

1923-4.



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

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2nd April, 1924.

REPORT

FROM THE

JOINT COMMITTEE OF PUBLIC  
ACCOUNTS

ON THE SUBJECT OF

CANBERRA HOUSING.

MEMBERS OF THE COMMONWEALTH PARLIAMENTARY JOINT COMMITTEE  
OF PUBLIC ACCOUNTS.

(Fourth Committee.)

JAMES GARFIELD BAXLEY, Esquire, M.P., Chairman.

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

Senate.

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\* Appointed 5th July, 1923.   † Retired 20th June, 1923.   + Appointed a Member of the Royal Commission on National Insurance, 4th October, 1923.   || Appointed a Member of the Royal Commission on Navigation 1-21.   2 Appointed a Member of the Royal Commission on National Insurance, 7th September 1923.

House of Representatives.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS.

REPORT  
ON  
CANBERRA HOUSING.

INTRODUCTORY.

The Joint Committee of Public Accounts, in August last, decided to investigate certain phases of expenditure in connexion with the establishment of the Federal Capital—particularly those concerning the housing question. On 8th August, 1923, the Honorable the Minister for Home and Territories (Senator the Right Honorable G. F. Pearce) addressed the following communication to the Committee:—

Since 1912 the Commonwealth has from time to time constructed houses at Canberra for the accommodation of officers. Some of these houses are of a temporary character, while others are intended to be permanent structures.

The Parliamentary Standing Committee on Public Works, while recently considering the question of the erection of an Officers' Hostel at Canberra, drew attention to the fact that at present the Commonwealth receives in rental for these dwellings 25 per cent. less than the estimated annual value, plus rates and taxes (vide page 6 of Committee's Report). The decision authorizing this reduction was based upon a consideration of the increased costs of construction at Canberra, and of the fact that most of the tenants are officers or employees who are not in receipt of large incomes.

During such time as the number of cottages constructed for occupancy by officers is not very large, the effects of the reduction in rent will not be considerable.

However, prior to the transfer of Parliamentary and Governmental activities to the Federal Capital, it will be necessary for the Commonwealth to construct many houses for the accommodation of officers, and it appears to me necessary that the question of rental be placed upon some permanent and fair basis.

I would be glad if it could be arranged for the Committee of Public Accounts to look into this matter at an early date and favour me with its views thereon.

To this letter the Chairman replied as follows:—

I am in receipt of your communication of even date requesting this Committee to inquire into the question of the rentals charged for the cottages at Canberra occupied by officers.

I placed this matter before my Committee this morning, and, in reply, I desire to inform you that the Committee purposes investigating various problems in connexion with the housing at Canberra, and will be pleased to give early consideration to the particular phase of the subject referred to by you.

COMMITTEE'S PROCEEDINGS.

Although the Minister's request applied more particularly to the cottages occupied and to be occupied by Commonwealth public servants, it was realized that the wider question of the assessment of rentals at the Federal Capital generally would have to be faced at an early date.

To arrive at a basis for assessing rentals the Committee recognized the necessity for a careful study of the many factors affecting the housing problem—the tenure and value of the land, the cost of construction of the houses, and of the provision of necessary services, such as water supply, sewerage, storm-water drainage, lighting, roads, &c., and the redemption of the costs of

such services by means of rates. Investigation of these factors was therefore made, and information obtained concerning the State housing schemes of Queensland and New South Wales, and the housing scheme of the State Electricity Commission at Yallourn, Victoria—including construction costs, terms of occupancy, bases of rental and rating, and other matters of common interest. Evidence was also obtained concerning the terms of occupancy by public servants of premises owned or leased by the Commonwealth for various Departments. The present position of the Lithgow Housing Scheme, which was initiated to provide accommodation for employees of the Commonwealth Government Small Arms Factory, was also inquired into and forms the subject of a separate Report.

The Committee commenced its investigation on 2nd October, 1923, and examined the following witnesses:—

Anderson, Klaus, Contractor, Condamine-street, Manly Vale, Sydney.  
 Colledge, George Murray, Surveyor and Valuator, Workers' Dwellings and Workers' Homes Branch, State Advances Corporation, Brisbane.  
 Collins, James Richard, C.M.G., C.B.E., Secretary to the Commonwealth Treasury.  
 Daley, Charles Studly, Senior Clerk, Central Staff, Department of Works and Railways, Secretary to the Tentative Board of Control, Lithgow Housing Scheme.  
 Dampney, Gerald Francis, Inventor, "Lynista," Turramurra, New South Wales.  
 Goodwin, John Thomas Hill, Commonwealth Surveyor-General, Officer in Charge of Administration of Federal Territory, and Member of Federal Capital Advisory Committee.  
 Hall, Frederick Foster, Manager, Resumed Properties Department and Housing Board of New South Wales.  
 Hammond, William Pitt, Foreman's Clerk and Storeman, Department of Works and Railways, Federal Territory.  
 Hill, Thomas, Chief Engineer, Department of Works and Railways.  
 Horsburgh, Charles Walsh, Accountant, Department of Works and Railways, Federal Territory.  
 La Gerche, Arthur Romeo, Architect, State Electricity Commission of Victoria.  
 Murphy, James Francis, Acting Accountant, Home and Territories Department.  
 Owen, Percy Thomas, Director-General of Works, Department of Works and Railways.  
 Ratcliffe, Frederick Russell, Manager, Small Arms Factory, Lithgow, and Acting Chairman, Tentative Board of Control, Lithgow Housing Scheme.  
 Reid, Gordon Alexander, Section Hand, Small Arms Factory; Honorary Secretary, Littleton Vigilance Committee, Lithgow.  
 Rolland, Henry Maitland, Works Director, Department of Works and Railways, Federal Territory.  
 Ross, Herbert Ernest, Architect and Consulting Engineer, Sydney, and Member of Federal Capital Advisory Committee.  
 Sheafe, Percy Lempiere, late District Surveyor, Home and Territories Department, Federal Territory.  
 Street, Henry Eastwood, Inspector of Accounts, Local Government Department, New South Wales.  
 Ware, Michael John, Labourer, Federal Territory.  
 Waterman, Herbert Roy, Senior Clerk, Public Works Branch, Department of Works and Railways, Federal Territory.

