

REVISED

1923.



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

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Clerk of the Senate,
22 AUG 1923

REPORT

FROM THE

JOINT COMMITTEE OF PUBLIC ACCOUNTS

UPON

WAR SERVICE HOMES DISPOSALS.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS.

R E P O R T

ON THE

WAR SERVICE HOMES DISPOSALS.

INTRODUCTORY.

In the Final Report upon the War Service Homes Commission, which the Third Joint Committee of Public Accounts presented to Parliament on 27th July, 1922 (Parliamentary Paper No. 32 of Session 1922), reference was made to the losses which it was anticipated would follow the change of policy, announced in July, 1921, in connexion with the War Service Homes scheme whereby all constructional work by day labour was to cease, and limited building operations were to be carried out under the contract system or handed over to such State organizations as would undertake the erection of the houses.

In view of the inevitable extensive loss of public money involved, the Joint Committee of Public Accounts deemed it essential to continue the investigation of the previous Committee and go further into this phase of the activities of the War Service Homes Commission in order to acquaint Parliament with the present position.

The taking of evidence on this inquiry was commenced on the 2nd May last and concluded on the 9th August—portion of the work having been carried on by the Committee concurrently with another investigation.

During the investigation the following witnesses were examined:—

Allard, Alfred Gordon, of Baillieu, Allard Pty. Ltd., Auctioneers, Collins House, Melbourne.

Chitty, Charley, Timber Merchant, Dandenong-road, East Malvern.

Evans, Harrie Smallie, resident partner, Messrs. David Fell and Co., Public Accountants, 314 Collins-street, Melbourne; formerly Consulting Accountant to the War Service Homes Commission.

Hill, Thomas, Chief Engineer, Works and Railways Department, Melbourne.

Loynes, James, Deputy Commissioner for War Service Homes, Queensland.

Mann, Harry Akhurst, supplies officer, War Service Homes Commission.

Morrell, James Charles, Deputy Commissioner for War Service Homes, New South Wales.

Percival, Arthur, Assistant Commonwealth Surveyor-General, Melbourne.

Peterson, Charles Wentworth, Secretary, War Service Homes Commission.

Semmens, Colonel James Michael, *O.B.E.*, *V.D.*, Acting War Service Homes Commissioner.

Smith, Edward, formerly Deputy Commissioner for War Service Homes, Western Australia and Victoria.

Smith, Ralph Gordon, Accountant, War Service Homes Commission, Queensland.

The Committee also availed itself of some of the evidence on this subject heard by the previous Committee.

EXPLANATORY.

To carry out the work of providing homes for returned soldiers and their dependants in accordance with his original programme, the War Service Homes Commissioner acquired large areas of building land in the various States and extensive timber areas and saw-mills in Queensland and Victoria; he purchased great quantities of building material of all kinds, and entered into long-dated contracts for heavy supplies of timber, joinery, cement, tiles, and other goods necessary for his purpose. Store depôts were established throughout the States, and, in addition to setting up manufacturing concerns of his own, the Commissioner financed private firms to extend their works and plant to meet his anticipated demands.

With the change of policy came the necessity for disposing of the various assets and stocks on hand, which were being added to daily by deliveries under running contracts. To deal with the position, the then Assistant Minister (Mr. Rodgers) decided to set up an organization for the

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JOHN EDWARD WEST, Esquire, M.P.

* Appointed 5th July, 1922.

† Retired 20th June, 1922.

‡ Resigned 23rd June, 1922.

disposal of surplus stores, etc., which would take over all stocks and be practically independent of the Commissioner and his deputies. About October 1921, he appointed a Central Disposals Board comprising Major-General Sir J. W. McCay as Chairman, and Mr. T. Hill, Chief Engineer of the Commonwealth Works and Railways Department, as second member. In New South Wales, Queensland, Western Australia, and Tasmania, subsidiary Boards were appointed to supervise and conduct the sales, whilst in Victoria this work was performed by the Central Board in addition to its other responsibilities. No Board was appointed in South Australia, as there were no materials to be disposed of in that State. In selecting the *personnel* for the subsidiary Boards an endeavour was made to secure the services of well-known business men to act in conjunction with responsible local officials. These Boards were originally constituted as follows:—

New South Wales—Mr. G. J. Oakeshott, Commonwealth Works Director for New South Wales, and Mr. John Harrison.

