we require immediately, and in that respect would be less objectionable than the five floors which would be required on the Post Office-place site; but it would be more objectionable, from that same point of view, than the Wirth's Park site, which would give us all the space we require on one floor. The Public Offices site would give us light on all sides. There would be a space of about 70 feet between the building and the new Treasury building; 40 or 50 feet between it and the Lands Department. There would be a very wide area at the back between it and the Government Printing Office. In the front would be the Treasury Gardens. No doubt, it would be a very excellent site, apart from the necessity for having three floors; but it would be less conveniently situated than the other two sites, and it would have the objection that the Post Office-place site would have, in that the staff would be required to work under trying conditions when the building was being added to. Of course, the building could be built up to as many stories as the Commonwealth required, say eight or nine stories, in order to provide for future requirements; but it would be a pity to lose an ideal site for an ideal building where the staff could work under ideal conditions, such as we have at Wirth's Park. I have been told that it is doubtful whether a good foundation can be obtained at the Wirth's Park site; but I understand that, on part of the area, rock is encountered a few feet below the surface. If you look at the map of Melbourne, and consider the distribution of population, particularly from the wealth point of view, you will find that most of the taxpayers are located to the east, south-east, and south, and that most of them come into the city by train. Wirth's Park site is just as convenient to Flinders-street Station as is the Post Office site. The matter of foundations would have to be decided by experts; but there are many storied buildings on the south side of the river closer to the river

than is this particular site. My idea is that we should have a one-storied building. The land belongs to the State, and the State will not sell it. It will be merely a question of rental value; but it is necessary to measure the rent to be paid by the saving to be effected in the cost of working. If you build on a small area, and go high into the air, you may save in rent, but make administration a very difficult problem. Extra rent paid for a bigger area is nothing in comparison with the extra cost of administration caused by having to go into the air on a pocket-handkerchief site. I do not care to express any opinion as to the possibility of there being an amalgamation of the Commonwealth and State Taxation Departments so far as Victoria is concerned. I was a member of the Board that sat on the question of amalgamation, and the various State Governments have the Board's report before them at the present time. We have achieved amalgamation in Western Australia, and we could have it in every other State if the State Governments were willing. The size of the amalgamated staff would depend upon the taxes to be dealt with. A larger staff than the existing Federal staff would be required in Victoria, because the State land tax covers a wider field than does the Federal land tax. Take the position of Western Australia as an illustration. The two separate staffs, Federal and State, numbered, roughly, about 279. By amalgamation, that number has been reduced to 211 on regular permanent work. Of course, the two Departments must grow with the growth of the State, but that is the immediate effect of amalgamation, the reason being the fact that the State income tax and the Federal income tax practically coincide with each other, or are closely similar. The Federal tax covers the same field that the State tax covers, and therefore the latter fits in nicely with the Federal tax, and the two staffs became one covering the same work. We did not retain the total of the two staffs, but kept a smaller number to do the work. If we had the same conditions in Victoria, we would have to add to our staff practically to the extent of the extra officers required for their land tax, over and above those required for the Federal land tax. It would not be a very big increase, but, of course, would require extra accommodation. If you want to provide for them, there is no doubt that the proper site for the building is Wirth's Park. At present, we have 488 officers in the Victorian branch of the Federal Taxation Department. Of these, 47 are housed in the central office. The minimum requirement for accommodation for that number is 60,000 square feet. I have not estimated the amount likely to be required if the Federal Department were also doing the State taxation work. It would first be necessary to determine how many officers could do the two classes of taxation together. The conditions in Victoria are not the same as those in Western Australia. There are approximately 200 officers in the Victorian State Land and Income Tax Office. Add to these the 488 in the Federal Land and Income Tax Office. That makes a total of 688, a number which could be reduced, I should say, to something like 600. Whatever building is erected now to accommodate the Victorian Federal staff should be sufficiently large to accommodate also the Central Administration until the latter is removed to Canberra; and when the removal comes about, the space vacated will be available for the enlargement of the Victorian staff. I think we will have to be content with putting up with considerable cramping until the removal to Canberra is brought about, rather than go to the trouble of making additions to a building to accommodate the growth of the staff. In other words, the growth of the staff for a period of years may only be equal to the accommodation required by the Central Administration;

and when they step out the space they occupy will be available for the Victorian extended staff, without any necessity for adding to the building. But 60,000 square feet is the area we want to accommodate all the purely Victorian officers in Melbourne straightway. I am not estimating for any accommodation for State business. Our officers are not now located in one building. We have Elizabeth House nominally for the whole of the staff dealing with Victorian taxpayers, for all the taxes we administer—land tax, income tax, war-time profits tax, estate duties, and entertainments tax; but the accommodation at Elizabeth House is all taken up by the staff dealing with income tax, war-time profits tax, and entertainments tax. The staff dealing with the land tax collected in Victoria, and with the estate duty, is located in the Post Office, Elizabeth-street, where the Central Administration is also housed. The floor space available at the Post Office is 14,446 square feet, accommodating 182 officers. In Elizabeth House we have 16,735 square feet, accommodating 441 officers. The total floor space for 623 officers is 31,181 square feet. I am asking for floor space to nearly double that extent. The space per officer in the Post Office is 48.3 square feet. In Elizabeth House, it is 34.3 square feet; that is to say, less than 7 feet by 5 feet for each officer. The Post Office is very noisy. When we have our important conferences of Deputy Commissioners, the conditions are extremely trying. To hear each other in my room, we are obliged to close the windows, and in time the air in the room becomes very bad. The noise interferes with the work of the staff very much. The rent we pay for accommodation in Elizabeth House is £5,052. The lease of Elizabeth House expires in September, 1923. I understand that the Postmaster-General would like to have the accommodation we occupy at the Post Office. In the space I have asked for, I have not made provision for one foot of expansion. With 60,000 square feet, we will be immediately cramped for room. When I made reference a little while ago to the possible decline of trade for a period, I was merely referring to a slump which would cause unemployment among past taxpayers. To that extent, there would be a diminution in the work of the Department which I am inclined to think would not be very appreciable. I have given consideration to the proposal to house a large number of Commonwealth officers in one building; but I have been compelled to get away from that idea because of the character of the work of a Taxation Department. We will require at once for our Victorian branch of the Department at least 60,000 square feet. To get that area on the proposed Post Office-place site would necessitate a building of five floors. There is a building restriction in Melbourne, and I think that no building can be erected higher than seven or eight floors. The work of the Department will grow, and very soon it would fill the whole seven or eight floors. Therefore, it would not be possible to erect premises on that site to accommodate more than the Taxation Department. The Public Offices site would give us 60,000 square feet of space on three floors. If a building of eight stories were erected on that site, quite a number of other Commonwealth Departments could be accommodated; but as the work of the Taxation Department would extend, the other Departments would be forced out, just as the expansion of other Commonwealth Departments has forced others out of the buildings now occupied by them. The growth of the Commonwealth must be taken into consideration, and it is just a question as to whether it would not be the proper thing to provide a separate building for the Taxation Department,

and house all the other Departments in one building. There are certain Commonwealth officers who must remain in Melbourne, whether the Central Administration officers go to Canberra or not. Their work belongs exclusively to Victoria, and the question is whether they should not be permanently accommodated in one building, and their respective growths measured. I have considered the possibility of a number of officers being transferred to Canberra. In the Central Taxation Office, we have 135 officers on the assessing staff, and 23 in the administration branch. The recent amendment of the law made by Parliament will necessitate an increase in these officers, particularly in the administrative branch. By the time we have transferred to Canberra, the number in the central office, which is now about 160, may be increased to 200. I think that a building could be provided for us at Wirth's Park inside twelve months. Building could be commenced at once on the Public Offices site, and the space we require also be provided for us in twelve months. I understand that it will take three years' time to provide us with that accommodation on the Post Office-place site, because the existing building would first have to be demolished. We were recently informed that, to build upon the Post Office-place site, it would take two and a half years from the time of the completion of the working plans. Our records must be kept on one floor, and as near as possible to the officers drawing upon them. We cannot afford to have a great distance between the records and the officers working on them, and we must have the very best lighting conditions, because on the accuracy of the work in the records branch depends very largely the accurate operation of all our other work. I would like the Committee to visit Elizabeth House and see the presses we use for filing our returns. Some are along the walls, others are back to back, with about 3 feet of space between each row. An inspection would enable one to appreciate the fact that the lighting in Elizabeth House is very bad, and that the circulation of air is very poor for the officers who are working in this space filing and taking out papers and making notes on them. The assessors ought to be in an adjoining space; but in Elizabeth House they are on another floor, and a lot of time is wasted in consequence of this arrangement. The presses could not be built into a wall effectively unless a building covered an enormous space. The method now employed has great disadvantages, which we would try to avoid as much as possible in a new building. Our idea is to have a small centre, with alley-ways between the presses radiating from it. This would give us better light and better means of supervising; but it means a very big space. We have done something in this direction in the new Post Office building in Perth; but there we shall very soon grow out of the accommodation provided. If the Spencer-street Postal building were made available for us, it might be suitable for our requirements; but it is a question of when the transposition could take place. We must get out of Elizabeth House at the end of our lease in September, 1923. In fact, we had great difficulty in getting the renewal of the present lease. Dr. Robertson, of the Commonwealth Board of Health, has just completed an analysis of the records of sickness of the staff. There is a large number of the staff away on account of sickness. In the Central Office, there is a little cubicle which is available for any of the female staff taken ill; and in Elizabeth House we have a black den, about 14 feet by 7 feet, which we set aside for the same purpose, but is now filled with all sorts of lumber, for which accommodation could not be found elsewhere.

2. *To Mr. Jackson.*—If we have 60,000 square feet of space, it will cramp us to accommodate the existing

Commonwealth staff; but the area of ground available at Wirth's Park would provide additional space if it were necessary to accommodate extra officers to bring about an amalgamation of the State and Federal taxation work. Provision should be made for building a second story, but not necessarily over the whole of the area.

3. *To Mr. Mathews.*—The present accommodation is unsuitable from every stand-point. I have looked around Melbourne in an endeavour to obtain a suitable building, but there is none. There is not a building available even approaching our requirements, not even at a very high rent. From a health point of view, the Victorian accommodation is the worst of any of the Taxation Offices of the Commonwealth. Allegations have been made that severe illnesses and deaths have been occasioned through officers having to work under existing conditions; but I cannot say that there is sufficient evidence to support them. People are rather scared about tuberculosis; but I do not think that the State staff of the Taxation Department has a greater proportion of that disease than has any other section of the community. I will not say that that disease is likely to arise through the conditions under which the taxation officers are at present working, or that it is likely to spread owing to those conditions. If the entertainments tax were abolished, it would not save a great deal of space; but if the income tax were abolished, the Commonwealth Taxation Department would not require much more floor space than would be procured in a large sized room. If wages are reduced, it will not mean a reduction in the taxation staff. The number of returns received should be reduced considerably if such a reduction were brought about; but it is hard to say how many would disappear as taxpayers. In my last annual report, I showed the number of taxpayers in various classes, say those with a taxable income of from £1 to £50; then those with taxable incomes of from £50 to £110, and so on. The largest number of taxpayers is in the lowest grade, and if wages are reduced, there will probably be a considerable drop in the returns from those in the lower grades. But one can only guess as to the probable result, because it all depends on where the margin is fixed. The last Parliament fixed the exemption for single persons without dependants at £104. At the same time, it lowered the income point at which that exemption vanished. It used to vanish at £600. A person without dependants with an income of £550 received some deduction on account of the general exemption, although it was a very small one. Now, a single person without dependants with an income of £416 or over gets no exemption. While the general exemption was raised by £4, we are going to get additional taxation out of it to the extent of £13,000 per year. A very large number of our returns are received from persons who earn £104 to £156 a year. If the country decides permanently to fix the lowest general exemption at £156, it will immediately cut out many thousands of people who are now taxable as coming between £104 and £156. If Parliament decides to increase the deduction for children from £26 to £52, it will reduce the number of taxable persons, but not the number of returns, and the more complex the system is made the more officers we must have. The space I have said we have available at Elizabeth House covers everything. The actual air space, excluding area occupied by presses, is something like 20 square feet per officer. I think we can secure quietness at Wirth's Park. At Elizabeth House we have to put up with the roar of the city traffic, the clanging of trams, and all sorts of noises. We would be removed from them at Wirth's Park. The actual area available at Wirth's Park is the triangle at the

corner of Sturt-street and Sloss-street. I presume that if more land is required it can be secured; certainly it is available. I am strongly in favour of the provision of luncheon rooms and retiring rooms, but I have not included any such provision in the 60,000 square feet which I estimate to be the minimum requirement for actual working. Of the total staff employed, the number of females is 134. For these we have done the best we could in the various offices according to the amount of accommodation available.