#### LAND.

The Federal Territory comprises an area of 912 square miles, of which 64 square miles, although not officially defined, are regarded as constituting the city area.

In accordance with the Commonwealth Constitution Act all Crown lands contained within the Territory were granted to the Commonwealth without payment. By the *Seat of Government Acceptance Act* 1909 the provisions of the *Lands Acquisition Act* 1906 were applied to the acquisition by the Commonwealth, for any public purpose, of any land owned in the Territory by any person, and it was provided that in determining the compensation to which the owner is entitled under the Lands Acquisition Act the value of the land shall be taken not to exceed the unimproved value of the land, or the interest therein of the owner on the 8th day of October, 1908, together with the value of his interest in the improvements on the land at the date of the acquisition of the land. Up to the present an amount of about £750,000 has been expended in the purchase of freeholds, whilst

there is approximately £300,000 worth of such land still unacquired. At a recent date the tenures of land within the Federal Capital Territory were as under:—

			Acres.
Area of acquired lands	..	..	206,056
Lands alienated	..	..	44,686
In process of alienation (conditional purchase and conditional leases)	..	..	73,345
Held under lease	..	..	123,300
Unoccupied lands (roads, reserves, &c.)	..	..	135,773
Total Area of Territory	..	..	583,660

The *Seat of Government (Administration) Act* 1910 provides that no Crown lands in the Territory shall be sold or disposed of for any estate of freehold, except in pursuance of some contract entered into before the 1st January, 1911.

The Leases Ordinance 1918-1919 was issued to provide for the leasing of lands, not required in connexion with the establishment of the city, for grazing, agricultural and other purposes for a period not exceeding 25 years. Under this Ordinance lands within a reasonable distance of the city have been leased for short terms, five years being the longest period. Leases of land further removed from the city area have been granted for periods varying from ten years to twenty-five years according to the location of the land. The annual rent payable is a sum equal to 5 per centum per annum on the assessed value of the land, including improvements to the property of the Commonwealth, plus the amount of the rates payable per annum in respect of the land.

Under the City Leases Ordinance 1921 the Minister may grant leases in the city area for business or residential purposes for a period not exceeding ninety years at a rental equal to not less than 5 per centum of the unimproved value of the land, such value to be subject to re-appraisal at the end of 20 years, and thereafter at the end of every ten years. Under these leases the erection of a suitable building must be commenced within one year and completed within two years unless an extension of time, not exceeding two years, is allowed.

At a recent meeting of the Cabinet held in the Federal Territory it was decided that, as a general principle, all Federal lands should be disposed of by public auction. The period of lease was fixed at 99 years, and the basis of rent value at 5 per cent. of the unimproved value. The period of re-appraisal of rentals was decided as 20 years from the commencement of the lease, and thereafter every ten years. Building regulations are to be framed, and lessees are to be given definite rights in connexion with improvements.

No land has yet been made available for building purposes under the City Leases Ordinance—the Federal Capital Advisory Committee having recommended that the leasing of city land should be deferred until the construction of the Parliamentary buildings is further advanced and an assurance thereby conveyed to the general public that Canberra is to be definitely completed.

At the Cabinet meeting above referred to, after consultation with the Advisory Committee, two areas—business and residential—were selected and instructions issued for the compilation of the necessary plans for subdivision. It was decided to hold the first auction of residential and building leases, comprising about 500 allotments, on 1st October, 1924.

#### POPULATION AND ENGINEERING SERVICES.

In a report on the probable population of the Federal Capital prepared by the Commonwealth Statistician in 1910, the following estimates were given:—

Year.	Population.	Year.	Population.		
1914	..	21,250	1925	..	15,400
1915	..	20,150	1930	..	16,700
1920	..	14,200	1935	..	18,150

The original work for engineering services, such as water supply and sewerage, was based under Ministerial direction, and given no doubt in consequence of this forecast, on a scheme to provide for an initial population of 25,000 persons; and in order to preserve the integrity of the premiated design it was laid down that development of the northern and southern sides of the Molonglo River must be proceeded with simultaneously.

Post-war economic conditions and other factors have considerably modified early conceptions of the Capital, and in 1922 the Federal Capital Advisory Committee estimated that at the end of three years a staff of 1,000 would be located there to carry on the administration, resulting in a population of about 6,000. When the whole of the Civil Service was transferred it was considered that the population would aggregate 12,000. Owing to the adoption of the principle of erecting only temporary accommodation for the administrative staffs, a longer time will be taken to reach the population forecasted by the Advisory Committee. By establishing, at the commencement of the sittings of Parliament at Canberra, a secretariat, as is now proposed, it is considered that

at the outset permanent residential accommodation will be required for only about 250 or 300 civil servants.

#### WATER SUPPLY.

The water supply for Canberra is obtained from the Cotter River, which is stated to have an average daily flow, taken over a period of 13 years, of 70,000,000 gallons. The water is impounded by a dam 60 feet high, erected close to the junction of the Cotter with the Murrumbidgee River, giving a storage capacity of 380,000,000 gallons, which, having regard to local conditions, is considered sufficient for a population of 50,000 persons. From the dam the water is pumped in a cast-iron pipe to the pipe head reservoir on Mount Stromlo, whence it gravitates to a service reservoir on Red Hill—each of these reservoirs having a capacity of 3,000,000 gallons. From Red Hill temporary distributary mains have been constructed to various points, whilst permanent distributary works within the city area and another service reservoir on Mount Russell on the north side of the Molonglo River to contain 1,000,000 gallons, capable of being increased to 3,000,000 gallons, are being proceeded with.