Queensland—Mr. E. E. Smith, Commonwealth Works Director for Queensland, and Mr. A. S. Midson.

Western Australia—Mr. W. B. Hardwick, Principal Architect, State Public Works Department, and Mr. Leslie.

Tasmania.—Mr. H. Bucirde, of the State Public Works Department, and Mr. W. Taylor, Deputy Commissioner for War Service Homes.

Owing to the comparatively small stocks in Tasmania, the local Deputy Commissioner acted on behalf of the Commission.

Major-General McCay performed his duties as Chairman of the Disposals Board concurrently with those of Business Adviser, to which position he had been appointed a few months previously on the termination of the work of the Advisory and Consultative Committee. As Business Adviser he investigated the current contracts of the Commission and made recommendations to the Minister concerning them.

The general scheme provided for the State Boards to dispose of the stocks on land at prices approved by the Central Board. The Board recognized that it would be operating on a falling market; it had to take into account the fact that the longer stocks were held the more they would diminish in value, and whilst expediting the work it endeavoured to avoid anything in the nature of forced realization. Its policy was to refrain as far as possible from disturbing the market, and by offering slight reductions for cash, and quoting wholesale or retail rates according to the quantity desired, to make prompt cash sales wherever possible.

The operations of the Disposals Boards commenced about October, 1921, and ceased on 30th June, 1922. Since that date the Acting Commissioner for War Service Homes, with Mr. Hill assisting in an advisory capacity, has been endeavouring through the Deputy Commissioners to sell the balance of stocks taken back from the Disposal Boards.

ASSETS FOR DISPOSAL.

The assets of the Commission, which on account of the change of policy, became available for disposal, comprised:—

- (a) Timber Areas and Saw-mills in Queensland:
- (b) Building Materials:
- (c) Depôts and Plant.

(a) TIMBER AREAS AND SAWMILLS IN QUEENSLAND.

The question of the purchase by the Commissioner of timber areas, saw-mills, and joinery works in Queensland was investigated by the Third Joint Committee of Public Accounts, which presented a report thereon to Parliament on 26th November, 1920 (Parliamentary Paper No. 82 of 1920).

The properties originally acquired comprised—

(1) From Laheys Limited—

- (a) at *Canungra*—10,412 acres of freehold land, of which 4,392 acres carry pine, and up-to-date saw and planing mill situated on about 17 acres of leasehold land adjoining the railway, together with all working plant, railway and branch lines—totalling 16 miles, locomotives, rolling stock, bush plant, &c.
- (b) at *Beaudesert*—a newly erected saw-mill, situated on a block of 6½ acres of freehold land, served by a railway siding.
- (c) at *South Brisbane*—Joinery Works and Offices.

The price agreed upon was £243,600, half in cash and half in Peace Bonds. It was stipulated that, at the end of varying periods, Lahey & Ltd. should have the right to re-purchase the freehold land for the sum of £5,570.

(2) From Mr. J. F. Brett—

- (a) at *Beaudesert*—1,786 acres of freehold and 2,270 acres of timber rights.
- (b) at *Blackbutt*—1,688 acres of freehold and 3,527 acres of timber rights.
- (c) at *Killarney*—4,601 acres of freehold and 424 acres of timber rights—two saw-mills.
- (d) at *Sanford*—2,196 acres of freehold and 841 acres of timber rights.

The price paid was £220,000, half in cash and half in Peace Bonds. In addition the vendor was given the right to the "tops" on all the properties acquired from himself and Laheys Ltd.

In view of the policy at that time in regard to the erection of War Service Homes, the Committee found that the acquisition of the properties was necessary to insure the carrying out of the undertaking of the Commissioner, and that at the time the terms upon which these had been secured were, on the whole, satisfactory. Recognising that considerable friction must result in having two divergent interests operating simultaneously, not only on the same area but upon the same tree, the Committee recommended that the decision concerning the "tops" should be reconsidered. The "tops" were subsequently re-purchased by the Commission from Mr. Brett for the sum of £20,000.