4. *To Mr. Parker Moloney.*—I would prefer to have 80,000 square feet of accommodation. The State Health Department have told me that if the space we occupy at Elizabeth House had been occupied by a private firm the place would have been condemned long ago. No saving could be effected by not requiring a person who knows that he is not liable to pay income tax to send in a return. It would make him the judge. Unfortunately we have had cases of claims for deductions for children that did not exist. We do not take the word of a man that he has an income of under £150 per annum. We check his employer's list, and as a result of that system of checking many have come within the taxable field. I think that decentralization of administration would to some extent obviate the escape from the payment of taxation, but I cannot say definitely that it would. We have never tried it beyond scouring the country when any of our officers happened to be doing investigation work in any particular district. I do not think that there are many now who evade taxation. We have a bigger percentage of taxpayers in Australia than there is in England. We have fairly effective means of tracing persons who put in erroneous returns. All the prosecutions are conducted in Melbourne so far as Victoria is concerned. The taxpayer puts in a statement, the Department puts in a statement, and the Court decides. The work is done without expense to the taxpayer. With decentralization, however, there would have to be representatives at each Court centre. It is less expensive to deal with the matter in Melbourne. I do not think that the rent of the Wirth's Park site would be very heavy. In any case, as it is being paid from one Government to another it is the people who are getting the money.

5. *To Senator Plain.*—Wirth's Park site would be more convenient from both the public and the Departmental point of view, and it would be superior from the light and air space point of view than would be the Public Offices site. Judging from the remarks of the Victorian Treasurer, I should think there is very little chance of the State Government agreeing to the amalgamation proposition.

6. *To Senator Newland.*—In Elizabeth House there is no provision for luncheon rooms or adequate provision for retiring rooms. There is a hot water boiler in the correspondence room, and the officers get the benefit of the fumes. No food could be cooked there. I do not know what space would be vacated by the transfer of Commonwealth officers to Canberra. So far as we are concerned, it would merely be the space occupied now by the central staff in the Post Office, namely, 14,000 square feet. If it is said that 150,000 square feet of space will be vacated when the Commonwealth officers transfer, it depends on where it is located if it is to be available for the purposes of the Taxation Department. The existing Commonwealth offices would be entirely unsuitable for our purposes. The other Departments are scattered throughout the city, and the space they would vacate would be of no possible use to us. I urge the Committee to consider the matter of our requirements from

the point of view of giving the widest possible space on one floor with no dividing partitions.

(Taken at Melbourne.)

TUESDAY, 28TH FEBRUARY, 1922.

Present:

(SECTIONAL COMMITTEE.)

Senator NEWLAND, in the Chair;

Senator Plain,	|	Mr. Parker Moloney.
Mr. Mathews,	|	

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

7. *To Senator Newland.*—I am aware that the proposal being considered by the Committee is the erection of offices to accommodate the Taxation Department in Melbourne. In submitting this subject to Parliament, the Hon. Mr. Groom, Minister for Works and Railways, said that the rented offices in Elizabeth-street, occupied by the Victorian Branch of the Federal Taxation Department, was no longer suitable for the work, and that inquiries had failed to discover other more suitable premises which could be rented. He went on to say that the need for new accommodation was so urgent that the erection of a new building on one of several sites, which had been under consideration, seemed to be a necessity, and that the accommodation would be permanently required in Melbourne—that is, should the seat of Government be removed to Canberra. I understand that some members of this Committee have seen the conditions under which the officials of the Victorian Branch of the Taxation Department are called on to work. From my own observation I quite agree with the Commissioner of Taxation that good work cannot be expected from the staff under such crowded conditions as obtain now. Unofficially I have been informed by the Public Service Inspector that the annual loss to the Government through sickness amongst members of the staff caused by the work being conducted under conditions so unsuitable amounts to a very considerable sum. The necessity for relief has been imminent for some time, and the Government have made serious attempts to solve the problem. It did not appear that any building more suitable than the present one could be rented in Melbourne, where office space is very scarce. The Government from time to time have had under consideration the purchase of a building which, with more or less alteration, might be made suitable. I have reported on quite a number of such buildings, but, with this Committee's consent, I do not wish to mention the names of the owners. I think to do so would not be fair to them, for probably I should have to disclose what the properties were offered for, and so forth. However, not one of these properties seemed to indicate that the problem could be thus overcome in an economical way, although one was certainly on the borderland of being suitable. A committee of the officers of the Departments concerned have considered the matter, and they have come to the conclusion that it would be a preferable step to have a new building altogether on a site on Little Bourke-street contiguous to the Post Office in Elizabeth-street. That seemed to bring the matter up to the point of agreement that a new building should be erected. Other sites, however, claimed the attention of the authorities as being passably good rivals of the Little Bourke-street site. Finally, at the request of the Commissioner of Taxation, three sites were put before the Government for consideration, with a suggestion that, to assist the Government in coming

to a conclusion, the whole question might be referred to this Committee to take evidence for and against each. The first site consists of an area of land of about one and a half acres on the south side of the Yarra close to the St. Kilda end of Prince's-bridge. This land, which is the property of the Government of Victoria, is let on a building lease that expires about the middle of this year. The second site is one measuring about 180 x 100 feet, facing the Treasury Gardens, between the State Treasury building and the Chief Secretary's office. The third site is at the rear of the Post Office buildings in Bourke and Elizabeth-streets, Melbourne. With a view to furnishing the Committee with some particulars of the probable cost of building on each of these three sites, and the form that the building would take, I have prepared diagrammatic plans of a prospective building on each. Perhaps I could not do better than to proceed to give to the Committee the particulars of the possibilities of each. As to the Prince's-bridge site, I understand that arrangements can be made with the State Government to acquire it. In passing, I may say that our relationship with the State Government of Victoria in matters of this kind shows that that Government always takes a very broad national view of such matters; if they recognise the public necessity for a proposed work, they do not care whether it is for the Commonwealth or the State, and are always ready to fall in with any arrangement in the public interest. I do not think that the fee simple of this land could be acquired, nor do I know on what terms the State Government would consent to hand it over. I have no doubt, however, that suitable terms could be arranged. This area is an acute angle from the corner of Sturt-street and Sloss-street, and on it a rectangular building, about 291 feet by 200 feet, could be erected. Such an immense area as this, in a locality practically in the centre of the city, is rather unique amongst building possibilities, and it would afford a very large floor area, which, of course, is a condition most suitable to the Taxation Department. The ground floor would provide over 47,000 feet of actual effective working space, lighted on all sides, with a top light in the centre. Should this site be built on, I imagine that, for aesthetic reasons, the people of Melbourne would not like the building to be very high, and in considering the proposal I have provided for one no higher than three stories as reasonably allowable without affecting the appearance of this very beautiful part of the city. In my plans I have introduced a basement owing to the slope of the ground; this basement would in no way increase the height of the building. On the basement floor the space is about 17,424 feet, the ground floor 47,718, and the first and second floors each 34,278 feet; a total of 133,698 feet. The cost of such a building would probably be about £209,650. I may say that on this site the foundation proposition is bad. It is made ground, and this would impose an extra charge of about £12,800 as compared with a normal good building site. The accommodation provided by such a building as I have mentioned would be excellent in every respect; still, the value of the project is seriously discounted by this foundation difficulty, which, while increasing the cost in the way I have said, will also interfere with the progress of the work. Another disadvantage which strikes me in respect of this site is that it is instituting still another centre for the public conduct of Government business, and such centres, not only in Melbourne, but in practically every other capital city in Australia, are in my opinion spread about too much. If the Government functions could be carried on more concentratedly it would be of great advantage to the public. The Commonwealth Government conducts its business in many

different parts of Melbourne, though the main business is concentrated principally in two parts — at the Treasury Gardens and in Elizabeth-street. A building at Prince's-bridge would, as I say, establish still another large business centre a considerable distance from any other of the Government offices. Further, while the site is not exceedingly inconvenient, it is considerably removed from the business centre of Melbourne. Business men come largely into contact with the Taxation Department, and any time lost by imposing conditions which cause these men to travel long distances to transact their business must, if capitalized, mean a large amount of money. Owing to the character of the foundations, any building on this site should be as light as possible, and I suggest one of reinforced concrete, with concrete floors and thin 6-inch walls. The second site is near the top of Collins-street, between the State Treasury and the Chief Secretary's office. It is a vacant piece of land belonging to the Government of Victoria. Certain conversations took place with the State Minister of Works as to the prospect of being able to acquire this site for the purpose of a building, primarily for the Taxation Department, but also with the idea of allowing the State Government to occupy a portion. The State Government, I may say, is pretty much in the same position as the Federal Government, in that it has to pay considerable sums for the rental of office space in different parts of the city, while they would be glad to have the business concentrated near the main Government offices. The members of the Committee are doubtless familiar with the handsome group of State Government buildings that face the Treasury Gardens, and may have noticed that there is still this beautiful site vacant. There is no doubt that a building, if erected on this site economically enough to save some of the money now expended on rent, would be a good proposition. The site would admit of a rectangular building 200 feet by 100 feet. It would be undesirable to take any building higher than seven stories for the reason that it must be kept in scale with the existing buildings. The plans I have put before the Committee have kept that fact in view. In this case there would be no sunk story, but, while the lowest story would be below the level of the Treasury Gardens, at the sides and at the back the building would be altogether out of the ground. Each floor in this case would provide about 13,328 feet, a total effective floor space of 93,296 feet. A building of such dimensions on the site would admit of air and light from all sides, and to augment that advantage areas will be allowed to come in at six points to carry light nearer to the interior. Each floor is of such a form that it might be used as a large open space, or very conveniently cut up into smaller spaces. Altogether I think the plan is one admirably adapted for a Government office, bearing in mind the further fact that the site is at the top of Collins-street, within walking distance, and on a good service of trams. From the point of view of convenience, I should say that this site is equally good with the Prince's-bridge proposition. I suggest the same construction that I outlined as the best for the Prince's-bridge site, namely, reinforced concrete. Naturally, from its surroundings, the building at the top of Collins-street would have to be, architecturally speaking, a little more elaborate, but not necessarily expensively elaborate. This site presents no foundation difficulties, and we have estimated the cost at £163,950, inclusive of all engineering services, such as lifts, heating, vacuum cleaning, kitchen equipment, and electric lighting. I omitted to mention that the estimate for the Prince's-bridge site covers the same services. The site at Treasury Gardens affords an opportunity to put up a first-rate Government office