The pumping works, pipe lines, &c., have been designed for a population of 25,000 and the distributary works to serve a population of 18,000, although the supply available in the Cotter River, according to gaugings recorded since 1910, is sufficient to cope with a population of 700,000 persons at the liberal rate of 100 gallons per day per head. Further pumping and storage units and mains can be readily installed when required. The cost of the headworks and pipe lines from the Cotter River to Red Hill totals approximately £250,000. Distributary works in the city area now in hand will involve an expenditure of £50,000.

#### SEWERAGE.

The construction of the main outfall sewer from the western boundary of the city to Western Creek, a distance of approximately three miles, is well advanced, and a commencement has been made with the intercepting sewers within the city boundary. These sewers have been designed of a size which is regarded as being the most economical, and are capable of taking the sewage of a population of from 100,000 to 125,000 persons. It is proposed that sectional main sewers of a smaller size will junction with these, and that reticulation will be still further reduced in size. The ultimate cost of the mains and sub-mains is estimated at £500,000.

Present settlements have been provided with septic tank installations so designed and placed that junction with the sewerage reticulation may be readily effected when warranted.

In order that the most efficient and up to date system may be adopted, the question of the installation of treatment works is being deferred until the time approaches for their need.

#### LIGHTING AND POWER.

Electric light and power are supplied from the Power Station which was one of the first structures erected at the Capital site; and services have been extended to serve the residential areas and the various construction works.

#### OTHER SERVICES.

The formation of avenues and streets with the necessary bridges and culverts, and the laying out of parkways and gardens, have been extensively undertaken. A large storm water channel has been constructed along the foot of Mount Ainslie to protect the northern residential area; and proposals for the control of storm water in other localities are under consideration.

#### PRESENT ACCOMMODATION.

Recognizing the importance of providing comfortable residential accommodation at reasonable cost at Canberra, and in view of the particular request of the Minister, the Committee devoted much attention to the question of housing.

#### COTTAGES.

Numbers of cottages for married officials have been erected during the past few years in different areas and others are now in course of erection. At the time of the Committee's visit 42 brick cottages were completed and occupied, and 34 were in course of erection, distributed as follows:—

Civic Centre ..	..	..	..	..	..	20
Power House ..	..	..	..	..	..	30
Blandfordia ..	..	..	..	..	..	16
Brickworks (Westridge)	..	..	..	..	..	9
Nursery ..	..	..	..	..	..	1
						—
						76

In addition there were nine timber cottages erected at Acton about 1912.

An architectural competition has recently been held in respect of proposed additional residences at Canberra, and the early erection of further cottages is contemplated.

Various types are included amongst the houses already erected. All have tiled roofs, and are complete with such services as water, sewerage, storm-water drainage, and electric light. The cost of the timber cottages—the earliest erected—containing five rooms was approximately £950, whilst the brick cottages have varied in price from £955 to £1,076 for four rooms, and from £1,318 to £1,435 for five rooms, including the kitchen. A laundry and bathroom are provided in each cottage.

To expedite and cheapen building construction at Canberra the Department has endeavoured to be as far as possible self-contained. Brickworks with a capacity of five million bricks per annum have been established. The manufacture of cement pipes and posts has been undertaken, and a joinery shop and 'fitters' shop have been operating in conjunction with the seasoning kilns.

There being a stock of approximately five million bricks on hand, manufacture has been suspended for some time, and the works are turning out roofing, ridge and floor tiles. By the utilization of the brick kilns for the burning of tiles, the saving of a capital outlay of several thousand pounds was claimed. The bricks produced at Canberra are of a particularly high quality; and cost about 2d per 1,000 at the kiln. It is hoped to manufacture tiles for from £14 to £16 per 1,000. Bricks and tiles are supplied by the Department to the contractor on the site of the work.

Taken all round, the price of material at Canberra is considered to be 25 per cent. above Sydney rates, whilst the cost of labour is put down at 5 per cent. above the Award rates for building trades in Sydney.

#### WORKMEN'S ACCOMMODATION.

Much difficulty has been experienced by the Department in securing adequate and satisfactory labour. Generally speaking three classes of workmen have to be catered for; some would like to make Canberra their home and, naturally, desire a permanent abode; others wish to remain there for a few years; whilst the third class stay only a few weeks.

Some of the brick cottages already built are temporarily occupied by workmen employed on construction, but they complain that the rents are too high for the average artisan. A number of married workmen and their families has been established in tenement blocks at the Molonglo Internment Camp, which have been repaired, re-roofed and improved, and let at the nominal weekly rental of 1s. 6d. per room. Water, sewerage and electric light services are available, but complaints were made concerning the lack of adequate heating facilities in these quarters during the winter.

As the constructional work is now reaching the stage at which artisans can be concentrated for definite periods, further provision for married tradesmen is being made by the erection of forty timber cottages which can be moved from place to place as the works proceed, and when of no further use to the Department will have, it is considered, a market value for private buyers. The estimated cost of these cottages is £300; and it is intended to let them for about twelve shillings per week.

Single workmen are provided for in camps established convenient to their employment, and it is proposed to make further accommodation available for them by additions and alterations to the military quarters at the Molonglo Camp.

For the convenience of those living in Queanbeyan a daily workmen's train is now run to the Power House picking up those residing at the Molonglo Camp.

