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Clerk of the Senate	

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

EIGHTY-THIRD REPORT

THE NATIONAL CAPITAL
DEVELOPMENT COMMISSION

By Authority:

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(Printed in Australia)

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The Senate appointed its Members of the Committee on 4th March, 1964, and the House of Representatives its Members on 5th March, 1964.

(1) Resigned 29th April, 1965

(2) Appointed 29th April, 1965

(3) Deceased 3rd August, 1966

(4) Resigned 23rd March, 1966

(5) Appointed 24th August, 1966

(6) Appointed 23rd March, 1966

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951-1965 reads as follows :-

8. The duties of the Committee are -

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of subsection (1.) of section fifty-three of the Audit Act 1901-1950;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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JOINT COMMITTEE OF PUBLIC ACCOUNTSEIGHTY-THIRD REPORTTHE NATIONAL CAPITAL DEVELOPMENT COMMISSIONCHAPTER 1 - INTRODUCTION

In pursuance of Section 8 of the Public Accounts Committee Act 1951-1965, Your Committee resolved to inquire into the accounts of the National Capital Development Commission.

2. For the purpose of the inquiry we obtained a number of statements from the National Capital Development Commission as listed in Appendix No. 1 to this Report.

3. The statements received were made the subject of a public inquiry at Parliament House, Canberra, on:-

Tuesday 15th March, 1966.	Tuesday 26th April, 1966.
Tuesday 22nd March, 1966.	Tuesday 3rd May, 1966.
Friday 25th March, 1966.	Friday 6th May, 1966.
Tuesday 29th March, 1966.	Wednesday 22nd June, 1966.
Monday 18th April, 1966.	

4. The following witnesses representing the National Capital Development Commission were sworn at the public inquiry and were examined by Your Committee:-

Mr. W. C. Andrews	- Associate Commissioner
Mr. L.W.B. Engledow	- Secretary and Manager
Mr. P. F. Harrison	- Director of Town Planning
Mr. R. B. Lansdown	- Associate Commissioner
Mr. K. A. Myers	- Business Manager
Mr. J. W. Overall C.B.E., M.C.	- Commissioner
Mr. C. J. Price	- Director of Engineering
Mr. B.D.B. Smith	- Senior Finance Officer

5. During our Inquiry we were assisted by the following observers:-

Audit Office	- Mr. R. G. Parker
Department of the Interior	- Mr. C. Douglas
	- Mr. E. S. Keehn
Public Service Board	- Mr. F. C. Nordeck O.B.E.
	- Mr. G. N. Vanthoff
Department of the Treasury	- Mr. G. J. Balfour
	- Mr. J. Hunter
Department of Works	- Mr. E. Tate

6. As part of our investigations we carried out the following inspections of facilities in Canberra:-

(a)	Housing	- 29th March, 1966.
(b)	Public offices and suburban development	- 10th May, 1966.
(c)	Street lighting	- 22nd June, 1966.

7. Information submitted to Your Committee as at 22nd June, 1966 and additional material prepared at our request subsequent to that date constitutes the basis of the present Report.

PART I - HISTORY AND ESTABLISHMENT OF THE NATIONAL
CAPITAL DEVELOPMENT COMMISSION

CHAPTER 2

The Administrative History of the Development
of Canberra prior to 1957

8. On 29th September, 1955, a Report prepared by a Senate Select Committee appointed to inquire into and report upon the development of Canberra was tabled in the Senate. This valuable and comprehensive report contains the history of the development of Canberra beginning with a description of the circumstances surrounding the choice of the site for the national capital, and analyses the problems and inadequacies encountered during that development from the inception of the idea until the time the report was prepared.

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9. The adequacy of the Select Committee's report suggests that no further discussion of the general factors which prompted that inquiry is necessary. However, we feel that we may appropriately reiterate some of the information which led the Select Committee to the recommendation that the then present system of divided departmental control should be abolished and that a single authority be established, charged with the responsibility for the administration, planning, construction and development of Canberra.