Owing to the change in the policy, however, practically the whole of these Queensland properties have been standing idle since the time of purchase. The joinery works, after being leased for some months, were sold at the price paid for them. Tenders were called early in 1921 for the working of the timber properties, but none was accepted. One of the Killarney Mills has been leased. A few of the timber areas have been sold, and some with short-dated leases have been let on royalties, whilst one area has lapsed on account of the Commission's failure to exercise its option of renewal. Two offers were made by Laheys Ltd. to take back the properties sold by them to the Commonwealth, but neither was considered satisfactory.

The latest action taken concerning the Queensland properties has been to call tenders for the sale of the saw mills at Canungra, Beaudesert, Emu Vale, and Killarney, the surrounding freehold land, and the standing timber thereon. The offers received are at present under consideration.

(b) BUILDING MATERIAL.

Upon the appointment of the Disposal Boards all stocks of building material were taken over from the Deputy Commissioners. Although instructions were issued that stock was to be taken by a representative of the Board and of the Commission, book values were subsequently adopted in order to secure continuity. It was considered, too, that the expense of taking stock of the enormous quantities of timber in Queensland and Victoria would be unwarranted.

To utilize some of the material, steps were taken to include in specifications for such houses as were being erected certain lines which were in stock, but as most contractors preferred to deal with their regular suppliers, the result was negligible.

Much difficulty was experienced in disposing of many of the lines, not only on account of the enormous quantities, but also by reason of the departure from the regular designs and trade sizes. This referred particularly to the stocks of joinery in the Eastern States, and to the hardware, weatherboards, and glass in Victoria. In Western Australia, excessive quantities of hardware and electrical fittings were purchased. In an endeavour to effect a clearance of these lines the principal hardware merchants in Perth were approached by the local Disposals Board, and eventually a combination of six of these firms bought up practically the whole of the remaining stocks of the Commission at prices which represented a considerable loss to the Commonwealth. In reporting the sale to the Central Board, the Chairman of the Western Australian Board intimated that his Board had accepted as correct the statement of the merchants that "the quantities now purchased are so large that, even spread over the various firms, they represent several years' stock, and consequently the risk of buying with the present unsettled state of the market is very great." Further information concerning the transaction being desired by the Central Board, it was explained that "the prospects of obtaining anything like satisfaction on the basis of retailing these stocks in the city were bad, and although the loss sustained is of some consequence, we (the Disposals Board) are firmly of opinion that the best thing has been done to quit the lot. It is of very little satisfaction, although advisable, to have taken the course adopted."

The following statements compiled as at 30th June, 1923, shows the value of the various lines of material taken over by the Boards in each State, the proceeds from the sales, the loss on sales, and the value of material on hand:—

NEW SOUTH WALES.

	Book value of Materials taken over.	Proceeds from sales.	Loss on sales.	Book value of Materials on hand.
	£	£	£	£
Timber	90,547	63,654	26,893	..
Joinery	28,362	17,057	10,046	1,259
Hardware	99,005	51,396	47,699	..
Iron	11,600	3,495	3,105	..
Cement, Bricks, Tiles, &c.	11,889	8,988	2,891	10
	241,493	149,590	90,634	1,269

VICTORIA.

	Book value of Materials taken over.	Proceeds from sales.	Loss on sales.	Book value of Materials on hand.
	£	£	£	£
Timber	287,466	146,917	(Not yet ascertainable)	(Not yet ascertainable)
Joinery	16,962	12,290	"	"
Hardware	31,325	17,025	"	"
Iron	6,000	6,051	749	..
Glass	16,205	6,399	9,806	..
Piping	11,544	6,159	5,385	..
Paints, Oils, Stains, &c.	8,470	4,355	(Not yet ascertainable)	(Not yet ascertainable)
Cement, Bricks, Tiles, &c.	3,785	2,367	1,418	..
Sundries	7,041	3,222	(Not yet ascertainable)	(Not yet ascertainable)
	359,603	204,785	92,874	61,944

QUEENSLAND.