The Committee was informed that the question whether the Government or the contractor should provide the requisite workmen's accommodation had not been determined. It was considered that it was the contractor's duty to attend to the comfort of his own employees; but it was recognized that the uncertainty as to whether further contracts would be secured at the Federal Capital would be reflected in the contract price. The Director-General of Works preferred that the Department should insist on a contractor housing his men properly, and, on the completion of the work, should the contractor no longer require the accommodation provided; the Department could take it over at a valuation and make it available to others. In the absence of anything like adequate and satisfactory accommodation it was admitted that it would be quite sound for the Government to proceed with the provision of a certain amount of such accommodation.

#### OTHER ACCOMMODATION.

In addition to the cottages, residential accommodation is to be provided by means of Hostels. The Parliamentary Hostel, which has been designed for the accommodation of Members of Parliament, distinguished visitors, and others, is nearing completion, and will provide for 200 guests. Two other hostels, one at Civic Centre and one at Rottenbury, are to provide for officials.

Single officers are at present accommodated in the Bachelors' Quarters at Acton, where board and lodging are obtainable. These quarters were erected by the Government, and contain reading and recreation rooms, dining-rooms, kitchen, pantry, and single bedrooms. A charge of 27s. 6d. per week per head is made, and as the cost of running the establishment is not covered by that amount the Commonwealth incurs a loss of from six shillings to seven shillings per week for each boarder. It was explained that as the average salary of those residing at the Bachelors' Quarters is not high a moderate tariff was adopted in lieu of making a special allowance. It was also considered that, as the officers were engaged on pioneering work and were at a disadvantage compared with those in the Capital cities, some concession should be made.

#### CONTINUITY OF WORK.

The necessity for a definite and continuous programme of building construction was emphasized more than once during the course of the Committee's inquiry, and specific cases were brought under notice where competent bricklayers and other tradesmen after completing a particular job had to be put off because further work was not available. Such men on leaving the Territory would naturally prejudice others against accepting employment there.

Coincident with the Committee's visit to the Capital the Director-General of Works entered into permanent residence there with a view to co-ordinating all the works and ensuring that there would be an uninterrupted flow of activities essential to the early and efficient conduct of Parliamentary Government at Canberra.

To expedite construction the Department has adopted the system of proceeding with earthworks and footings until such time as a contractor is available to step in and carry on the structure.

#### COST OF CONSTRUCTION.

Although it was indicated that some reduction in the cost of cottages might be expected, the Committee, in view of the cost of the brick cottages already erected, heard evidence concerning the possibility of reducing costs by the substitution of some other material, such as concrete, timber structures not being favoured on account of the high annual charges for insurance, depreciation and maintenance. Various systems of concrete construction were brought under notice, amongst them being the unit system submitted by Mr. H. E. Ross, Architect and Consulting Engineer, of Sydney, and a member of the Federal Capital Advisory Committee.

In concluding his evidence Mr. Ross submitted the following offer to the Chairman of the Committee:—

In connexion with the construction of concrete houses on the unit system, of which I have set particulars before your Committee this day, in order that there may be a definite proposal before you of a nature which will be consistent with my position as a member of the Advisory Board in connexion with the construction of the Federal City, I am prepared to design a four-roomed cottage and kitchen on any plan which the Advisory Board may approve of as a suitable arrangement, and will make arrangements with a contractor to carry out a building in this system at Canberra upon any piece of ground allotted by the Commonwealth on the following conditions:—

1. No royalty, fees, profit, or emolument of any kind to be paid to me, as I shall act in a purely honorary capacity.
2. Strict account to be kept of the cost of the work, all vouchers, receipts, and costs recorded for investigation.

3. The building when completed to be inspected by a committee consisting of yourself (if expedient) and any other two members of the Works and Railways Department of the Federal Government, who shall assess the value of the building irrespective of cost, but merely as a house, and in comparison with similar costs for comparative accommodation of any class in brick built at Canberra.

4. The Commonwealth Government shall pay to the contractor the value so assessed up to within 10 per cent. of the cost of a building of similar accommodation and convenience and finish in brickwork; if this figure should be reached, but no more, thus the building will not under any circumstances cost more than 90 per cent. of a similar building in brickwork on any standard of judgment available. On the other hand, should the cost figures disclosed show still greater reductions the Government shall pay the contractor, cost, plus 10 per cent., exclusive of the cost of moulds; such cost, plus 10 per cent., being in such case less than 90 per cent. of comparative value above mentioned.

5 That if the Government is then satisfied that the mode of construction is an economical proposition, the Government shall have power to let contracts for any number of buildings of this system by tender, without remuneration of any kind to me, and such option may be exercised anywhere within Canberra and the Federal Territory surrounding same.

I might say, in conclusion, that I wish to record here again my opinion that a five-roomed cottage can be built on this system for, approximately, £700 if done in numbers not less than 50 cottages.

#### RENTAL BASES.

The Commonwealth Public Service Act provides that, if the whole or part of a building belonging to or occupied by the Commonwealth is occupied for the purpose of residence by an officer, a fair and reasonable sum, not exceeding 10 per cent. of the salary of the officer, shall be chargeable as rental for such occupancy; but where the premises are occupied as a residence by an officer, without an incidental obligation of supervision or general control by the official over personnel or property, the rent and conditions of occupancy may be determined by the Minister in charge of the Department controlling the premises. Certain officers have been exempted by arbitration award from payment of rent; and various scales have been adopted in respect of members of the Naval and Military Forces.

Generally speaking, at Canberra, officers' duties do not entail residence in a house provided by the Government, and when the Seat of Government is transferred, the majority of the public servants there will live in houses erected and owned by the Commonwealth, though such premises will not necessarily be associated with the performance of their official work.

When the Commonwealth first provided cottages at Canberra rentals were fixed on various bases—in some cases 5 per cent. of the capital cost was charged; in others the practice under the Public Service Act of deducting 10 per cent. of the salary of the occupant was adopted, whilst others again were fixed on a rental.