building suitable in every way, either in the form of big offices or little offices, or partly big and partly little. The light spaces to which I have referred would not interfere with this latter advantage. A corridor would run right through the building on every floor, with an entrance and public stair at each end of the building, and a connecting corridor through. There would be four lifts, two at the gardens end and two at the other end. If it were desired to have large rooms the corridor could be taken in; it is a thoroughly adaptable building for any Government purpose. I do not know the terms on which this land could be leased from the State Government, but I do not think we could get the fee simple. The negotiations went a certain distance, and, as I have said, the State Government, as usual, saw no objection to meeting the situation. I am certain that if a building of the kind were put up, and the Commonwealth Government desired, for any reason, to relinquish it, the State Government would be agreeable to take it over, seeing that it is in the very midst of their own buildings. Another advantage is that if there were an amalgamation of the State and Commonwealth Taxation Departments, the building would be right alongside the Commonwealth and State Treasuries. The building is peculiarly convenient in that respect. At the present time the State Taxation Department is in the Flinders-street railway station buildings, but if the Commonwealth were to take over the State Taxation Department, both staffs would have to be accommodated in the same building, and the suggested building at the Treasury Gardens site would hold both. The third site is at the side and rear of the existing Post Office building in Bourke and Elizabeth-streets. The Commonwealth property in that locality consists of a site facing Elizabeth-street, with a frontage of 316 feet, with a depth down Bourke-street of 131 ft. 9 in. At the rear of the site, and beyond a lane which goes through from Bourke-street to Little Bourke-street for the convenience of postal vehicles, there is an area of land with a frontage of 53 ft. 10 in. to Little Bourke-street, and extending backward to the commercial property of Messrs. Stephens and Sons, 193 ft. 5 in. Beyond, on the eastern side, there is another right-of-way 12 feet wide called Angel-lane. This site is right in the heart of the city, and the Government have realized for some time that it is not doing commercial duty commensurate with its value. Almost three years ago the erection of a building had actually been begun to be used by the telegraph operating branch, now accommodated in the Elizabeth-street Post Office under very inadequate conditions. I do not know if any member of the Committee has ever visited the telegraph operating room there, but the conditions are exceedingly bad. As I say, some years ago, a building, of which I have here the plans, was actually begun on this site to the east of the vehicle lane I have mentioned. However, the work was stopped on account of a report by the Economics Commission that it would be advisable to bring back all the mail work for Melbourne from the new Post Office in Spencer-street to the Elizabeth-street Post Office. To illustrate the building possibilities of a scheme of this kind, my Department was asked by the Economics Commission to produce a plan showing how this could be done; but in the opinion of the Postmaster-General's Department it would be inadvisable to vacate the Spencer-street building. The Government is anxious not to build on this site in any way that would interfere in the future with the views of the Economics Commission being carried out, but are agreeable for any building project on this site which would leave it open to carry out the Economics Commission's scheme if it ever should be adopted by the postal authorities. As I say,

a building had been begun, but pending the decision of this matter it is now lying in abeyance. If a Government office building is erected on this site it must, in the interests of the Post Office, embrace suitable provision for the telegraph operating work, which cannot continue to go on in the Elizabeth-street Post Office very much longer. If it is decided to build on this site the building will take an "L" shape; one leg will lie on the area to the east of Post Office land, and the other leg will come down on the alignment of Little Bourke-street as far as Elizabeth-street, thus completing the main Elizabeth-street Post Office building. For years, from time to time, references have been made in Parliament to the unsightliness of the unfinished condition of this very ornate building. The vacant part of the site at the corner of Elizabeth-street and Little Bourke-street is, as the Committee knows, occupied by a single-story iron building. One section of this scheme would be confined to the area beyond the lane I have described, and the next section would come down Little Bourke-street, and eventually, as the requirements of the Government necessitated, reach Elizabeth-street, and so complete the building. The plans now before the Committee are only skeleton plans, but I have gone into the project with the Economics Commission and since, in detail. No doubt it would be a popular move in Melbourne to make some beginning at the completion of this building. The offices there would then become a recognised Government centre. At the present time, in the Elizabeth-street building there are the Central Taxation Offices, and various offices connected with the Post Office itself, while across Little Bourke-street—in the old Money Order Office—there are other branches of the Postal Department, and of the Home and Territories Department. It will be seen that really, at present, this is identified as a Commonwealth office centre. Assuming that the proposal to build on this site were adopted, I suggest, for rapidity of erection and convenience of erection, that we confine the building to the east side of the lane. This would give a basement floor, a ground floor, and five upper floors, or seven floors altogether. The area of the basement floor is 9,163 feet; the ground floor, 8,137 feet; the first, second, third, and fourth floors, 9,214 feet each; the fifth floor, 8,766 feet; and the sixth floor, 3,997 feet; giving a total of 64,321 feet. This first section, east of the lane, would be capable of development down Little Bourke-street to Elizabeth-street at the same height. The Committee will understand that the height is regulated by that of the existing building, and would have to be harmoniously designed. In the event of this project going on—the first section, especially—the Post Office would have to get possession of a fair slice of the 64,000 odd feet for the telegraphic operating work; but I should say that the Taxation Department would be able to get something like 40,000 feet for a beginning. The transfer of the telegraph operating work to the new building would liberate about 10,000 feet of space within the main building. I take it that the Central Taxation officials will remain where they are. The advantage of having the Victorian Taxation Branch in this building would be that it would place it in close touch with the Central Administration. The cost of the first section, including all engineering works, would be about £125,000. That, proportionately, is a higher estimate than for the other building, because it includes a sum of at least £5,000 for installing the pneumatic despatch system required in the Telegraphic Branch. The telegraph operating room on the top floor requires this pneumatic service to transport telegrams to the Stock Exchange and other places. If it were necessary to provide the other section for the accommodation of the

taxation officers, the building would work out at about the same rate of cost. If the price of building material comes down in the next year or two, the next section, unfortunately, will be loaded in the way of costs by having to build a portion of it facing Elizabeth-street with an elaborate stone front, carried for about 15 feet into Little Bourke-street. I have so designed the building that I do not think the average member of the public passing by would be able to detect the difference between the stone and the imitation stone. If the Taxation Commissioner says that he requires 60,000 feet immediately to meet present requirements, I can only say that under this scheme he will get something like 40,000 feet. His own office will remain where it is, and another 10,000 feet will be liberated within the present Post Office building. In his present quarters, Mr. Ewing is suffering no more disability from noise than are other commercial and business people in Melbourne. As I have said, this proposed building has been kept on lines to permit of the removal of the whole of the postal services from Spencer-street to Elizabeth-street, should it be so decided. The present management of the Post Office, I understand, is averse to that step. In the event of such a change being made, the offices in Spencer-street would remain as a building thoroughly adapted for any Government office purposes. The present Post Office in Elizabeth-street is, perhaps, the most suitable that could possibly be erected on this land for postal business; but I do not say that it is an ideal Post Office, or that it is my idea of what a modern Post Office should be. It does not afford that huge floor space that modern Post Offices in England and elsewhere are designed to afford; and this, I think, is most likely the reason why the Post Office people do not favour a return to the old building. Were I called on to design a Post Office on the present Elizabeth-street Post Office site, I could design it in no other way if it were decided to retain the existing building on the site. It is a very valuable building, and it would require a Government with considerable fortitude to decide to take it down. As to my estimated costs, I take it that the object of this inquiry is, first, to decide what may be the most effective steps to take. The architect of the new Electricity Commissioners' building in Melbourne, a most modern office building, now in course of erection, has been kind enough to give me some figures regarding the costs. That building I consider to be one which embraces very sound judgment; it has no extravagances. Architecturally, it is very simple, and in that, and almost every other respect, it is a very good up-to-date modern building proposition. The views of the architect of that building and my own nearly coincide, and I suggest that, no matter what site a building is placed on for Taxation purposes, we should employ, generally speaking, the same kind of concrete construction. I have based my calculations on the figures supplied by this architect, but I have had the engineering portion of the work gone into separately, and, adding the costs together, my total comes very closely to his. Generally speaking, I think the estimate I have given can be taken as nearly accurate as is possible with the data at our command. Mr. Ewing is obviously right when he suggests that the best class of building for his requirements would be a single-story building; but where can such a building be erected in the centre of a large city? The St. Kilda-road site supplies that requirement in a remarkable way; but in no other place except Melbourne could such a site be obtained in a central position. My suggestion is that on that site there should be three stories and a basement, which would take up the whole of the land conveniently adapted for building on. That site, I may say, is exceedingly irregular.

The light given on the Post Office site is quite comparable with the usual conditions in the midst of the city. It is not comparable with the quality of the light at the Prince's-bridge site, or the site at the Treasury Gardens, because these sites are practically in the midst of gardens. Little Bourke-street is only 33 feet wide, while Post Office-lane is 19 feet wide, and Angel-lane 12 feet. At the same time, the building is so designed in Little Bourke-street that the light has not to carry very far into the building, and the walls will merely resolve themselves into glass walls. As to Prince's-bridge site, I got some data from the Harbor Board who conducted the formation of the approaches to Prince's-bridge. In the case of the other two sites, there are no foundation difficulties. If the building at Prince's-bridge site were undertaken, the progress of the work would be pretty slow, owing to these difficulties. In the cases of the other site, I think the building would take close on two years to construct from the time we got instructions to go ahead. If we were to adopt the Prince's-bridge site, we would not build so much as is shown on the plan, but only a section; but whatever way we decided, the Committee may take it that the time occupied in building would approach two years. The Government would insist on tenders, and having quantities made out, and all that would consume a fair amount of time. If we could go ahead like a private person, and select our contractor, perhaps on a commission basis, the work would be considerably hastened. As to the preparation of the plans, I have assumed that the Post Office site will be the one selected, and I have made considerable progress with them. I should say that we would be able to call for tenders within two months and a half. In the case of the other sites, the preparation of the plans might take four or five months. I do not think the Department would put in a tender, for we have no building organization whatever. We would simply call for tenders, and leave the contractor to make his own arrangements.

(Taken at Melbourne.)

THURSDAY, 2ND MARCH, 1922.

Present:

Senator NEWLAND, in the Chair;

Senator Plain,	Mr. Mathews,
Mr. Jackson,	Mr. Parker Moloney.

Duncan Glenorchie Robertson, Divisional Director, Division of Industrial Hygiene, Commonwealth Department of Health, Melbourne, sworn and examined.

8. *To Senator Newland.* — I have made an inquiry into the conditions under which the employees of the Taxation Department work. I have inspected the office accommodation, and have analyzed the sickness records of the employees for the year 1921. The results showed that the working conditions were very unsatisfactory from a hygienic stand-point. Some of the most elementary principles of sanitation were violated. Unfortunately the sickness records of the officers were taken along with the other Commonwealth Departments. Owing to the mass of statistics to be dealt with I have not yet been able to analyze them fully, but I think sufficient evidence is available to show that the working conditions exercised an unhealthy influence upon the officers in the year 1921. This is shown by the fact that they had a very high sickness rate. The 449 officers employed had not less than 4,780 days of sickness, representing an average for each officer of 10.6

days. That is a very high average for clerical workers. Mr. D. K. Brundage, Statistician for the United States Public Health Service, in September, 1920, published returns showing the amount of sickness among industrial workers there, and he found that the average for the bulk of establishments ranged from seven to nine days per officer, and that in one large establishment employing 6,748 persons, the average number of days lost per worker was 5.4. For the Taxation Department the incidence of sickness is really high, considering that they are clerical workers. When one comes to consider the diseases that were responsible for the absence from duty, as disclosed by the medical certificates submitted, one finds that forty-three out of 449 officers, or almost 10 per cent., suffered from diseases of the respiratory passages, and another thirty-two (or a little over 7 per cent.) were stated to be suffering from nervous disorders. The officers suffering from diseases of the respiratory passages lost 1,033 days, whilst those suffering from nervous diseases lost 982 days. These two causes were responsible for practically 2,000 days of sickness. I think one would be perfectly justified in saying that unhealthy conditions could cause those two groups of disease. The respiratory diseases were catarrh, bronchial catarrh, tonsillitis, asthma, and the like. They were curable with the exception of two officers who suffered from pulmonary tuberculosis. I do not think that those two officers contracted the disease as a result of the conditions under which they worked, but any one who has a liability to pulmonary tuberculosis must have fresh air. It is essential. If such a person works in a vitiated atmosphere the chances are that the disease will become active, even though it was inactive before. Such persons are a potential danger to other employees unless they work in a properly ventilated room. In regard to the female employees their sickness rate was high. In the Victorian office the rate for permanent female employees was 13.4, as compared with 11.3 for males. The bulk of the trouble is in the winter months, owing to the greater liability in cold weather to close the windows and doors. The conditions existing in the Department could not exist in a private factory unless the State factory officers were extremely lax. The conditions would be a violation of the Factories Act regulations, and would not be allowed. The duties of the officers call for great mental alertness. They are dealing with highly important work, and mistakes may cost the Government and the taxpayers a great deal of money. It is, therefore, not economy to work the officers in such conditions as those existing, quite apart from any consideration that may be felt for the officers themselves. I was in the office the month before last, and from what I was informed I concluded that an improvement had taken place, but that the conditions were still not satisfactory. The rooms are large, but as they stand at present they are really not suitable for such a large group of officers. In one of the rooms there are 107 officers, and the gross air space, making no allowance for fixtures, cabinets, and so forth, only amounts to 353 cubic feet per officer, whereas the Victorian factory regulations lay it down that the minimum should be 400 cubic feet. In addition to that, the regulations prescribe certain facilities for ventilation, exclusive of windows and doors. Such are not provided in this Department, for the employees depend practically entirely upon the windows and doors for ventilation. The building is unsuitable for the class of work done in it, and for the number of workers in it. To make it suitable some alterations would have to be made to the windows, and artificial means of ventilation provided. There is one small retiring room for female employees. It is totally unsuitable for the purpose. It is a little place under a stairway, and is by no means inviting for any one who is feeling sick.