	Book value of Materials taken over.	Proceeds from sales.	Loss on sales.	Book value of Materials on hand.
	£	£	£	£
Timber	329,761	257,520	(Not yet ascertainable)	(Not yet ascertainable)
Joinery	11,548	5,822	"	"
Hardware	15,768	8,192	"	"
Iron and Plumbers' Ware	25,208	11,210	"	"
Paints, Oils, &c.	9,218	3,152	"	"
	391,493	285,896	30,056	75,541

WESTERN AUSTRALIA.

	Book value of Materials taken over.	Proceeds from sales.	Loss on sales.	Book value of Materials on hand.
	£	£	£	£
Timber	38,096	14,110	8,811	15,175
Joinery	7,170	2,686	1,613	2,871
Hardware	26,058	13,570	11,934	454
Miscellaneous Stores returned from Construction Works	4,130	830	3,300	..
	75,454	31,296	25,658	18,500

TASMANIA.

	Book value of Materials taken over.	Proceeds from sales.	Loss on sales.	Book value of Materials on hand.
	£	£	£	£
Timber	3,100	2,252	848	..
Joinery	1,303	1,038	245	..
Hardware	3,310	2,196	1,067	53
Iron	2,291	1,625	666	..
Piping	1,341	558	783	..
Paints and Oils	533	291	119	190
Cement, Bricks, and Tiles	543	453	46	44
Sundries	203	163	15	25
	12,630	8,599	3,789	242

In cases where the losses and quantities on hand are shown as "not yet ascertainable" the Commission is not in a position to supply details of the items, but the aggregate loss for each State has been ascertained by deducting from the total value of material taken over the amount received from sales and the value of stocks on hand. To that extent, therefore, the losses indicated are approximate only.

The position regarding materials, as at 30th June, 1923, may be summarized as under:—

	New South Wales.	Victoria.	Queensland.	Western-Australia.	Tasmania.	Commonwealth.
	£	£	£	£	£	£
Value taken on charge by Board	241,493	359,603	391,493	75,454	12,630	1,080,673
Sales	149,590	204,785	285,896	31,296	8,599	680,166
Value of Materials remaining	91,903	154,818	105,597	44,158	4,031	400,507
Loss on Sales of Materials	1,269	61,944	75,541	18,500	242	157,496
Amount written off Materials for depreciation at 30th June, 1921	90,634	92,874	30,056	25,658	3,789	243,011
Aggregate Loss on Materials only	15,243	79,849	2,708	397	1,969	100,166
	105,877	172,723	32,764	28,055	5,768	343,177

(c) DEPÔTS AND PLANT.

To conduct the day-labour operations of the Commission, depôts were established at various centres in the different States.

In New South Wales there were three depôts around Sydney, viz., Auburn, Belmore, and Chatswood; one at Newcastle, and another at Goulburn. Land was also acquired at Alexandria, near Sydney, at a cost of £5,000, for the purpose of opening a sand pit. The original intention was to cart the sand to the station, 1½ miles distant, and distribute it by rail to the various centres. It was found later that it would cost more to get the sand to the railway than it would to have sand delivered on the sites. The area was eventually sold at a loss, including interest, of £1,200.

In Victoria a leasehold area at South Melbourne, which had been previously occupied as a timber yard, was taken over as a store depôt. Portion of an area of building land at Highfield-road, Camberwell, was also utilized for a timber depôt and a motor garage.

In Queensland the Deputy Commissioner took over the lease of the timber yard and stores of the Queensland Pine Company, in South Brisbane, for his principal depôt, whilst depôts were established at Cairns, Rockhampton, and other centres during building operations.

In Western Australia depôts were established at Carlisle, Maylands, Mount Hawthorn, and Subiaco.

The tile-manufacturing machinery referred to in the following statements consisted of twelve tile-making plants, purchased by the Controller of Supplies about the same time when negotiations were being conducted for extensive contracts for the supply of tiles by private concerns. These plants were erected in New South Wales, Victoria, and Tasmania. Their product was, however, not a stock pattern tile, and, in consequence, replacements and repairs to roofs built with them will be expensive. They were subsequently sold for what they would bring.

Although the depôts were generally centrally situated for their purpose when building activities were in full swing, they were certainly not convenient centres for sales when the disposal of their contents had to be undertaken. Moreover, in those cases where the Commission held the freehold, and had erected buildings thereon, difficulty was experienced in finding purchasers for them at anything like reasonable prices. In some instances auction sales were held, and depôt buildings and plant were sold without reserve.