It was explained to the Committee that as the development of the Federal Capital proceeded it was realized that the cottages being erected by the Government, and made available for the officers stationed there, were not strictly quarters for which a charge of 10 per cent. on salary was reasonable, and it was desired that some better return be secured to the Commonwealth on its outlay. At the same time it was recognised that officers whose duties took them to Canberra in the pioneering stages, should not be placed at any financial disadvantage as compared with those residing in the Capital cities.

In October, 1921, the Federal Capital Advisory Committee, at the request of the Minister for Works and Railways, submitted the following report on the basis for assessing rentals for the cottages then in course of erection:—

Assuming the rentals are to be fixed on a proper commercial basis, as recommended by the Committee in its first General Report, in the Committee's opinion, the rent should be arrived at by providing for the following charges:—

*Interest on Capital Outlay*.—5 per cent. on cost of land and building (adopt £30 per cottage tentatively for value of land).

*Maintenance—Sinking Fund*.—1 per cent. per annum on capital cost.  
On a basis of 60 years' life at 5 per cent. (£283 per £100).

*Fire Insurance*.—At prescribed rate for Canberra. (For brick dwellings, 4s. per cent. per annum.)

*Sewerage—Water Supply*.—1s. 3d. in the £1 on the assessed annual value.  
1s. 3d. in the £1 on the assessed annual value.

(Assuming that the consumption of water would be 30 gallons per person per day, five persons being allowed per house. Proposed that the rate for excess consumption of water be 1s. 6d. per 1,000 gallons.)

*General Rate*.—9d. in the £1 on the assessed annual value. (The assessed annual value is deemed to be the return which might be expected from the property, including provision for interest and sinking fund on capital outlay, maintenance and insurance.)

In recommending these rates, the Committee suggests that they be regarded as tentative only, and be subject to re-adjustment when the actual cost of the engineering services is known and other factors are more definitely ascertainable.

The rate of interest on capital, viz., 5 per cent., has been adopted as a fair average in the absence of any knowledge on the part of the Committee of the Government's policy in this regard. The same applies to the values assumed for the land.

In regard to rentals to be charged to Public Servants occupying these cottages, the Committee considers that the question of granting a rebate on the amount calculated as proposed is a matter of Administrative policy.

As the question of rentals was one to be determined by the Home and Territories Department this Report was referred to that Department, and in November, 1921, the Minister for Home and Territories approved of the adoption of the following basis:—

Annual value of building, being the amount which at 5 per cent. would in 60 years return interest and capital cost of the dwelling.

Maintained at 1 per cent. per annum.

Fire insurance at 4s. per cent. per annum.

Sewerage 1s. 3d. in the £1 on the assessed annual value.

Water supply 1s. 3d. in the £1 on the assessed annual value.

Annual value of the land; the value of the blocks being set down at £100 per quarter acre.

Rates 3d. in the £1 on the unimproved value of land.

Less a rebate of 25 per cent. on the total rental value of the dwelling thus computed.

This rebate of 25 per cent. was adopted as a temporary expedient to discount the high construction costs, and in a measure to compensate officers for the higher cost of living prevailing, and for the disadvantages associated with residence at Canberra in the early stages of its development. With few exceptions officers stationed at Canberra are not in receipt of high salaries, and it was considered preferable to make a reduction in the rents rather than to grant a special allowance to those employed in the Federal Territory.

It will be noted that whereas the Federal Capital Advisory Committee adopted £30 per allotment as the value of the land, the Minister, on the recommendation of the Surveyor-General, fixed the value at £100. This sum, it was explained by the Surveyor-General, was purely an arbitrary one—there being at the time absolutely no basis upon which even an approximate value could be assessed.

The following may be taken as typical examples of the method of assessing rentals under existing conditions:—

Cost of Cottage	..	..	..	£1,293	£960
Annual value of building	..	..	..	68,3068	50,7151
Maintenance	..	..	..	12,9300	9,6000
Fire Insurance	..	..	..	2,5860	1,9200
Sewerage	..	..	..	4,5817	3,4822
Water Supply	..	..	..	4,5817	3,4822
Rates	..	..	..	1,2500	1,2500
Annual Value of the Land	..	..	..	5,0000	5,0000
Rental Value	..	..	..	99,2362	75,4495
Less Rebate of 25 per cent.	..	..	..	24,8001	18,8624
Approved rental charge per annum	..	..	..	74,4271	56,5871
Or a weekly rental of	..	..	..	28s. 8d.	21s. 9d.
				for 5 rooms	for 4 rooms
				and all	and all
				services.	services.

Under this arrangement tenants are paying between 5 per cent. and 6 per cent. on the costs.

#### LIVING CONDITIONS.

During its inquiry the Committee obtained evidence from local officials and workmen concerning the conditions and cost of living at Canberra as compared with residence in Capital cities. It was considered that food prices generally were much higher than those ruling in Sydney, whilst certain disabilities were met with such as the expense of annual holidays and of medical services, the distance from shopping centres, the lack of higher education, and the absence of facilities for placing children in trades or business. It was also contended that as the freehold of the land could not be purchased, the rents were too high even with the deduction of 25 per cent. The clerical officers pointed out that whereas no special allowance had been granted them, the wages of workmen had recently been increased by six shillings per week.

The evidence further revealed the urgent necessity for the medical services of the Federal Territory being placed on a more satisfactory basis. Although officers and workmen could receive attention at the local hospital, no provision existed for the treatment of their wives and families other than by calling in one of the private medical practitioners at Queanbeyan—8 miles distant—with its attendant delay and expense. The Canberra Hospital is under the control of the medical officer at the Duntroon Military College, the matron being a qualified dispenser, concerning whose fitness for the position all witnesses were unanimous. It is understood that action is now being taken to place the medical services of the Territory under the control of the Health Department.