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10. The Select Committee's Report stated that in 1921 the Federal Capital Advisory Committee put forward the first programme for the building of the National Capital. It envisaged the development of the City in accordance with the Griffin plan and the transfer of the government from Melbourne to Canberra. The Committee, being advisory, was not responsible for administration or construction, but as its members included officers of the departments who were responsible for those functions, it was able to keep in close touch with the work. The Order in Council appointing the Committee required it to advise on the sequence in which essential services and buildings should be constructed to enable Parliament and the central administration to be transferred as early as possible to Canberra. World War I had ended only 3 years earlier and as the government wished to avoid continued heavy expenditure in

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the post-war years, strict economy was enjoined.

11. The Committee recommended that the city should be developed in 3 stages viz.: the establishment of Parliament, the removal of central administrations of other departments to the Seat of Government and the progressive realisation of permanent and monumental works. While bearing in mind that "the Federal Capital should be a beautiful city" the Committee considered that "utilitarian development and economy should be the aim in the first stage leaving to future decades the evolution of the national city on lines that are architecturally monumental". It was therefore at an early stage that the vision of a great city was obscured by the desire for cheapness and quick results. The Committee conceived Canberra during the first stage as a "garden town with simple, pleasing but unpretentious buildings", but by restricting development to defined areas the Committee hoped to establish the Seat of Government within 3 years at a cost of under £2,000,000. The Government approved of the scheme on 15th December, 1921.

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12. Notwithstanding the modesty of the programme it was not completed. The funds provided fell below the level sought by the Committee in that only £200,000 was made available for the first year instead of £400,000, and sums of £330,000 and £430,000 instead of £700,000 were made available for each of the second and third years. As the funds were not allocated until after consideration of the Estimates, it was not known until comparatively late in each year what sums could be expended. Finding that the programme was falling short of its target, the Government searched for a method of injecting more vigour into the programme. Toward the end of 1924, the Seat of Government (Administration) Act established the Federal Capital Commission which assumed authority in January, 1925. The instruction given to that Commission was that it should complete the provisional Parliament House as soon as possible and should also make accommodation available for the transfer to Canberra of the Parliamentary staff and for the officers of the Secretariats.

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13. Two departments, the Department of Home and Territories and the Department of Works and Railways were concerned with the development of the Capital, the first controlling general administration, land policy and surveys and the second controlling construction and design. The Department

of Health was also involved in various matters. Then the Commission assumed control the Government recommended that the Departmental resources be used by the Commission as much as practicable. In the opinion of the Commission, however, this situation was most unsatisfactory and incapable of producing sufficiently effective and rapid results. It therefore proceeded to establish its own organisation, a task made less easy by a severe shortage of workmen and materials due to a nation-wide building boom. To house its working force, the Commission erected cottages at the Causeway and at West Lake and accommodated many families in a former war-time camp at Holonglo.

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14. In November, 1925 the Government again reversed its policy in connection with administrative office accommodation after deciding that the secretariat scheme (which had been agreed to late in the time of the Federal Capital Advisory Committee) was unsound. The Government decided that an original scheme for the transfer of the complete staffs of a number of departments was to be preferred and the Commission was given the task of providing homes and office accommodation accordingly. This change of Government policy meant that the number of Public Servants coming to Canberra was increased from 200 to 1,000.

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15. After Parliament was established in Canberra in 1927, the Federal Capital Commission undertook the second stage of development involving the transfer of departments to Canberra, but by 1928-29 the change in the national economic position was being felt by the Commission in the curtailment of its funds by the Government. As the depression deepened in the 'Thirties, criticism of the Commission's so-called extravagance and undemocratic nature became pronounced. After the change of Government in 1930, the 1924-29 Seat of Government (Administration) Act was repealed and the Federal Capital Commission ceased to exist. The Territory then reverted to the departmental system of administration which prevailed at the time of the Select Committee's report in 1955.

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16. After the Commission's dismissal in 1930, the Government was able to make "considerable administrative savings" at the cost of substantial unemployment. Building was brought almost to a standstill and the only important works of the period were a Federal Highway from Canberra to Goulburn and a good road to Yass.