9. *To Mr. Jackson.*—With Dr. A. J. Lanza, Advisory Expert in Industrial Hygiene to the Commonwealth Department of Health, I have been conducting an investigation into the causes of sickness in the Commonwealth Departments, and it was in the course of that investigation that the Taxation Department was dealt with. I am not aware that any State officer has inspected the building. I think a Commonwealth Department is outside the scope of a State officer.

10. *To Mr. Parker Moloney.*—The Factories Act regulations do not really apply to clerical offices. It is a rare thing for clerical offices to be comparable to factories in regard to working conditions. Office accommodation, I think, would come under the Board of Health regulations. There are no regulations dealing specifically with offices. The amount of air space is only laid down for such buildings as common lodging houses, but I believe the Victorian factories regulations embrace offices in regard to sanitary accommodation. The sanitary conditions in the Taxation Department are opposed to the regulations. The male officers have not sufficient sanitary accommodation. There are 300 male officers, and the regulations lay it down that there must be eleven water-closets. There are only ten in the building on the floors used by the employees, and, besides being few in number, they are also awkwardly placed. There are two on one floor, and eight on the other, and, in addition to the members of the staff, there are visitors to the Department, and fifty other tenants, I understand, who use these water-closets. In addition to the actual loss of time through illness there would also be a loss of efficiency as a result of the conditions prevailing.

11. *To Senator Plain.*—The question of fire risk does not come within my province, and I do not consider myself qualified to express an opinion regarding it.

12. *To Senator Newland.*—I think that the amount of sickness among the members of the staff would be considerably reduced if proper conditions were provided. The conditions existing at present may be responsible for the abnormally high rate of sickness. As entrants to the Commonwealth Service have to pass a medical examination their general standard of health should be higher than that for a similar class of workers outside the Service. No dining rooms are provided for members of the staff. Some of the employees have their meals at the desk where they work, and possibly do not leave the desk all day. When dealing with large groups of workers it is highly desirable to provide dining accommodation. This would enable the working rooms to be flushed with fresh air during the luncheon hour. A particular need is a rest-room for female employees. A considerable amount of time is lost in days and fractions of days which might be avoided if there were a place where the female employees could lie down for an hour or two. I think that, undoubtedly, the conditions are the cause of the undue amount of nervous disorders that members of the staff suffer from, and the fact that some of them carry on when they ought to be off lowers the efficiency of the staff. In addition to the Victorian office, I investigated the conditions at the Central office. There was less sickness there on account of nervous disorders, less throat troubles, and fewer instances of pulmonary disorders. They were a very much smaller group of officers, numbering only 177, but there was a larger number of the staff suffering from pulmonary tuberculosis. Four of the officers lost 461 days, which was over one-fifth of the total sickness. Their trouble, one would judge from the length of their absence, was acute. I do not think that the Central office is as badly crowded as the Victorian office, but I think they could do with more room. I think they have the bare minimum, or, possibly, a little more

than the bare minimum, of air space allowed by the health regulations. Space, however, is only relative. It is possible to have an enormous room with bad air in it. The rooms are not particularly well ventilated. In my investigation I grouped the employees in two groups—those under eighteen and those over eighteen. I did not go into the question of the cleaning of the offices, but it would, undoubtedly, have a great deal to do with the health of the employees. In a crowded room dust may be a means of spreading infection. There is nothing to compel governments to attend to such a matter unless they choose to do it.

13. *To Mr. Parker Moloney.*—The only advantage of removing the offices from the centre of the city would be in regard to noise. I do not think there would be any appreciable advantage in regard to the purity of the air. People get accustomed, however, to loud noises, and a person living near a battery does not notice it until it stops.

14. *To Mr. Jackson.*—A recreation area on the roof would be desirable, but I do not think the employees would use it to any extent unless there were ample lift accommodation. I would recommend the provision of such a recreation area if there were ample lift accommodation. As a rule, it is much better to have dining-room and recreation facilities on the ground floor.

The witness withdrew.

John Smith Murdoch, Chief Architect, Department of Works and Railways, recalled and further examined.

15. *To Senator Newland.*—I have already gone over the general points characterizing the advantages and disadvantages of the three sites under consideration by this Committee. I have prepared some comparative figures dealing with the three proposals, and having to do especially with the areas of floor space, cubical contents of the buildings, estimated cost of the various buildings, estimated cost of the contingent engineering services pertaining thereto, and the gross effective office space which each proposal would afford. The particulars are as follow:—

No. 1.

PROPOSED OFFICES IN MELBOURNE FOR TAXATION DEPARTMENT AND BRANCHES OF OTHER DEPARTMENTS OF THE COMMONWEALTH.

PRINCE'S-BRIDGE BUILDINGS.

Floor Areas—

Basement	17,424 ft. sq.
Ground Floor	47,718 "
First Floor	34,278 "
Second Floor	34,278 "
Total	133,698 "

Cubical contents, 2,695,300 feet.

	£	s.	d.
Estimated cost at 1s. 2d.	157,230	0	0
No. 128. Extra depth foundations at £100	12,800	0	0
		170,030	0
Engineering Services—			
Lifts	12,000	0	0
Heating	6,120	0	0
Vacuum Cleaning Plant	2,600	0	0
Kitchen Equipment, &c.	3,500	0	0
Electric Lighting and Power	5,400	0	0
		29,620	0
Contingencies	10,000	0	0
		£209,650	0

Effective Office Area—133,698 feet at 31s. 4d., £209,460.
Rate per cubic foot, including Engineering Services, 1s. 6½d.

No. 2.
PROPOSED OFFICES IN MELBOURNE FOR TAXATION
DEPARTMENT AND BRANCHES OF OTHER DEPART-
MENTS OF COMMONWEALTH.

TREASURY GARDENS BUILDING.

Floor Areas—			
Basement .. .. .	..	..	.. 13,328 ft. sup.
Ground Floor .. .. .	..	..	.. 13,328 "
First Floor .. .. .	..	..	.. 13,328 "
Second Floor .. .. .	..	..	.. 13,328 "
Third Floor .. .. .	..	..	.. 13,328 "
Fourth Floor .. .. .	..	..	.. 13,328 "
Fifth Floor .. .. .	..	..	.. 13,328 "
Total .. .. .	..	..	.. 93,296 "

Cubical contents, 1,728,000 feet.

Estimated cost at 1s. 6d.			
Engineering Services—			
Lifts	£10,000	0	0
Heating	4,750	0	0
Vacuum Cleaning Plant	2,000	0	0
Kitchen Equipment, &c.	3,500	0	0
Electric Lighting and Power	6,100	0	0
Contingencies		8,000	0
		£163,950	0

Effective Office Area—93,296 feet at 35s. 2d., £164,045.

Rate per cubic foot, including Engineering Services, 1s. 10½d.

No. 3.

PROPOSED OFFICES IN MELBOURNE FOR TAXATION
DEPARTMENT AND BRANCHES OF OTHER DEPART-
MENTS OF COMMONWEALTH.

EXTENSION OF G.P.O. IN LITTLE BOURKE-STREET.

Floor Areas—			
Basement .. .. .	..	..	.. 9,163 ft. sup.
Ground Floor .. .. .	..	..	.. 3,137 "
First Floor .. .. .	..	..	.. 9,214 "
Second Floor .. .. .	..	..	.. 9,214 "
Third Floor .. .. .	..	..	.. 9,214 "
Fourth Floor .. .. .	..	..	.. 9,214 "
Fifth Floor .. .. .	..	..	.. 8,766 "
Sixth Floor .. .. .	..	..	.. 1,399 "
Total .. .. .	..	..	.. 64,321 "

Cubical contents, 1,329,450 feet.

Estimated cost at 1s. 4d.			
Engineering Services—			
Lifts	£6,750	0	0
Heating	3,500	0	0
Vacuum Cleaning Plant	1,750	0	0
Kitchen Equipment, &c.	3,500	0	0
Electric Light and Power	4,900	0	0
Alteration to Pneumatic Tube Despatch Systems	5,000	0	0
Ventilation and Air Conditioning Plant	6,000	0	0
Contingencies		5,000	0
		£125,000	0

Effective Office Area—64,321 feet at 38s. 10½d., £125,024.

Rate per cubic foot, including Engineering Services, 1s. 10½d.

I understand that the Committee desires to know what progress has been made in negotiating with the State Government for either a lease or the purchase of the Treasury Gardens site. Conversations took place between the Department of Works and Railways, and the property branch of the State Government, as to the advisableness of either acquiring a lease of, or purchasing the vacant site in the Treasury Gardens. The Victorian Cabinet considered the matter, but, I understand, were not favorable to disposing of the fee-simple of the land, but indicated that they would be quite prepared to negotiate to allow the land to be used by the Commonwealth on the basis of a building lease. Negotiations did not go further, and did not reach a concrete discussion of the terms. As to the willingness of the

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State Government to lease, or otherwise, the land at Prince's-bridge, the only knowledge which the Department of Works and Railways has, is contained in a memorandum of the Commissioner of Taxation to the Secretary to the Commonwealth Treasury, dated 30th November, 1921, in which he says, referring to the Prince's-bridge land, "This is Crown land, and the Under Secretary to the Department of Lands, in Victoria, has informed me that this land is at the disposal of the Commonwealth Government if it so desires."

16. *To Mr. Mathews.*—The negotiations concerning the Treasury Gardens site were conducted nearly twelve months ago. No specific terms were indicated in regard to either that or the Prince's-bridge site. I have no doubt that the State Government would be quite willing to come to fair terms, adjusted upon the usual business basis; so there should be no difficulty in arriving at an agreement. In my view, it would not be possible to do away with the basement in the proposed Prince's-bridge building. Owing to the nature of the site the walls must be carried down, and it would be an economy therefore to make them provide a basement, which would be a most useful adjunct, seeing that all such Departments require storage space for their records. There would be no need to complete the whole of the Prince's-bridge project. It could be built in sections. The proposed Post Office building in Little Bourke-street is capable of extension by another 65,000 feet of floor space, thus making, ultimately, in all, 130,000 feet. It was the consideration that we would be able to construct the Prince's-bridge building of a more simple character, seeing that it would be inadvisable to rear a structure calculated to last very many more years than the period of the leases, that has caused me to say that the required building, if decided upon for that site, could be constructed more cheaply than in the case of the other proposed buildings. To provide 65,000 feet on the Prince's-bridge site would cost, in all, about £105,000. If a start were made immediately on a building of the size, for example, of that suggested upon the Little Bourke-street site, it could be completed before the expiry of the present lease of the offices occupied by the Commonwealth Taxation Department. The same may be said of the proposed Treasury Gardens building, but I do not think the Prince's-bridge structure could be completed within the time, owing to the consideration of the deeper foundations. Under certain conditions any of the schemes could be completed within the specified period, provided that the decision to go ahead could be given quickly. Public expenditure has so much guardianship exercised over it, however, that the operation of that guardianship entails an expenditure of time from which there is no getting away. Concrete piers would have to be put in at the Prince's-bridge site. These would permit of more rapid construction, and would be cheaper than piles. It may be taken as axiomatic that, for the purposes of a Department such as the Taxation Department, the larger the floor area made available upon one level, the more economic will be the management. Upon the matter of large floor spaces the Prince's-bridge proposal would be the most favorable, the Treasury Gardens site the second best, and the Little Bourke-street building the least favorable of the three. That is from the view-point of open floor space alone. But, even in the Post Office scheme, the floor areas are by no means small. I do not think there is much in the suggestion that there would be any great loss or waste in regard to supervision at the Post Office site in a Department of this kind; for the work is divided into clear-cut branches. With respect to the centrality of the various sites, the Prince's-bridge proposal is a good and fairly reasonably central one; but, although it is