#### RATES.

To compare prospective charges for rates in the Federal Capital Territory with those operating elsewhere, the Committee obtained information concerning the system of rating and the amounts levied for various purposes in typical country towns of New South Wales and Victoria.

In New South Wales under the Local Government Act municipal councils may levy for the total of the general rate alone—a sum ascertained by adding together the calculated yield of twopence in the pound on the unimproved capital value, and eighteenpence in the pound on the assessed annual value of all rateable land in the municipality.

Councils cannot rate on the assessed annual value, but it is used as a basis on which to calculate the maximum rate which may be imposed.

The limit for water and sewerage rates is, in each case, the amount which does not exceed a sum equivalent to two shillings in the pound on the assessed annual value; these rates may be levied on occupied and unoccupied land.

The total of all rates taken together, excepting water and sewerage, must not exceed a sum ascertained by adding together the calculated yield of twopence in the pound on the unimproved capital value, and two shillings in the pound on the assessed annual value of all rateable land in the municipality.

Councils by obtaining the Governor's permission can levy rates exceeding the above amounts: a number of municipalities have obtained such permission.

General rates must be levied on the unimproved capital value, the basis of all other rates being subject to a poll of the ratepayers.

In Victoria the Local Government Act provides that the valuation of rateable property shall be computed at its net annual value, that is at the rent at which the same might reasonably be expected to let from year to year free of all usual tenants' rates and taxes, and deducting therefrom the probable annual average cost of insurance and any other expense necessary to maintain such property in a state to command such rent; but no rateable property shall be computed as of an annual value of less than five pounds per centum upon the capital value thereof. The Act also provides that Crown Lands occupied for pastoral purposes only shall be rated on the annual value and not on the capital value thereof. The occupying owner of premises is to be treated as a hypothetical tenant for the purposes of rating.

The maximum general rate which may be levied is 3s. in the £1. In addition, a water rate not exceeding 2s. in the £1 on the net annual value may be imposed. Under the Health Act Councils may levy a rate not exceeding 9d. in the £1 on all rateable property as a sanitary rate, and a health rate not exceeding 6d. in the £1. Country municipalities were recently given power to adopt a sewerage system, but up to the present the city of Bendigo is the only municipality which has availed itself of the provisions of the Act.

Power exists to make and levy rates on unimproved values of rateable property. This provision is optional and has been availed of by only a few councils in Victoria.

As the majority of the officers who will be located at Canberra will be drawn from the Central Administrations now at Melbourne, in which city their homes have been established, the following information concerning the rates prevailing in the Victorian capital may be of interest: but in using them as a basis for comparison allowance must be made for the industrial interest and other conditions prevailing when the services were being provided.

**Water and Sewerage Rates.**—The Melbourne and Metropolitan Board of Works has power to impose a water rate not exceeding 8d. in the £1 on the valuation of the lands and tenements, with a minimum of 10s. The current rate is 6d. in the £1. In the case of the outer municipalities the rate by special arrangement is 1s. 3d. in the £1, with a minimum of £1. The charge by measurement is 1s. per 1,000 gallons.

On all properties assessed by the municipalities and situated in streets sewer'd or connected with sewers the Board is empowered to levy a rate not exceeding 1s. 2d. in the £1 on the municipal valuation. The rate for 1922-23 was 1s., but for the current year is 9d.

**Municipal General Rates.**—These vary in the different suburbs as under:—

Amount in the £1 on the net annual value—	Prulian, 1s. 9d.; Fitzroy and St. Kilda, 2s.; Collingwood, Richmond and Port Melbourne, 2s. 3d.; Footscray, 2s. 4d.; Kew and Sandringham, 2s. 5d.; Brighton, Hawthorn, Malvern, Northcote, and South Melbourne, 2s. 6d.
Amount in the £1 on the unimproved capital value—	Camberwell and Coburg, 4d.; Caulfield, 4d.; Essendon, 5d.; Brunswick, 6d.

But as Canberra may be more fairly compared with a country town, the following information concerning typical country municipalities in Victoria is included—

*Bendigo City.*

Population ..	25,943.
General Rate ..	2s. 6d. in the £1 on Net Annual Value.
Water Rate ..	Levied by State Rivers and Water Supply Commission—1s. 6d. in £1 on Net Annual Valuation to £300, 1s. 3d. to £700, and 1s. over £700.
Sewerage ..	Rate of 3d. on Valuation of the whole area, and further 1s. over the sewer'd portion.
Lighting ..	Gas and Electricity supplied by private companies. Charges—Gas 10s. per 1,000 feet; Electric Light 9d. per unit for lighting and 4d. per unit for power.

*Warrnambool Town.*

Population ..	7,800.
General Rate ..	2s. 9d. in the £1 of Annual Valuation.
Water Rate ..	Its own supply—1s. in the £1 with £1 minimum charge.
Sewerage ..	None. Pan system in use.
Lighting ..	Its own Gas Supply. Charges—6s. 8d. per 1,000 feet for street lighting, and 7s. 6d. to private consumers.

*Ararat Borough.*

Population ..	5,000.
General Rate ..	2s. 3d. in the £1 of Annual Valuation.
Water Rate ..	2s. in the £1 of Annual Valuation.
Sewerage ..	None. Pan system in use.
Lighting ..	Its own Electric Light Supply. Charges—1s. per unit for light, and 6d. per unit for power.

*Sale Borough.*

Population ..	3,800.
General Rate ..	2s. 3d. in the £1 of Annual Valuation.
Water Rate ..	1s. 6d. in the £1 of Annual Valuation.
Sewerage ..	None. Pan system in use.
Lighting ..	Its own Gas Supply. Charges 8s. 4d. per 1,000. Electric Light—9d. per unit for light and 4d. for power.