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However, as the financial situation began to improve, approval was given for the building of the War Memorial and for a section of the National Library but it was not until returning prosperity was clearly evident that the Government considered again the transfer of the remaining departments from Melbourne. A new programme was entered upon which was to include the Postmaster-General's and Defence Departments and which was to be carried out in association with a balanced programme of housing, schools and amenities. Although the period saw the establishment around Canberra of several Service areas it soon became apparent that housing was the most important issue as Canberra's population was showing a marked growth. The bulk of available funds was diverted accordingly to meet the problem.

17. Except for the period between 1930 when the Federal Capital Commission was abolished and 1938 when the National Capital Planning and Development Committee was formed, Canberra, in its development as a city, has been served by advisory bodies of experts. However, during the eight years after 1930 there was no authority outside of the administering departments to advise on the Griffin plan or on matters of architectural importance. After criticism of the Minister and his administration in 1938 it was decided to provide by ordinance for the establishment of an advisory committee to be known as the National Capital Planning and Development Committee.

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18. The Members of the National Capital Planning and Development Committee were appointed by the Governor-General to hold office, during his pleasure, for which their only payment was a travelling allowance of £5. 5. 0. per day when attending meetings. The Committee consisted of seven members, three exofficio members being the Chairman of the Parliamentary Standing Committee on Public Works, the Chairman of the Australian Capital Territory Advisory Council and the Assistant Secretary (Planning and Development) of the Department of the Interior. Of the four other members, at least three were to be authorities on town planning, architecture or engineering. The ordinance provided that the Committee, on its own initiative, was to make inquiries and provide recommendations to the Minister in respect of such matters as proposals for the general development of the city; the designs for the siting, layout or construction of any public buildings; building and zoning regulations and any other matters whatever with respect to city and regional planning in relation to the city.

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19. The Committee was often criticised and held responsible for many developments which had not received general public approval. One of the main factors contributing to the criticism was the privacy which surrounded the Committee's deliberations as its meetings were not open to the public nor was the public ever fully informed of its activities. On the other hand, the Advisory Council, which advises the Minister in relation to any matter affecting the Territory, has always held open meetings. The Advisory Council appeared never to have been completely satisfied either with the constitution and powers of the National Capital Planning and Development Committee or with the privacy which surrounded its work.

20. The evidence placed before the Senate Select Committee indicated that the National Capital Planning and Development Committee had insufficient power to act as a satisfactory guardian of architectural standards, was an ineffective deterrent to hasty departmental action and showed that the Development Committee itself was held in poor esteem by its ex-members.

21. Upon the outbreak of World War II all available resources were directed to military requirements and housing construction was restricted. Further transfers of departmental personnel were postponed. The already difficult housing position was further aggravated by a very large increase in the Canberra administrative staffs notwithstanding that the central offices of the Service departments remained in Melbourne. The position worsened as Service personnel and discharged servicemen demonstrated a need for more homes and, after the war, the emphasis was on housing to the exclusion of all other considerations. Canberra's rapid increase in population accentuated the problem and the lack of balance in community life soon became noticeable as the need for additional schools, halls, suburban shops, play centres and the like became acute.

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22. The 1948 programme for the transfer of departments to Canberra appeared to have been due to a large extent to the efforts of a reconstituted Public Service Board which viewed with concern the adverse effect which the division of central offices between Canberra, Melbourne and Sydney had upon the cohesion of central departmental administration. An inter-departmental committee consisting of representatives of the Public Service Board, the Treasury, the Department of Works and Housing and the Department of the Interior was established to discuss the

matter and to make recommendations to the Government. The Committee reported to the Government that whilst it realised that both the shortage of labour and materials and the urgent need for housing would operate against any rapid expansion during the next 2 or 3 years, it proposed that a programme of transfers involving over 7,000 officers spread over a period of ten years should be adopted. The Minister for the Interior submitted the report to Cabinet which endorsed the suggested programme.