close to the Flinders-street railway station, and to certain of the tram services, it is certainly not in the heart of the city. Most of the people of Melbourne who pay taxes are engaged in the city, and, as a rule, they proceed from their own offices to the taxation offices to pay their taxes, so that a site as nearly as possible in the business centre is bound to be the most convenient. From the view-point of public convenience the Post Office proposal is the best. As to whether it is more the "small people" rather than the bigger city business men who, personally, pay at the taxation offices, I am not in a position to go into details. The Treasury Gardens site is the official governmental centre. From the point of view of public convenience there is not much to choose between it and the Prince's-bridge proposition. But I emphasize that the Post Office proposal is much more convenient than either. I have already explained that the suggested structure in Little Bourke-street is a direct contribution to the idea promulgated by the Economies Commission to eventually conduct the whole of the work of the Postmaster-General's Department at Elizabeth-street; and the Government have laid down as a condition that anything done upon the Little Bourke-street site must be of such a nature as will eventually fit in with that general scheme. That is why, if I have any particular leaning to one of the three sites, I am inclined to favour that at Little Bourke-street. It is very often complained that the Elizabeth-street building is an eyesore in that it is incomplete, and that its land bears the ugly iron structure in Elizabeth-street. The Post Office building is a mighty monumental structure, and that it should remain from year to year in its present condition is not creditable. The value of the land is very great; it is not returning revenue commensurate therewith. It would pay the Commonwealth Government to rear offices there and let them. For such a Department as that of Taxation, the factor of adequate light is almost the most important. The Post Office site will afford the least satisfactory lighting facilities of the three proposals, but the question is whether the degree of light procurable there is inadequate. I say that it is not necessarily so. One cannot get perfect light in the middle of a big city, but every ounce of building ingenuity should be exhausted in creating the fullest possible amount of light that the site can afford. I do not think it would be a badly-lighted building; but on the lower floors, on a dull day, electric lights would have to be switched on. That comment, however, would apply to very many public and private structures throughout the city.

17. *To Mr. Parker Moloney.*—The item of £12,000 for the foundations of the suggested Prince's-bridge building is peculiar to a structure reared upon that land alone. If a building of a similar size were decided upon at either of the other two sites that foundation cost would not apply; but, as against that consideration, the Prince's-bridge building would be much the larger. It would be a considerable advantage to select Commonwealth land if the choice lay between that and private land. In the three instances under review, however, the sites are all Crown properties, and it is really the same public which is concerned, whether it is the public to which the Commonwealth Parliament is responsible, or that to which the State Parliament is responsible. It is really almost immaterial what may be the transactions between the two Governments, so long as the taxpayer is saved from putting his hands into his pocket to buy private land. What the Commonwealth Government may be required to pay to the State is, after all, so much money which the State Government will be saved from calling upon the taxpayer to provide. Generally the cost of building on any one of the three sites would be just about as cheap as on either of the others. I have set out those

costs in detail in the figures which I have prepared. The Treasury Gardens project would entail a bulkier building, and on that account it should be done more cheaply. But, as a matter of fact, it has been estimated to cost rather more. The Little Bourke-street site is loaded to the extent of £5,000 in connexion with alterations to the pneumatic tubing for the Post Office despatch system. Then there is the factor of air conditioning plant. All these, however, are purely a Postmaster-General's consideration, and would have nothing to do with the Taxation Department. I have already mentioned that, at first, at any rate, the latter Department would not be able to take over the whole of the floor space of the proposed new building. As for the suggestion ultimately to bring the postal work done at the Spencer-street building back to Elizabeth-street, the Economies Commission has expressed the view that that should be done, but the postal authorities themselves say the opposite. They state that it will never be possible to provide the same ultimate floor space at Elizabeth-street as may be secured at the Spencer-street site. It would be possible to triplicate the present floor space at Spencer-street, so that rules out of consideration the question of ever providing as much at Elizabeth-street. One reason why the Spencer-street building is not doing the full duty which was expected of it by the Postal authorities is that, in the original scheme, there was a proposal to provide underground connexion between Elizabeth-street and the Spencer-street building, and, finally, into the railway station itself. Within the next few years there must be a new railway station at Spencer-street. The connexion between the General Post Office and the railway station hinges upon future developments there, and the project of linking up Elizabeth-street with Spencer-street has never come to a decisive head. No doubt, however, it must be done in the future. I am not desirous of expressing a view concerning whether it would be wise to bring back the postal activities to Elizabeth-street. As for the question of centrality, if one were to capitalize the loss of time occasioned to business people through having to make a journey away from the heart of the city to perform their taxation business the annual figure would be a large one. Seeing that the Taxation Department is a sub-Department of the Treasury, and that it must come into considerable contact with the Lands Department also, the Treasury Gardens site would no doubt be the best from the point of view of the staff. It would, however, not be so handy to the banks.

18. *To Senator Plain.*—I do not think it would be well to establish another public centre in a new quarter of the city by erecting the proposed buildings at Prince's-bridge. The convenience and health of the Taxation Department's staff should certainly be considered, and probably the staff would find working conditions most pleasant at the Treasury Gardens, even although that site would be less central for many members of the staff than the Post Office suggestion. However, the convenience of the public should be paramount. In regard to all the sites, the actual degree of inconvenience is not great. While the Post Office site can be extended to afford another 65,000 feet—that is to say, 130,000 in all, which is only a little less than the total of the Prince's-bridge building—the figures which I have provided concerning the other two sites represent their limits.

19. *To Senator Newland.*—The main entrance to the Little Bourke-street project would be in Little Bourke-street itself; that is, until the other section is completed, when there would be access from the public arcade in the Post Office building in Elizabeth-street also. I know of no feeling on the part of the State Government against further traffic being diverted over Prince's-bridge. Comparing the three schemes generally, the Treasury Gardens building would be the

most ornate; and, for that reason, it would probably carry a superior class of fitting. There should be indirect lighting, for example.

(Taken at Melbourne.)

FRIDAY, 3RD MARCH, 1922.

Present:

Senator NEWLAND, in the Chair;

Senator Plain,	Mr. Mathews,
Mr. Jackson,	Mr. Parker Moloney.

Kingsley Anketell Henderson, Architect, Melbourne, sworn and examined.

20. *To Senator Newland.*—I understand that the Committee is inquiring into a proposal to erect buildings to accommodate the staff of the Taxation Department in Melbourne. I am associated with a firm of architects engaged in the erection of a building in which, I think, accommodation could be found for the Taxation Department, and have been instructed to give whatever evidence is required from the point of view of the possibilities of the site. I am the architect for the owners of the Sun Newspaper (Melbourne) Limited, who are erecting a four-storied building, and will be using, for the time being, only the ground and first floors. Two floors, extending from Flinders-street to Flinders-lane, with a depth of 313 feet and a frontage of 66 feet, will be available for letting purposes. I have been instructed that the owners are prepared to entertain any proposition which may be placed before them for a lease, for ten years or longer, of approximately from 59,000 square feet to 60,000 square feet on four floors. The building is to be throughout as fireproof as it is possible to make it. The walls are of brick, the floors are of ferro-concrete, and are carried on structural steel encased in concrete. All windows opening into the three main light courts will be constructed with steel sashes and wired glass to the underwriters' specifications. The building will have a sprinkler installation throughout, and the whole of the stairways and also the lifts will be fire-isolated—that is to say, they will have concrete walls round them. As to the rental that would be required by the owners, I have no instructions, and am not in a position to express an opinion other than my own personal view with regard to the value of space in the particular part of the city in which this building is being erected. My principals, however, are prepared to give immediate consideration to any proposition that may be submitted to them. I have already said they are now proceeding with the erection of a building of four stories. In the event of their determining to erect additional stories, the whole matter would have to be considered by them very seriously from a financial point of view, since not only would they have to pay the usual land, municipal, and Melbourne and Metropolitan Board of Works taxes, but the net return from the building would also be taxable as income. The Committee will appreciate the fact that my principals, unless a payable proposition were placed before them, would not be likely to launch out with a heavier capital outlay than they previously anticipated. In view of the taxation to be met, they feel that only an attractive proposition would induce them to set out upon a heavier capital outlay. Briefly put, if the site is suitable to the requirements of the Department, and a proposition is submitted to Mr. J. T. Thompson, of 136 Swanston-street, Melbourne, the trustee for the principals, a reply will be given within 24 hours during the next ten days, and within 48 hours thereafter. I am instructed by my principals to say that if the Department is interested, and is desirous of entering into negotiations,

such negotiations can only be considered if the matter is attended to at once. I have nothing further in the form of a prepared statement to put before the Committee, but can supplement the information I have given the Committee with any details they may require in regard to the architecture of the building. I have merely given my clients a rough idea of what would be the cost of erecting two additional stories. No quantities have been taken out, but I anticipate that the additional outlay would be in the neighbourhood of £50,000. In addition to that amount, it would be necessary, of course, to take into consideration the amount that the owners are already spending on the two lower stories which represent their present scheme, as well as the cost of the land and the cost of the building which was already on the land when they acquired it. I cannot say off-hand what would be a fair way in which to apportion the cost of the land. I have not separated the cost of the two floors which are being erected for the purposes of the company's business and the two floors which are being built for letting purposes, but I should say approximately that the two extra stories would cost some £50,000. There was already on the land a four-storied building facing Flinders-street, and we are carrying those four stories right through to Flinders-lane. I estimate that the cost of that part of the building which we are now erecting will be in the neighbourhood or from £100 to £105 per square, or 21s. per square foot. The lower floors are a little more costly.

20A. *To Mr. Mathews.*—There is at present a four-storied building facing Flinders-street, and we are carrying that building through for a depth of 170 feet to Flinders-lane. If a satisfactory offer were made, we would build another two stories right through from front to back, so that practically the whole of four stories, instead of two, would be available for letting purposes.

21. *To Senator Newland.*—That would provide from 59,000 to 60,000 square feet on the four floors for letting purposes. I cannot give you what is in the minds of the owners as to what the rental should be, since I have not discussed the matter with them.

22. *To Mr. Parker Moloney.*—I do not know what percentage of return they would be likely to want on the expenditure. I have not discussed the matter with them.

23. *To Mr. Mathews.*—My own view is that for floor-space of this description, in a completely fireproof building, with a sprinkler installation, and with two passenger lifts for the use of the Department, together with three or four escape staircases, about 4s. 6d. per square foot per annum would be a fair thing, having regard to the fact that in the central part of Flinders-street about 5s. per square foot per annum is being paid for ordinary accommodation. That, however, is only my own private view. That floor-space would include separate provision for the sanitary conveniences of the Department. The Department would not have to pay for the staircases. The building is peculiarly adapted for the provision of sanitary conveniences wherever required by the Department, so that loss of time on the part of the staff in going to and from a central sanitary convenience would be avoided. I think the two stories will be of concrete. That, however, must depend upon my negotiations with the building surveyor. The floors, as I have said, will be throughout of ferro-concrete. The supporting girders and columns will be of steel encased in concrete.