The imposition of rates in the Federal Territory is provided for in the Rates Ordinance 1911-1920, the maximum rate being 3d. in the £1 on the unimproved capital value of the rateable land. Up to the present, however, no areas which have been built on in the Territory have been proclaimed a municipality. For grazing, agricultural, and other similar areas, the amount due as rates is included and collected with the rental charged.

**WATER AND SEWERAGE.**

The following proposals relative to the imposition of water and sewerage rates were submitted to the Committee by the Director-General of Works, who intimated that the Chief Engineer had collaborated with him in their preparation.

**Water.**—The cost of the head works from the Cotter River to the Red Hill Reservoir, including the dams, pumping station, pipe lines, main reservoirs at Mount Stromlo and Red Hill, may be set down at approximately £250,000. Although the dam and other works are capable of supplying a much larger population, the pipe lines have been laid down to serve a population of 25,000 persons, allowing 100 gallons per head per day.

The cost of headworks, &c., £250,000 for 25,000 persons, equals £10 per head.

On the basis of two and two-thirds houses per acre, equalling 48 houses to 18 acres, with length of pipe line taken as 80 feet per allotment, including a proportion of the mains and minor services and reservoirs, the cost is £6 8s. per head.

Taking an average of five persons, the cost per house would be—

	£
Headworks, &c. 5 at £10 ..	50
Reticulation, &c. 5 at £6 8s. ..	32
Total .. .. .. ..	£82
	£ s. d.
The annual charge on £82 at 5½ per cent. equals .. .. .. ..	4 9 0
	add—
General Maintenance .. .. .. ..	0 6 0
Cost of pumping .. .. .. ..	1 5 0
Total .. .. .. ..	£6 0 0

per cottage, or 1s. 9d. in the £1 on an annual valuation of £70.

The annual charge of £6 would supply 50,000 gallons of water for house, garden, sewerage and general domestic purposes, and any excess above that quantity would be paid for at 1s. 6d. per 1,000 gallons.

The Director-General considered that, although a water rate of 1s. 9d. was a little high, he did not see how it could be legitimately reduced unless costs fell considerably.

**Sewerage.**—The ultimate cost of the main sewer and sub-mains capable of carrying the sewage of a population of 100,000 is taken as £500,000—or £5 per head.

The cost of reticulation—based on an area of 18 acres on which 48 cottages will be constructed, i.e., two and two-thirds houses to the acre, and assuming 5 people per cottage equals 13 people to the acre—

Length of reticulation in 6 inch and 9 inch pipes with manholes, vents, &c., may be taken at 60 feet per allotment—at a cost of £32, or £6 8s. per head.

Disposal works may be set down at £3 per head.

The charge on capital cost spread over five people would be—

Main and sub-main sewers, 5 at £5 ..	.. .. .. ..	£25
Reticulation, 5 at £6 8s. ..	.. .. .. ..	32
Disposal, 5 at £3 ..	.. .. .. ..	15
Total .. .. .. ..	.. .. .. ..	£72

The annual charge on £72 at 5½ per cent. would be .. .. .. ..

add—

Maintenance at £1 per house .. .. .. ..

making a yearly charge of .. .. .. ..

On an annual value of £70 this would represent, at 5½ per cent., a rate of 1s. 5d. in the £1.

**ROADMAKING, &c.**

The Committee was informed that the initial construction of new roads, including forming, metalling, channelling, and incidental storm-water drainage, could be set down at £125 per house, exclusive of tree planting and ornamentation. The cost would, it is considered, be a capital charge.

Any municipal rate levied would be for the purpose of street cleaning and lighting, and upkeep and general improvement of roads, footpaths, drains, gardens and parks. Assuming an annual value of £70 per house, it is thought that a rate of 2s. 6d. in the £1 would be required.

#### ELECTRIC LIGHT.

The Director-General of Works explained that the question of electric lighting was very involved, because the larger the load the smaller the cost of supply. He submitted the following table prepared by the Chief Electrical Engineer, in which the consumption and rates chargeable were obtained by assuming reasonable figures for the various classes of energy consumption:-

Population.		6,000.	12,000.	18,000.	24,000.
Pumping, annual units		855,000	2,137,500	3,206,250	4,275,000
Pumping, price per unit	.. . . pence	1.25	1.25	1.25	1.25
Other Bulk Power—					
Units	.. . .	400,000	800,000	1,200,000	1,600,000
Price per unit	.. . . pence	1.5	1.5	1.25	1.25
Lighting—					
Units	.. . .	210,000	480,000	720,000	960,000
Price per unit	.. . . pence	9	9	7	6
Domestic Power—					
Units	.. . .	110,000	220,000	330,000	440,000
Price per unit	.. . . pence	4	4	3.5	3
Average price per unit sold	.. . . pence	2.65	2.65	2.26	2.07

A population of 6,000 would cover running costs, but with a population of 18,000 the scheme would be self-supporting, all charges and interest being covered. These rates could be regarded as reasonable for a country supply.

#### COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS.

The establishment of Canberra as the Federal Capital of the Australian Commonwealth, planned as a garden city, has afforded an exceptional opportunity for the exercise of foresight in the provision of those services which are essential to modern convenience and comfort. Road-making, water supply, sewerage, storm-water drainage, electric power and lighting, and other services are being provided ahead of settlement and are being designed to meet the ultimate need of a modern city, although in the first decade actual requirements may be but a fractional part of the completed project. In approaching the question of a basis for assessing rentals at Canberra, the Committee has had to keep this aspect in mind. It is obviously impossible, and would be quite unfair, to expect a small initial population—the majority of whom would be public servants compulsorily residing at the Seat of Government—to carry the burden.

In a Governmental scheme where no profit is sought, rentals are dependent mainly on three factors—the value of land, the cost of construction, including accessory services; and, rates.