23. Although it appeared that there was at last a definite plan for the early transfer of Commonwealth departments to Canberra the Public Service Board, in its subsequent annual report to the Parliament, painted a melancholy picture of the slowness of progress. It reported that two years after the plan had been formulated the immediate deficiencies of Canberra had not been remedied but had been increased and the implementation of the transfer arrangement seemed likely to be deferred for some time. The Board also stated that special measures would be required to cope with the problem of building Canberra and that until such time as the city was brought to the full stature of a national capital the Public Service administration would not be able to give the full service which national government required.

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24. By 1950 expenditure on Canberra had increased to £4,000,000 per annum but an interdepartmental committee convened in that year to consider the building programme stated that a major cause of delay was the absence of a single authority. There were ten client departments, all of which were making separate requisitions on the Department of Works, while pressing the urgency of their own claims. A body to assess these conflicting demands was felt to be necessary and it was therefore recommended that the Cabinet sub-committee on Canberra development should be advised by a co-ordinating committee on all works and services in the Australian Capital Territory. It appeared that little was done to give effect to this recommendation.

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25. In its report for 1952 the Public Service Board again expressed regret for the lack of progress because, although more than four years had passed, it was impossible to begin the transfer of departments from Melbourne to Canberra. The position was similar to that which had obtained before the depression and a balanced policy designed to provide office accommodation, housing and amenities was essential. It was necessary to prepare not only for the natural growth of Canberra but also for its expansion and the Board recommended that the Government should "reaffirm its determination to make Canberra the centre of the Federal administration" and act accordingly. However, the Board's report in 1953 indicated that the demand for housing and amenities continued to outstrip the available supply.

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26. In respect of the 1948 programme for the transfer of public servants to Canberra it appeared that there was no carefully considered plan but merely a vague aspiration that somehow it would be possible to house the additional population. The officers mainly responsible for the development of Canberra seemed to have had many other duties of an important character to perform which led them to believe that the building of the National Capital was merely one and by no means the most important of their obligations. The transfer programme, therefore, clearly lacked unified direction although it was commenced with enthusiasm and apparently with some semblance of departmental co-ordination. The Senate Committee believed, however, that there was no positive determination to complete the National Capital and that this had been a characteristic of all governments and departments since 1929. This lack of co-ordination had been clearly demonstrated in evidence received by that Committee on numerous occasions and some witnesses were particularly critical of both the system of divided control and of the Department of Works. The opinion was expressed that the plan for the transfer of public servants to Canberra would not be effected until there had been a revolutionary change in the means of executing that programme. The most essential requirement was that the Department of the Interior should be in a position to direct that its developmental requirements should be performed when it wanted them performed; it had the money but the weakness lay in the inability of the Department of Works to carry out the work requested.

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27. According to other evidence placed before the Select Committee, Government finance had been a major obstacle to Canberra's construction. It was stated that the system of annual appropriation delayed the commencement of new projects and then caused a rush to spend money before the end of the financial year. This resulted in unevenness and uncertainty in planning, the uneconomical use of moneys, the creation of artificial barriers in building construction and, by reason of uncertainty, constituted a barrier to long range planning. Several witnesses stressed that the first essential of any proposed development must be a guaranteed works programme with an assured allocation of funds over a period of years. However, in evidence the Auditor-General rebutted much of the criticism on the grounds that if uncertainty and unevenness of programme existed, it had nothing to do with the budgeting

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system nor with the actual provision of the amounts appropriated by Parliament. He believed that it was a fallacy to suggest that the liability to which Parliament was committed within each financial year was limited by the amount appropriated for that year for, under the system of revotes, a major form of project budgeting had been in operation, with governmental approval, in the larger departments for many years.

28. The Select Committee stated that it did not suggest that finance required for carrying out a renewed departmental transfer programme should be made available other than annually although it saw no objection to the setting up of a trust fund for the purpose of maintaining continuity in the planned development of the city. The Committee was aware of the desirability of ultimate Parliamentary control of the annual appropriation but believed that the government should guarantee the annual allocations required as a commitment of the whole project or programme in the same way as it committed itself to the payment of annual sums required for individual contracts. It noted that the Auditor-General had sought the Attorney-General's opinion on the constitutional validity of the government entering into commitments spreading over a number of years and had been advised that the government could legally do so.