24. *To Senator Newland.*—We could give the Department a separate passenger lift at the Flinders-street frontage, and another at the Flinders-lane frontage, for its own use, as well as a staircase at both entrances, if necessary, for the purposes of the Department. I think we could also arrange to have a lift running between the

main floors for the use of the staff. What I have in mind is a lift travelling between the second, third, fourth, and fifth floors, but not going to the ground floor. It would be centrally situated. There will be four staircases, three of them will be 5 feet wide, while the other will be 4 feet wide. There will thus be an accumulated staircase width of 19 feet. Under the Factories Act, to provide for 500 people, staircase accommodation 10 feet wide would be required at each end of such a building. We might have to enlarge or extend the front staircase from 4 feet to 5 feet wide, but I do not think that would be necessary, seeing that the building will be fireproof. I do not think there would be any reason to fear a fire breaking out in the lower stories, owing to the particular class of work which is to be carried out there, and extending to the higher floors. I do not think the fire hazard will be one-fourth of what it would be in an ordinary rented building. The whole of the power plant to be used by the newspaper company will be electrical, and the machines themselves are made of steel, and cannot burn. I have seen such machinery in operation on many occasions. I do not think there is the slightest additional risk associated with the particular kind of work to be carried on on the ground and first floors. As to the possibility of any annoyance being occasioned the occupants of the upper stories by the noise of the printing machinery on the first floor, I have only to say that I have made most careful inquiries, and that in the Sydney offices of my principals it is impossible, on the second floor, to hear the presses or printing machines running on the ground floor. In the building which we are now discussing the printing machines or presses will be on an absolutely firm basis. The foundation is of rock, and, as a matter of fact, the printing machinery to be installed here is of better design, and even more noiseless, than those now in use in the Sydney *Sun* buildings. You ask whether the proximity of the railway would be any source of annoyance to the officers of the Department if they were installed in this building. I have never worked in an office adjacent to a railway, but I would point out that the railway lines at this point are well below the level of the street. I do not think the noise from the railway would cause any serious inconvenience. As a matter of fact, the Commonwealth staff, if housed in this building, would be in a much more favorable position than is the State Taxation Department, which is housed in the Flinders-street railway offices. If the State taxation staff can carry on there, there should be no question as to the Federal staff being able to transact its work in this building without disturbance from railway noises. The working of the printing machines on the ground floor will not cause any vibration in the top stories. They will be placed on the rock foundation which is known to exist there, and will be absolutely independent of the structure of the building itself. We have there a tough schist rock. I submit to the Committee rough tracings showing the already existing building and the building which we are erecting. The dark-coloured portion of the plan shows the existing building, which was originally erected for the Civil Service Stores. I produce also a sketch showing the new brick building of four floors, and a sketch of the brick or concrete floor—the type of construction will depend on the decision of the city authorities—which would extend over the whole building, and constitute the fifth story. The newspaper company would occupy the ground and first floors, and the Department would have the use of the second, third, fourth, and fifth floors. As to the lighting scheme, I point out that we have Flinders-street in the front and Flinders-lane at the back. At the back of the second, third, fourth, and fifth floors, the greatest possible area facing Flinders-lane will be of glass. The balance of the lighting provision consists of a light court on the southern end, and a corresponding light

court near the northern end of the western side, as well as a big central light court on the western side wall. There is an area space between the new building and the old one. There is also an escape staircase and lift, which discharge into a right-of-way.

25. *To Mr. Mathews.*—The central light area is 16 ft. 6 in. by 45 feet. In regard to the two end light courts, I would remind the Committee that the adjoining owners each have a light court opposite our own, so that we thus secure an additional advantage.

26. *To Senator Newland.*—The most distant point in the building from the light area is 54 feet. That would be, as you say, a fairly long distance for the light to be carried if it were not for the arrangement of the light courts by which we shall have light from three different directions striking into that distant point. The Civil Service Stores were always considered to be well lighted.

27. *To Mr. Parker Moloney.*—You must remember that one-fourth of the space which would be made available to the Department has already been built, and does not go into my estimate of 21s. per square foot. That estimate of 21s. per square foot is only in respect of the cost of the building that I am now erecting. You have also to take into consideration the cost of the land on which the new building stands. Two of the floors which would be occupied by the Department would be entirely new, while about three-fifths of the area of the other two stories would be new. I was only giving the Committee my own personal view of what would be a fair rental when I spoke of 4s. 6d. per square foot per annum. That would mean a total rental of about £13,500 a year, but certainly would not work out at anything like 22 per cent. on the cost of construction. The £50,000 would be, approximately, the cost of only two of the new floors. The higher one goes the greater is the cost. My estimate of 21s. per square foot was in respect of the cost of the four stories at the back; 4s. 6d. per square foot would be a fair rental. I pay more than that for my office accommodation in an old building in Collins-street, which is not fireproof. I have, at present, about two months' construction work to carry out to bring me up to my roof level. Another four months would be occupied in putting on the two top floors, so that I should say that it would be at least six months before this building would be available for the use of the Department.

28. *To Senator Plain.*—The building will have a flat roof with a false ceiling to insure coolness. Most of the high-speed machinery used by the newspaper company will be on the ground floor—in the centre of the building—for a length of about 100 feet. There is no basement. Linotypes, which are almost silent, will be the only machines used on the first floor. The whole of the first floor, up to the middle light, will be used as offices for the Accounts Department, as well as for directors' rooms, and rooms for the accommodation of the literary staff. Beyond that we shall have the linotypes, and what is known as the stereotyping department.

29. *To Mr. Jackson.*—I have read in the press statements to the effect that it is proposed to erect Commonwealth Taxation Offices on the south side of the river. I think it would be unreasonable to ask the public to go there. The public will have a considerable amount of business, involving many calls to transact with the Department, and I think it would be rather a pity to go over the river for accommodation. I would impress upon the Committee the fact that this building will rise above the adjoining offices so that the efficient aeration of the upper floors will be assured. Each of the light courts will catch the south-westerly winds and throw the cool air into the building, while the same

advantage will be secured from the big frontage to the south.

30. *To Mr. Mathews.*—I should say that there is not the slightest possibility of the company not going on with its project. I do not think there is any chance of the *Herald* buying it out. As a matter of fact, the *Herald* Newspaper Company is already building new offices. My principals have never wavered from the time that I received my original instructions. We would be prepared to give the Department two lifts for their own individual requirements. My principals would not use them at all. They are prepared to give a lease for at least ten years.

31. *To Senator Newland.*—As to luncheon and retiring rooms for employees, we have not yet made any subdivision of the building. We simply show the floor space. All sorts of welfare accommodation, including lockers, showers, &c., is being provided for the employees of the newspaper company in this building. You would have to deduct from the floor space of 59,000 feet any provision made for luncheon and retiring rooms for the taxation staff. That 59,000 feet would include your sanitary blocks. The height of the second floor is 14 ft. 10 in., and the height of the third floor is 15 ft. 6 in. The two top floors should be 15 feet high. The beams in some cases come down 12 inches from the ceiling, while others would come down from 18 to 20 inches. You would have 15 feet from floor to ceiling, so that on the upper floors there would be a height of about 13 feet clear under the beams. These beams, however, would occur only occasionally. As to the pillars or piers from east to west, we provide for 21 feet centres. From north to south they vary slightly on account of the machinery lay-out below, but they average about 21 feet centre. The average bay is 21 ft. by 21 ft.

(Taken at Melbourne.)

TUESDAY, 7TH MARCH, 1922.

Present:

Senator NEWLAND, in the Chair;

Senator Foll,	Mr. Jackson,
Senator Plain,	Mr. Mathews.

Edward Woodrow, Chief Inspector, Postmaster-General's Department, sworn and examined.

32. *To Senator Newland.*—The Postal Department would, so far as I am concerned, offer no objection to the utilization of the vacant piece of land at the rear of the Elizabeth-street post-office for the erection of a building to house other Departments provided sufficient accommodation was made for the telegraph operating staff. We must have immediate accommodation for that staff. Three years ago we had the plans prepared for a building to accommodate the telegraph operators, and we commenced work upon the structure, but operations were discontinued because a larger scheme to cover the whole of the ground was projected to enable the mail branch to be brought back from Spencer-street to Elizabeth-street, also the administration branch; in fact, everything but the workshops and stores. These latter were to remain at Spencer-street, where they are now situated. However, I am satisfied that there is not sufficient room on the Elizabeth-street site for the whole of the postal requirements. It would not be possible to make sufficient provision there for the mail branch, and I reported to that effect two or three years ago. I showed that, in order to make even a reasonable amount of accommodation—and that would not be sufficient twenty years ahead—it would be necessary to acquire the block of land on which Stephens' drapery establishment is

erected. I am aware that the Economies Commission suggested that the whole of the postal work, excepting the stores and workshops, should be brought back again to Elizabeth-street. It was on that Commission's report I submitted my report to which I have just referred, showing that it would not be possible to conduct the operations of the Department in a building such as the Commission designed. A later plan was prepared showing a building which would cover Stephens' site as well as our own. In my report I pointed out what would be necessary to accommodate the whole of the postal sections at Elizabeth-street, and stated that if it were possible for us, either by remodelling the old building, or by the erection of new buildings to accommodate the mail branch in a suitable manner, we could effect a saving of about £8,000 or £10,000 per annum. But that was all contingent upon acquiring the extra piece of ground, and upon the Taxation Department vacating the space in the Elizabeth-street post-office now occupied by it. Before I came into the matter at all it had been decided to transfer the mail branch and the administrative sections from Elizabeth-street to Spencer-street. When I was brought into the matter I considered that it would have been better if operations had been concentrated at Elizabeth-street by acquiring more land there, and I reported to that effect in my comment upon the Economies Commission plan. It would be impossible to work the mail branch in the space provided for it on that plan. For instance, we are now using at Spencer-street a little over 41,000 square feet for the mails, whereas I do not think we would get more than 34,000 feet for this branch of our work under the Commission's plan. Again, the conditions at Spencer-street are very much better than would be possible under any remodelling scheme for the Elizabeth-street building on the lines indicated by the Commission. The lay-out or design of the Spencer-street building is so much better. I have not seen the plan prepared by the Works and Railways Department for providing Commonwealth offices and a telegraph operating room on the portion of the land at the corner of Little Bourke-street and Angel-lane, the old Parcels Post-office site. I was at a conference which went into the question of providing accommodation for Government Departments on this site, and we then considered a proposal which included building on the old Parcels Post-office site. Although the Economies Commission's plan would provide for 193,653 square feet of space, consideration must be given to the form in which it is provided. For instance, 40,000 square feet at Spencer-street would enable operations to be carried on much better than would 70,000 feet of space in a building which would not lend itself to making suitable arrangements for handling mails; and, in my opinion, as I have said before, even with a remodelling of the existing Elizabeth-street Post Office it would not be possible to provide a suitable building without acquiring additional land. I am not aware that the Postal Department has any idea of utilizing the land available at Elizabeth-street for any purpose except a departmental purpose. It was intended to build a telegraph operating building there, but after we had demolished some of the existing buildings operations ceased. A suitable building could be erected on that vacant land to provide sufficient accommodation for the Taxation Department and for the postal requirements for a series of years. That was the conclusion arrived at by the Conference which was held a few months back. At that Conference there were officers of several Departments, including the Taxation Department. We considered that there was sufficient space available to erect a building which would accommodate the telegraph operating staff and the Taxation Department. The site is one of the most convenient in Melbourne. In considering the type of

building we thought that there would be sufficient natural light for all requirements. I do not think there is any likelihood of the postal services being brought back from Spencer-street to Elizabeth-street in the near future; in fact, it is impossible to make the change unless additional land is acquired at Elizabeth-street and a proper postal building is put up. The position in Sydney is much more acute. The building at Central Square is a mile from the posting centre, and we are obliged to keep the postmen's staff at the General Post Office, thus causing a severance of the mail work, and making the expeditious handling of mail matter impossible. If the parcels post were left at Spencer-street I do not think it would be possible to find accommodation for the other branches of the Department on the Post Office property at Elizabeth-street. It would not be possible to design a building suitable for handling mails. The Elizabeth-street site is divided by a right-of-way. It will be some time before it is necessary to establish district post-offices in various centres in Melbourne to deal largely with their own postal matter. It is a question of population and the distribution of population, and it is not likely that these offices will be required for the next twenty-five years. It will be a long time before they are needed in Sydney. When the necessity for them does arrive in Melbourne the need for concentrating at Elizabeth-street will not be so great as it is at present. I am not in agreement with the recommendation of the Economies Commission to transfer the postal activities to the Elizabeth-street site. It would be impossible to work the mails properly there.