The acceptance of the policy of leasehold land only in the Federal Territory—a sound one from a national point of view—creates a position unprecedented in Australia, and renders any forecast of land values merely speculative. Under the circumstances, the assumption of an arbitrary amount was the only course available, and the sum of £100 per allotment tentatively adopted as a basis for fixing present rentals is considered a reasonable one.

The terms of the *City Leases Ordinance* 1921 provide for 90-year leases, although a recent Cabinet decision indicates that this term will be extended to 99 years, with re-appraisal at the expiration of 20 years, and thereafter at the end of every ten years. The progress of Canberra and the ideas of the general public and business men concerning its land values being an entirely unknown factor, the Committee considers that the first re-appraisal should be made at the end of 15 years, with a re-appraisal at the end of every ten years thereafter. As an

inducement to people to take up leases prior to the transfer of the Seat of Government to Canberra, the Committee recommends that in such cases the first re-appraisal be made at the end of 15 years from the date when Parliament opens at the Federal Capital.

The necessity for reducing costs of construction at the Federal Capital is of paramount importance, and the Committee is emphatic that this can only be accomplished by thorough co-operation and co-ordination of all activities and continuity of policy and execution. The high costs were attributed, not so much to the price of materials and labour, but to the absence of proper accommodation and continuous employment for the workmen—factors which have been repeatedly emphasized by the Parliamentary Standing Committee on Public Works and by the Federal Capital Advisory Committee in their various Reports.

Numbers of big works are in hand or about to be commenced, yet it cannot be said definitely whether they will be carried out by contract or day labour, or by a combination of both systems. Although the general policy is contract work, tenders have been so high that it has been considered cheaper to carry out the work by day labour, whilst in other instances, pending the acceptance of a satisfactory tender, the Department has proceeded with the work. This uncertainty increases the difficulties of the Department, and affects not only the labour question, but also material and plant, as it would be obviously unwise under such circumstances to purchase plant and carry large stocks of material.

In providing residential accommodation whether in cottages or hostels, the Commonwealth must maintain a proper standard of comfort and convenience. Regard should be paid to the number of persons who will have to be provided for, taking into consideration the amount of salary received by them.

Whilst the architectural competition recently held in connexion with the provision of further residences at Canberra should result in new thoughts and ideas, both in the planning of the suburbs and in the design of the houses, the Committee considers that if working-men are to be lodged in the City at all, they must have cheaper houses than can possibly be erected under the present system and recommends that earnest consideration be given to concrete and other methods of construction. It is not rational to expect tradesmen to leave regular employment in a big city to go to Canberra without any prospects of a home.

The absence of suitable accommodation for the workmen is a serious matter, and should be remedied without delay. But the question arises as to who should undertake the responsibility of providing such accommodation. A contractor should be responsible for the comfort of his own employees, but in the event of a builder obtaining a contract in connexion with which he has to erect accommodation with perhaps little possibility of further work, the cost of housing his men would necessarily be reflected in his tender. It is contended that should the Government undertake the responsibility of providing the requisite workmen's accommodation, it might be met with varying demands not only from contractors, but from the men themselves. The alternative course, suggested by the Director-General of Works, would be for the Department to make the contractor house his men comfortably, and on the completion of the work the cottages could be taken over by the Department at a valuation and passed on to another contractor.

In view of the fact that much constructional work will be carried out by the Department itself at the Federal Capital for many years, the Committee is of opinion that the provision of adequate accommodation for those engaged on this work should be undertaken by the Department, and, if after trial the movable cottages now being supplied prove satisfactory, the provision of further similar structures should be arranged for; but care must be taken that they are not permitted to become permanent, or even semi-permanent, in their location in the City area. The tenements at the Molonglo Camp offer comfortable quarters to a man desirous of obtaining cheap accommodation, but the majority of married men would undoubtedly prefer a cottage, even at an increased cost.

Having regard to the circumstances under which officers are at present stationed at Canberra, the Committee recognises that some concession should be made. As indicated in the communication from the Minister, the decision authorizing the rebate of 25 per cent. of the annual

rental value of the cottages was based upon a consideration of the increased costs of construction at Canberra, and on the fact that most of the tenants are officers or employees not in receipt of large incomes. The Works officers are hoping for some reduction in costs, but it is problematical, and even if achieved would be negligible in its effect on rental value.

The Committee is of opinion that residential accommodation at the Federal Capital, whether in cottages or in hostels, should be maintained on a strictly commercial basis.

On the other hand officers employed at Canberra during the initial stages of its development should not be expected to suffer pecuniary loss by reason of their compulsory transfer to the Seat of Government; and the Committee recommends that a scale of allowances be instituted which will compensate them for any such disability.

The assessment of rentals involves the question of rates for water supply, sewerage, &c. At first sight the capital cost of these works appears out of all proportion to the population to be served, but, as already stated, the main engineering works have been installed with a large ultimate population in view. It is not to be expected, therefore, that the small initial population should pay the interest and sinking fund charges on such outlay. Some loss is inevitable in the initial stages of a scheme of this magnitude designed many years in advance. The Committee is of opinion that, so far as the early residents of the Capital are concerned, they should bear only a *pro rata* charge calculated on the basis of the population for which the respective engineering works have been schemed. The annual loss on the services would thus decrease in proportion to the increase of settlement.

It is anticipated that, when land is made available, private enterprise will to some degree assist in the erection of shops and dwellings. To encourage prospective residents, including public servants, to become the owners of their own homes, the Committee considers that at an early stage, even prior to the first sale of leases, a system of financial assistance should be inaugurated to enable persons to proceed with the erection and purchase of their own houses.

J. G. BAYLEY,  
Chairman.

Office of the Joint Committee of Public Accounts,  
Federal Parliament House, Melbourne,  
28th March, 1924.