The following statement shows the position with regard to depôts and plant as at 30th June last :—

	NEW SOUTH WALES.				VICTORIA.			
	Value taken over.	Sales.	Loss.	On hand.	Value taken over.	Sales.	Loss.	On hand.
Depôt Buildings ..	£ 15,999	£ 8,857	£ 5,847	£ 1,296	£ 7,676	£ 90	£ 332	£ 7,254
Motor Transport ..	12,312	5,210	7,102	..	4,458	1,383	2,650	675
Depôt Plant and Sundries ..	646	243	402	1	4,772	4,448	176	148
Tile Manufacturing Works ..	657	92	565	..	988	233	755	..
	29,614	14,402	13,916	1,296	17,894	6,104	3,813	7,977

	QUEENSLAND.				WESTERN AUSTRALIA.				TASMANIA.			
	Value taken over.	Sales.	Loss.	On hand.	Value taken over.	Sales.	Loss.	On hand.	Value taken over.	Sales.	Loss.	On hand.
Depôt Buildings ..	£ 343	£ 163	£ 180	..	£ 1,908	£ 76	£ 376	£ 1,467	£ 826	£ 28	£ 28	£ 770
Motor Transport ..	6,051	2,657	734	2,660	4,385	2,735	1,463	187	966	504	462	..
Depôt Plant and Sundries ..	1,110	276	74	760	1,993	1,232	618	143	204	166	17	21
Tile Manufacturing Works ..	..	..	..	..	..	..	..	..	245	125	120	..
	7,604	3,096	988	3,420	8,286	4,042	2,457	1,787	2,241	823	627	791

The position concerning depôts and plant, as at 30th June, 1923, may be summarized as under :—

	New South Wales.	Victoria.	Queensland.	Western Australia.	Tasmania.	Commonwealth.
Value taken on charge by Board	£ 29,614	£ 17,894	£ 7,004	£ 8,286	£ 2,241	£ 65,539
Sales ..	14,402	6,104	3,096	4,042	823	28,467
Value remaining ..	15,212	11,790	4,408	4,244	1,418	37,072
Loss on Sales ..	1,296	7,977	3,420	1,787	791	15,271
	13,916	3,813	988	2,457	627	21,801

EXPENSES.

On their creation, the Disposal Boards took over such staff as the Commissioner had employed in connexion with the depôts, and the salaries of such officers and other expenses incurred in disposing of material, including costs of advertising, auction sales, selling commission, &c., were charged against the receipts from the sales.

For their services on the Disposal Boards, General McCay and Messrs. Harrison and Midson were remunerated at the rate of £2,000 per annum, and the officers of the Commonwealth and Tasmanian Works Departments received honorariums, viz., Mr. E. E. Smith, £350; Mr. T. Hill, £250; Mr. Oakshott, £150; and Mr. Bucirde, £50. In Western Australia payment for members of the Boards was fixed at the rate of £3 3s. for each sitting; but in the case of Mr. Hardwick, as a State official, the amount for his services had to be paid to the State Treasury.

The following statement shows the amounts of expenses incurred under the different headings in the various States, in relation to the sales effected, together with the percentage of expenses to sales. The figures are set out in two periods, viz., from November, 1921, to 30th June, 1922, during which time the Disposal Boards operated, and from 1st July, 1922, to 30th June, 1923, when the work was conducted by the Acting Commissioner. In comparing the actual results for the two periods it has to be borne in mind that at the outset of the sales there was a larger and more varied assortment of goods upon which to operate than in the later stages. The high amount for railage, &c., in Queensland is explained by the fact that for some time the timber from the Queensland Pine Company's current contract was stacked at Yarraman; on the termination of the contract nearly 2,000,000 super. feet of pine had to be brought to Brisbane.