33. *To Senator Foll.*—Concentration on the Elizabeth-street site would be satisfactory if we had suitable accommodation there, but until we acquire more land and build upon it it will be impossible to provide that suitable accommodation, no matter how high the building goes, because the object sought after in handling mails is to keep all the operations on the ground floor. Immediately you start lifting mail matter you add considerably to the cost and to the delay. The ideal conditions which have obtained in London and one or two other places are where you can take the mails in on one side of a large space on the ground floor and handle them across that floor and out on the other side. If you are obliged to work mails in an irregular-shaped place, and if you are compelled to lift them there is considerable cost and delay which cannot be avoided. I think that I said in my reply to the Economies Commission's report that unless we could get 20,000 square feet on the ground floor we could not entertain any proposal to transfer from Spencer-street to Elizabeth-street. I have with me the plan prepared for the Economies Commission. The basement runs along Little Bourke-street and down portion of the ground alongside Angel-lane to the back of Stephens' property. The proposal was to work the mails on the first floor, but there are two light areas, a stairway, pillars, and all sorts of crooks and crannies in it, and the mails would have to be brought in at one end, worked at the other end, and then returned to the spot where they entered. I have with me also a plan prepared as an amendment to the Economies Commission's plan, and showing what could be done by acquiring Stephens' block. This would give us a floor reaching from Bourke-street to Little Bourke-street.

34. *To Mr. Jackson.*—The acquisition of the extra piece of ground in Bourke-street would not provide sufficient ground space for the mails and the postal requirements of the near future, and also accommodation above for the Taxation Department. That is to say, we could not in that building accommodate both the Postal Department and the Taxation Department. If, however, it is decided that the Postal Department

should remain at Spencer-street we could surrender sufficient area on the Elizabeth-street site for the Taxation Department after making provision for a telegraph operating room. I do not think that it is likely we shall return to Elizabeth-street from Spencer-street. The Elizabeth-street site is one of the most central in Melbourne.

35. *To Mr. Mathews.*—It would not be possible to work the mail section in the space allotted for the purpose on the Economies Commission's plan. I do not know that any officer of the Postal Department favoured the Commission's scheme. The Commission had power to obtain advice in any way it considered advisable. I suppose that they obtained advice, and that the plan was prepared in accordance with it, but it is only assumption on my part. The plan was not prepared on any data furnished officially by the Postal Department. The Commission did not ask my opinion in regard to whether the plan prepared would effect economies or afford facilities to the Department. Even if Stephens' property were acquired and a scheme were put forward to house the Postal Department and its facilities on the present site, it would not be possible to gut the present building any further. It is already gutted by the light area. If we acquired Stephens' property it would be possible to house the mails there on the space which would thus be provided, but I would hesitate to recommend it unless there were some special circumstances with which I am not acquainted at the present time. The administrative branch, the accounts branch, the engineers' branch, and the correspondence and records branch could be worked in the small rooms around the central hall at Elizabeth-street, but it would be impossible to work mails in a space like that. The existing telegraph operating room is quite unsuitable, and it has been the endeavour of the Department for some years past to provide a new room. If it were vacated by the operating staff it could be subdivided into offices, but the lighting is bad, and it would be necessary to make use of artificial light if the room were utilized in this way. So far as the Elizabeth-street building is concerned, I am afraid that utility was sacrificed to architectural effect. The same remark applies to the Sydney General Post Office. The Spencer-street building is the best postal structure we have in the Commonwealth. The very best use has been made of the site. There is very little if anything to complain about. The overseas mails are worked on the first floor; the inland mails, the largest section, are worked on the ground floor. Under present arrangements it is necessary to close the mails at Elizabeth-street fifteen or twenty minutes earlier than they are closed at Spencer-street. Of course, we have late posting-boxes at Elizabeth-street, which are not closed twenty minutes earlier than the late posting-boxes at Spencer-street. At times there is a fair quantity of mail matter posted in the fifteen minutes between the closing of the mail at Elizabeth-street and the closing of the mail at Spencer-street. It is necessary to take the mails to Spencer-street to be faced up, stamped, and placed in the mail bags. We are compelled to make periodical clearances at Elizabeth-street. We clear every fifteen minutes at the busy part of the day. Under this system the whole of the fifteen minutes' collection is thrown on to the facing-up tables at Spencer-street at one time, whereas if we were dealing with the mails at Elizabeth-street the mail matter would be handled as it was posted, and thus be dealt with more quickly. That is the big drawback to the severance which exists in Melbourne to-day. It would not interfere with the work of the Postal Department if the Taxation Department were housed in the same building.

36. *To Senator Plain.*—The Works and Railways Department prepared the plan for the Economies Commission.

37. *To Senator Newland.*—We have more space available at Spencer-street than the Economies Commission's plan would provide for mails and parcels, irrespective of the sub-basement, and not including any of the cart-docks. The Economies Commission would give us only 30,000 square feet as against 41,000 square feet available at Spencer-street, but 40,000 feet in the shape we have it at Spencer-street is much better than having 55,000 feet at Elizabeth-street, as outlined on the plan of the Economies Commission, because of the many obstructions—pillars and corners shown on the plan. At Spencer-street we have one square space on the ground floor. The conditions there are ideal, and should meet requirements for the next thirty years. When we intended to build on the vacant land at the rear of the Elizabeth-street office provision was to be made for a telegraph operators' room sufficient for the next twenty-five years. We were to have the top floor for the operating room, and a limited space on the ground floor for the telegraph despatch room and the telegraph messengers. In such a building we would not require any further space for the next twenty-five years. I am certain that we shall not need the Elizabeth-street site for any purpose except for the postal hall and telegraph operating room. I do not know the requirements of the Taxation Department. At the Departmental Conference, held about eight months ago, which went into the question of utilizing the space at the rear of the Elizabeth-street office, Mr. Murdoch, of the Works and Railways Department, produced a rough sketch which showed that ample accommodation could be provided for the Taxation Department and the telegraph operating room. On the transfer of the operating staff the room they are now occupying would be available for other purposes. A building which would provide 50,000 square feet or 60,000 square feet would provide 45,000 square feet for the Taxation Department, and that Department could continue to occupy the space they now occupy in the Elizabeth-street office, and would also have the use of the vacated operating room. I should think that it would thus get considerably more than 60,000 square feet. When the Commonwealth and State taxation work is amalgamated there is ample room at the corner of Elizabeth-street and Little Bourke-street for a building which would provide 100,000 square feet for the Taxation Department. In the meantime, there is abundance of room to put up a building to provide considerably more than 60,000 square feet. There is no objection to the Taxation Department occupying the same building as postal officials. Separate entrances and separate lifts could be provided for the two staffs.

(Taken at Melbourne.)

WEDNESDAY, 8TH MARCH, 1922.

Present:

Senator NEWLAND, in the Chair;

Senator Foll, | Mr. Mathews.
Mr. Jackson, |

Augustus Albert Peverill, Under Secretary for Lands, Victoria, sworn and examined.

38. *To Senator Newland.*—I am aware of the subject of inquiry. The Wirth's Park site is, in one sense, available, because the Commonwealth has the power to take it compulsorily. We are not suggesting that the Commonwealth should thus take it; we have at present a very satisfactory tenant, who has been there for fifteen years,

at an annual rental of £552. The lease expires on the 30th June, and we are now in the middle of negotiations for letting the site for another ten years at a much increased rental. We do not specially want to lease the site, for it is one that is now paying us very well indeed. In my position, I should oppose an application from the Commonwealth Government for a lease or the purchase of the site. Of course, if there is no other suitable or convenient site, I take it our Cabinet would override the Department and make arrangements. There are some other objections, however, beyond that of the State not wishing to lose the site in view of its rental value. I have known that spot for many years, and saw the filling in of the lower part of the ground. To put up a two, three, or four storied building there would be very risky. Buildings there must have special and wide foundations, and such buildings are quite all right when on ground that is all silt, because they sink uniformly; but in the particular area referred to—half of it good solid land jutting out of the rise, and half of it made land—I cannot see how any big building could be a success. I saw in the press that a one-storied building was proposed, and to such the objection does not apply. A tall building there would be a very bad proposition. I do not think the State Government would be prepared to sacrifice rental in order to have the Commonwealth Government there. With us, this is a factory area, and I fancy there would be some objection from the public to erecting Government offices there. To have to cross Prince's-bridge to reach the Taxation Offices would be all right; it is the crossing of the intersection of Flinders and Swanston streets. This crossing, would have to be done in the busy time of the day, because only then are the offices open. Thus, an area already too congested with foot traffic would be still further congested. I do not think that this would be an ideal site for the purpose. *Re* the Treasury site, I believe there have been conferences or interviews with the Public Works Department. At that time, I understand, the proposal was to allow the building to pass back to the State, or to ask the State to put up so much money towards the erection of the building, and this made it a Public Works matter. When, however, we are dealing with sites, it is a Lands Department matter, and I do not think we have had any interviews, so far as that Department is concerned, as to other sites than Wirth's. However, I am conversant with two or three sites that I think might meet the case; at any rate, they would certainly be away from any congestion of traffic. One site is between the old Treasury and the new Treasury, facing Treasury Gardens. I am not aware of any finality being reached by these conferences. I have heard rumours, but have no official knowledge. Arrangements had not got so far as to be dealing with land, or the matter would have come to the Lands Department. I can give you an idea of what terms would be likely to be considered for the acquisition of those lands. A case in point is the Repatriation Office. It is on State Crown land, St. Kilda-road, and the Victorian Minister of Lands and myself conducted all the negotiations with the Commonwealth Government. We valued the site, and gave a twenty-one years' lease on condition that a building was erected that would not be an eyesore on St. Kilda-road. We based the rental at 5 per cent. per annum on the capital value. We received a letter from the Commonwealth thanking us for our moderation in the matter of price. The usual South Melbourne condition is that the building shall revert to the Crown at the termination of the lease; but in this case, seeing it is the Commonwealth Government, we allowed the building to remain the property of and at the disposal of the Commonwealth. The Commonwealth erected their own building on this twenty-one years' lease. Then there is the building in which vocational training has been carried on. For this purpose the

Commonwealth erected some £1,000 worth of temporary buildings on only a short-term lease, and the Commonwealth Government have full permission to remove them. In both these cases the Commonwealth is paying rental at the rate of 5 per cent. per annum on the capital value of the land. I think it likely that the State Government would make the land at the Treasury Gardens available on certain conditions. I do not think there would be any serious objection to the Commonwealth erecting buildings there, providing the Commonwealth undertook the whole work of erection. There would, however, be two conditions—one that the State should have, at least, a say in the architecture to be adopted, so that it might be in conformity with the present State buildings there. Then some arrangement would have to be made for the housing of the existing State garage in a little building at the side, or in the basement. With these two conditions I think there would be no State objection. I have not gone into the question of the rental or value of this land, because I did not think the Committee would require that information. That matter could be fixed by the Government valuers and the two Surveyors-General of the State and Commonwealth. I think that the Government would be likely to grant a long lease on the understanding that a suitable building was put up. At the present time the State Government grant a lease of only twenty-one years; but, if desired, it would be easy to introduce a short Bill next session to make the terms thirty-three, or even fifty, years. This, I think, the State would be willing to do. In the event of a building being erected on this site, the Government would, I think, do the same as in the case of the St. Kilda-road building—allow it to remain the property of the Commonwealth. Of course, the building would have to be properly maintained, and at the end of the lease the Commonwealth could get a further lease, or, under certain conditions, sell the building to the State. If the building were then not required by the State, there might be provision made to allow sub-letting. The rental is not always based on the value of the land, but that is the rule. In the case of an applicant for an industrial area at South Melbourne, we take the land as worth so many pounds per foot. If the applicant puts up a temporary building, we charge him 5 per cent. per annum on the capital value. If he is willing to erect a £5,000 to a £7,000 building, we reduce the rental in the earlier years, because the building will revert to us at the end of the lease. We have to try to estimate what is a fair rental spreading over twenty-one or thirty years. In the case of the Wonthaggi leases, the term is fifty years, but the rental value is adjustable every ten years; and that arrangement is running very satisfactorily. If the Commonwealth were contemplating a building worth £100,000, we should have to know, before we fixed the rental, what sort of building it would be, and whether it would come back to the State at the end of the term. If the building had to revert to the State, the rental would be very much smaller; but, if not, we should want the full rental value of the ground for the time. However, I have not gone into the figures at all, and can give no indication of what the rental might be. I think that the State would be agreeable to parting with the fee-simple of any of these areas except the Treasury Gardens area, but in that case, by giving up the fee-simple, they would lose what control they have in the matter of the uniformity of the buildings, and lose also their garage site. I believe that the State Government parted with the fee-simple in the case of the Federal buildings now erected at the end of the square. All the rest of the land there is State property. I do not think the State Government, in this case, would part with the fee-simple, even on an assurance of conformity in the building, because as I have said, with the fee-simple they would lose control. However, I do not say definitely whether