	New South Wales.	Victoria.	Queensland.	Western Australia.	Tasmania.	Commonwealth.
Sales to 30th June, 1922 ..	£ 72,859	£ 144,281	£ 132,834	£ 11,779	£ 7,642	£ 369,395
Sales during 1922-23 ..	91,133	66,608	156,158	23,659	1,780	339,238
Total ..	163,992	210,889	288,992	35,338	9,422	708,633
Expenses to 30th June, 1922 ..	11,408	11,306	16,562	2,296	903	42,475
Expenses during 1922-23 ..	9,302	10,910	34,252	4,478	173	59,115
Total ..	20,710	22,216	50,814	6,774	1,076	101,590
Percentage of Expenses to Sales—	%	%	%	%	%	%
To 30th June, 1922 ..	15.65	7.82	12.47	19.48	11.8	11.49
During 1922-23 ..	10.27	16.03	21.93	19.01	9.72	17.42
For full period ..	12.64	10.44	17.58	19.17	11.4	14.34
Details of Expenses—	£	£	£	£	£	£
Salaries and Expenses of Board and Staff ..	8,210	6,323	5,072	1,932	496	22,033
Depôt Wages and Salaries ..	7,492	6,610	19,596	2,692	380	36,180
Depôt General Expenses ..	2,434	3,526	3,686	763	129	10,538
Selling Commission and Expenses ..	2,213	4,884	6,548	1,987	..	15,632
Miscellaneous (including Railage, Shipping, and Rents) ..	361	863	15,912	..	71	17,207
Total ..	20,710	22,216	50,814	6,774	1,076	101,590

STOCKS ON HAND.

The principal stocks on hand at the commencement of the current financial year comprise hardwood in Victoria, delivered under the contract with Messrs. R. Driver and Co., which is still the subject of litigation; pine in Queensland, received under the contract with the Queensland Pine Company; and jarrah in Western Australia, purchased from the Wheat Board. The hardwood in Victoria is now being brought from Beech Forest and Orbst to Melbourne for disposal. It is anticipated that the loss on the sale of this timber will be heavy.

TERMINATION OF CONTRACTS.

One of the problems associated with the change of policy was the question of contracts and arrangements for supplies of various building materials entered into by the Commissioner. The work of investigating these contracts, negotiating with the contractors, and advising the Minister concerning the action advisable in each instance, was conducted by the Business Adviser. Varying results were achieved by these means. In some instances the contracts were terminated, but in many cases contractors refused to release the Commission, which had then either to accept deliveries or pay compensation. The following statement shows the amounts which, up to the present, have been paid by the Commission in respect of contracts terminated:—

Name.	Amount Paid by Commission.	Goods and Remarks.
NEW SOUTH WALES.		
Miller Bros.	£ s. d. 25 0 0	Laundry tubs
Digger Cement Co.	25 0 0	Laundry tubs
Beattie, W. H.	225 0 0	Cement columns
Broomfields Ltd.	810 0 0	Mortice lock sets
Casper and Nonnus	5,000 0 0	Plaster sheets, &c.
Gray and Askew	9,793 3 6	Cement. Claim for £10,000, less £206 16s. 6d. for cement bags not returned
A. and E. Ellis Ltd.	1,200 0 0	Joinery. This amount has been paid into Court as settlement of the claim for the sum of £25,000 in respect of an alleged breach of contract for the supply of joinery. This case is now the subject of litigation.
Harris and Turner	700 0 0	Installation of electric light
State Saw-mills	1,632 11 0	Timber
VICTORIA.		
Alkemade Bros.	5,000 0 0	Line
Melbourne Fibrous Plaster Co.	4,200 0 0	Plaster sheets
Kemp Bros.	6,999 17 9	Roofing tiles, &c. The Commission also agreed to pay the sum of £900 16s. 11d. owing by the contractors upon plant purchased for the purpose of the original agreement.
Mould, T. S.	137 10 0	"Domus" fires
Stuccoid Plastic Art Co.	804 5 0	Plaster sheets
Lottoid Pty. Ltd.	76 0 0	Ventilators
Louis Anderson and Co.	900 0 0	Stoves and coppers. This amount also covers the cancellation of contracts for the supply of these goods in Tasmania and Western Australia.
Limb, Soury, and Limb	9,000 0 0	Plaster.
B. C. Brett, agent for D. Brims and Sons Ltd., Brisbane	150 0 0	Three-ply wood
Guyett and Sons	35 0 0	House construction
Junction Joinery and Timber Mills Pty. Ltd. (formerly E. A. and D. Green)	87,566 9 10	Joinery. The Arbitrator awarded the company the sum of £100,534 18s. 4d., and to the Commission the sum of £12,968 5s. 0d., leaving a balance of £87,566 9s. 10d.
R. Driver and Co.	10,000 0 0	Hardwood. The total awarded by the Arbitrators was £121,831 14s. 8d., which was to be reduced by the amount of £90,333 19s. 1d. owing on the mills. The Commission is disputing this award. The sum of £10,000 represents sums paid to Mr. Driver, which are deductible from the amount of any award made in his favour.
QUEENSLAND.		
Coonan, G. F.	21 13 0	Wood-preserving oil
WESTERN AUSTRALIA.		
Yates, P.	1,000 0 0	Erection of houses
Wunderlich Ltd.	2,046 12 6	Tiles
Briggs, T. J.	276 0 0	Lime, stone, and cow hair
TASMANIA.		
Willing, A. E.	75 0 0	Shingles and palings
Chesterman and Co.	330 0 0	Timber
Crisp and Gunn	59 8 1	Bricks
Batt, G. W.	900 0 0	Joinery
Total	148,986 10 8	