or not the State would part with the fee-simple; but I think that, after a consultation with the Minister of Lands, or the Premier, an arrangement might be made even for that. I am not sure that later on the prospect of the State and Federal taxation officers being housed in one building would be an inducement to the State to meet the Commonwealth in this matter. At present, the State Income and Land Tax Department is housed in the Railway Buildings, which belong to the State, and the rental merely goes from one pocket to another. I think there is a growing feeling in favour of the amalgamation of the Taxation Departments. In the case of an amalgamation, the offices now occupied by the State Taxation office would be vacant; but, seeing that they are particularly conveniently placed, there would be no difficulty in re-letting them. I do not know whether any negotiations of a practical character have been entered upon for the amalgamation; that does not come into the Lands Department at all. The acquiring of State property for Commonwealth purposes is, first, a matter of arrangements between the two Departments, but at a certain stage the Governments carry it out. If the Governor-General and the State Governor approve, there is power under the Act to pass the deeds over. I think that the Treasury Gardens site would be reasonably convenient for a Taxation Office. There is, however, another site which, up to the present, has not, I believe, been discussed. It is in Little Bourke-street, just opposite the fire brigade station, between Lonsdale and Bourke streets. The Crown Solicitor's Office adjoins this site which, for a time, was let to the Commonwealth as storage for telephone material. The telephone office has been built facing Lonsdale-street, adjoining this site on the eastern side, which has a frontage of 135 feet to Little Bourke-street, with a depth of 200 feet. This site would be most convenient for a public office, and, as I have said, is adjacent to a Commonwealth building. It would afford proper lighting facilities, and there would be very little noise from outside. The Law Courts and other law offices are already in the vicinity. As compared with the Treasury Gardens site, from the point of view of convenience for the public, it would be more convenient, as it is a fact that very much the greater proportion of the business people of Melbourne are nearer to the city site. Queen-street and William-street form the other two sides of the square. This site would be less convenient than the Post Office site in Elizabeth-street, which is easily the first from that point of view.

39. *To Mr. Jackson.*—I would put the site at the Post Office first, the Treasury Gardens site second, the Little Bourke-street site third, and Wirth's site fourth.

40. *To Mr. Mathews.*—The Treasury Gardens site leaves from 70 to 60 feet on either side, which is ample for lighting purposes. I have not gone into the question of the rental of this site. At South Melbourne, I am dealing with such matters from week to week, and we have reasonably fixed values. We get some guidance from a market point of view, because occasionally there is a public sale, whereas at the Treasury Gardens site there has not been a sale for many years, and the land has a value of its own. The site in Little Bourke-street of which I have spoken is practically open. The War Council has its temporary quarters on it, and there is also a small wooden structure, which was used as a Police Court during the building of the new Police Court. The main part of the site is used as a tennis court by some public officers and the telephone people. The part nearest to the street was let to a business firm for the storage of boxes, but, with the storage of piano cases and so forth, it became unsightly, and we readily agreed to their removal. When the front of the property was used for storage we charged £90 per annum. They did not include the tennis court or the police quarters. I shall consult the Government valuer,

and ascertain what would be the rental for this site. If it is not to be published in the press, I have no objection to saying that, approximately, the rent for Wirth's site in the future will be £850. If, under the next lease, Wirth's people arrange to allow the building to revert to the State absolutely, we will ease off in the rental; at present the building belongs to them for removal if they like, and if they retain that right the rental will be higher. If the Commonwealth decides that that is the best site for the Taxation Office, I think it is only reasonable that the Commonwealth should pay for the building. We arrange, as far as possible, to buy the building from the outgoing tenant for the incoming tenant. I shall ascertain what the present tenant will expect to receive. The leasehold system of twenty-one years applies to the factory sites at South Melbourne, and in parts of Port Melbourne, and we have extended it to the Footscray site at Spotswood. The South Melbourne Council receives rates for the land let on the twenty-one years' lease; but the Defence Department has a very large area, and I do not hold out very strong hopes of rates from that. The other area was held up at the request of the South Melbourne Council, because they desired to erect workmen's homes there; otherwise it would have been let for factory sites. At Wonthaggi, we offered leases for twenty-one years, but the people did not think that this would suit them from a business point of view. They wished either a long lease of fifty years, with the rent reviewable every tenth year, or the freehold, because many business people have to use their sites as security in dealing with the firms from which they purchase goods. Amending legislation made the matter optional, and many took the freehold. It is possible that the Government have an open mind on the question of granting the fee-simple.

The witness withdrew.

William Mitchell Warrick, Property Officer, Lands and Surveys Branch, Commonwealth Surveyor-General's Department, Melbourne, sworn and examined.

41. *To Senator Newland.*—I have control of the leasing of accommodation for Commonwealth Departments accommodated outside the Commonwealth Offices. My duties do not cover the building of premises, but only the renting of them. The rental now paid for the accommodation of the Taxation Department in Elizabeth House is £5,052. This includes an area of 15,316 square feet, for which £4,450 a year is paid, and 1,360 square feet, for which £602 a year is paid. For the accommodation provided for the Department in the old General Post Office the Department is debited with £2,874 per annum. I think that is only a journal entry. I have not gone into the question of housing the Taxation Department in any other building. It does not come within my province. I am satisfied that there is no suitable and adequate accommodation available in Melbourne for the Taxation Department. Mr. Hart's agent has told me that he does not want the Taxation Department to remain in Elizabeth House. When the last lease expired, and the owners increased the rental, he led me to understand that Mr. Hart would be very glad if the Department would get out. I think there may be a difficulty in getting the present lease renewed, and even if we can renew it, I am afraid that we shall have to agree to an increased rental. The lease will expire on the 31st August, 1923. I certainly think it is time that the Department was looking for a place of its own. One clause of the lease requires that we shall give six months' notice of a desire to remain there. The object of that, I suppose, is to enable the owner to consider the question of increasing the rent. The rental values of such offices in Melbourne have increased considerably during recent times, but it is a question whether there will be any further rise. As an

example, I may mention the Wool Exchange, in King-street. When that building was nearly completed, we leased some accommodation for the Works Branch of the Navy Department, for which we paid 3s. 6d. per square foot. The rent was raised twice or three times on the renewal of the lease, until it reached 5s. or 5s. 1d. per square foot. The lease ran out last December, when the Department did not desire a renewal. The owner is still advertising for tenants. A very large building is being erected in Flinders-street, about half-way between Collins-place, or Exhibition-street, and Russell-street, by the *Sun* newspaper. The *Herald* is also building on the other corner. I do not know whether the *Herald* office will have accommodation for renting, but the *Sun* office will. In company with the manager of the Temperance and General Insurance Company, I inspected the *Sun* property. I asked him if he would quote a rent to me. He declined to do so, but, in the course of conversation, he mentioned 4s. 6d. per square foot, which I said I considered was too high. Since then he has placed the matter before the Prime Minister, and has suggested that if the Commonwealth wants to take the building it should quote a rent. He has asked that this matter be treated as confidential. Another example is at 30 Russell-street, where the Commonwealth rented 3,600 square feet at 2s. 11d. per square foot. It was formerly used as a show room, and is very well lighted, and suitable for office purposes, if a little money were expended in improving the interior surfaces of the walls. There is a building adjoining the Royal Bank, at the corner of Flinders-lane and Russell-street, which is at present leased for factory purposes. I understand that some regulations have come into force recently which will necessitate certain alterations to the building, and the tenants are anxious to get out. The owner has employed an architect named Warren to go into the matter and report upon the cost of providing good office accommodation in the building. He has told me that it will consist of 18,500 square feet, and the rent will be £2,500 per annum, which will work out at 2s. 8d. per square foot. I have my doubts about that. The offer to the Commonwealth is that the Commonwealth architect should go into consultation with Mr. Warren to see what can be done. I know practically what was paid for the building, and what the alterations will cost—£25,000—and at the rental that is being asked, for a period of ten or fifteen years, will amount to only 10 per cent. interest on capital. The Commonwealth recently leased for a long term, for the accommodation of the Patents Office, a building known as Nestle's Building, Bourke-street. It is about the same distance from the centre of the city, and is in the same class of locality as the previous building I have mentioned. Nestle's Building works out at 3s. 6d. per square foot for a total area of 15,500 square feet, including the basement. The Commonwealth Government have leased that building for ten years. For a Department like the Patents Office we had to be very careful about the style of accommodation. The building was taken because of its situation as much as for anything else. It has a right-of-way on each side, and a frontage to the street, so the fire risk is less than in some other buildings. The Patents Office is not only taking the whole of the accommodation, but the owners are adding another floor, because the previous building was inadequate. One example which will fix prices better than anything else is that of the old Australian Church. In this building there are three floors, with an area of 18,500 square feet. They have been let to Joe Taylor and others at a slightly less rent than the Commonwealth was asked. The difference between the rent they are paying and the rental we were asked is due to the fact that the Commonwealth required some additions to the walls. The Commonwealth was asked £3,100, which works out at

3s. 4d. per square foot. In my opinion, there is no building in Melbourne, either Commonwealth-owned, State-owned, or privately-owned, that can provide the 60,000 square feet of accommodation required by the Taxation Commissioner. The only building in sight is the *Sun* building, in which there will be 67,000 square feet available on four floors above the level of Flinders-lane. The *Sun* people will reserve to themselves the ground floor and the first floor. Tait made an offer to build if the Commonwealth would take the floors other than the ground floor on a block of land opposite the King's Theatre, in Russell-street. They could build 25,000 square feet, at a cost of 3s. 9d. per square foot. That offer has been submitted to Mr. Ewing, but he says that the accommodation would not be sufficient. The *Sun* people have never quoted me a price, but Mr. Thompson has said that they would be willing to build higher if the Commonwealth required the accommodation. I have not had anything to do with the land into which this Committee has been inquiring. I do not consider that I am in a position to say whether any of the three sites that have been suggested would provide the necessary accommodation. Mr. Murdoch could state that better than I from an architectural stand-point.

42. *To Mr. Mathews.*—There are four floors in a building at 17 Swanston-street that the War Service Homes Department leased for the Deputy Commis-

sioner. We are unable to sublet them. We are paying £1,200 a year for them, which amounts to 3s. 3d. per square foot, the total area being 7,324 square feet. They are a very bad proposition from an office point of view. The lease will terminate on the 30th April, 1926. It was arranged by the War Service Homes Commissioner himself, and we are trying to relieve them of further responsibility. Every day's delay makes the proposition more difficult, because the term of the lease is shortening. Inquiries I have made, and conversation with agents, make it appear that there is a falling off in inquiries for properties.

43. *To Senator Plain.*—No sites have been submitted to me for consideration for the accommodation of the Taxation Department. Sufficient area would be available in the *Sun* office, but I cannot speak as to its suitability. There will be no lighting from the east side. I think Mr. Murdoch reported unfavorably upon it some time ago. I think the lighting would be the only real objection. The location would be suitable.

44. *To Senator Newland.*—From the point of view of lighting and the convenience of employees and the general public, I should say that the site at the old General Post Office, at the corner of Angel-lane and Little Bourke-street, would be the most suitable. The Treasury Gardens site would be less suitable from the point of view of the convenience of the public.