	SUMMARY.	£
New South Wales	19,411
Victoria	124,868
Queensland	22
Western Australia	3,321
Tasmania	1,364
Total	148,986

In addition to the above, the following cases are pending:—

Deans Ltd., Newcastle, New South Wales, who have issued a writ for the sum of £26,500 in respect of an alleged breach of an alleged verbal contract for the supply of bricks to the Commission.

Messrs. Kiusey Bros., of Western Australia, have issued a writ for the sum of £713 18s. 8d. damages for breach of an alleged contract for the supply of stone to the Commission.

OTHER ASSETS.

Other assets of the Commission, which might be realized, are:—

- (a) Building land.
(b) Unallotted houses.

(a) BUILDING LAND.

As indicated in the various Reports concerning the War Service Homes Commission presented to Parliament by the Joint Committee of Public Accounts during 1921 and 1922 (Parliamentary Papers Nos. 121, 149, 151, and 164 of 1920-21, and Nos. 11 and 32 of 1922), the acquisition of land by the Commission proceeded far ahead of possible requirements. The consequence is, that at the present time the Commission holds, in all States, except South Australia, extensive areas of land which are not being utilized, and which may not be required for War Service Homes purposes for many years, if at all. The Acting Commissioner recently invited waiting applicants to select blocks of land on areas held by the Commission, but the response was disappointing.

The number of allotments which the Commission has at present available is 8,524, the purchase price of which amounted to approximately £412,000 to which must be added interest totalling nearly £41,000. In Victoria and Western Australia, where constructional work is being carried out for the Commission by the State Savings Bank and the Workers' Homes Board respectively, available lots are being passed to those organizations for allocation to applicants. Attention is now being given by the Acting Commissioner to the question of the sale of such land as it is considered will not be required for War Service Homes purposes, having regard to the number of applications in hand for the particular localities, and the number likely to be received in future.

Evidence shows that present land values generally may be regarded as likely to hold for some time, and even to increase slightly in the future.

(b) UNALLOTTED HOUSES.

Owing principally to the erection of group houses in localities not favoured by applicants, a number of houses have remained unallotted. The number of such houses varies from time to time, but at the close of the last financial year 204 houses, representing a cost to the Commission of £150,403, were unallotted. These houses were distributed as under:—

State.	No.	Localities.	Remarks.	Cost.
				£
New South Wales	34	Adamstown . . . 1		
		Bankstown . . . 6	5 houses occupied on tenancy basis	
		Belmore . . . 4	1 house occupied on tenancy basis	
		Glen Innes . . . 5	5 houses occupied on tenancy basis	
		Goulburn . . . 5	3 houses occupied on tenancy basis	
		Kurri Kurri . . . 1		
		Lidcombe . . . 1	Occupied on tenancy basis	
		Mayfield . . . 1		
		Newcastle . . . 1		
		Parramatta . . . 4	2 houses occupied on tenancy basis	
		Regent's Park . . 4	1 house occupied on tenancy basis	
		Waratah . . . 1		
		34		28,776