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29. During the inquiry various alternative forms of developmental control were suggested to the Select Committee but the Commission type of administration was recommended particularly by Sir John Butters, the former Chairman of the Federal Capital Commission; by Professor Corbott, representing the Canberra Division of the Institute of Engineers, and by Mr. R. Rowe on behalf of the Canberra Chamber of Commerce. Sir John Butters believed that though Canberra was no longer at the stage in which he had known it, a Commission specially appointed for the purpose would carry out the work better than the form of administration then current. However, the Committee felt that the comment by another witness, Mr. Withall, was pertinent:-

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"There must be a lot of people like myself who feel they would not like to go back to an authoritative commission, the sort of authority which is justifiable at an early stage of affairs but which could be reasoned as being totally undemocratic at a later stage of affairs."

30. As a result of its deliberations the Senate Select Committee arrived at the following conclusions, *inter alia*:-

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- (a) That Canberra had failed to develop as the administrative centre of the Commonwealth
- (b) that the form of administration was currently unsatisfactory for the task required of it but that the blame did not lie with the various departments but with the type of organisation
- (c) that the development of Canberra to permit the full transfer of administrative departments should be given over to a centralised authority with powers similar to those of the Snowy Mountains Hydro-Electric Authority
- (d) that the authority should be controlled by a single Commissioner with fully executive powers under a Minister of State holding a separate portfolio for Canberra development
- (e) that those branches of the Department of the Interior and the Department of Works which deal solely with Canberra's activities should be taken from their respective departments and unified in this authority.
- (f) that the authority should be guaranteed, by an appropriate provision in the Enabling Act, sufficient finance to permit it to carry out a large scale balanced programme over a period of years.

31. The Committee also made recommendations including the following:-

- (a) that the system of divided departmental control of Canberra be replaced by a single authority to be known as the Canberra Authority, and that to this end new provisions be inserted in the Seat of Government (Administration) Act providing for its establishment;

- (b) that the Authority be constituted by a Commissioner, be a corporation sole with perpetual succession and an official seal, have power to acquire, hold and dispose of real and personal property, and be capable of suing and being sued in its corporate name;
- (c) that the Authority be responsible to the Minister for the administration, planning, construction and development of the Federal Capital, and have powers, subject to necessary modifications, similar to those prescribed under section 14 of the Seat of Government (Administration) Act 1924.
- (d) that the Authority be assisted by six permanent technical Directors comprising a Town Planner, Surveyor, Building Architect, Landscape Architect, Building Engineer, and a Roads and Services Engineer, who should give such advice and assistance to the Commissioner as the Commissioner required and should perform such duties as the Commissioner directed.
- (e) that the Authority be empowered to engage professional men, and seek the best expert advice on any matter pertaining to the development of the city.

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32. The situation revealed by the Senate Select Committee's report prompted the Government to take two steps to facilitate the future growth of Canberra. Sir William Holford, the Professor of Town and Country Planning at the University of London and an international authority in his field, was invited to examine the problem of Canberra's development and, during the same period, the National Capital Development Commission was established.

33. In his report* to the Government, Sir William Holford surveyed the manner in which Griffin's plan had been implemented and pointed to the difficulties, engendered by social and economic progress, which would be encountered if the original plan was not subject to amendment. He stated that, in the light of past history, the choice of the future Canberra was to be one of two alternatives - it would remain

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* Sir William Holford, F.R.I.B.A., M.T.P.I. : "Observations on the Future Development of Canberra, A.C.T."

either a divided city, with the flood plain of the Molonglo as an open wedge between the federal town on the south bank and the municipality on the north, or it could become a unified city, metropolitan in character if not in size, a cultural and administrative centre and a national capital. Holford felt that three objectives should be achieved: a garden city; a modern system of communication by road and air designed with an eye to future trends and development, and that Canberra should eventually become a centre for several aspects of Australian culture.

34. After discussing the implications of his proposals, Holford turned to the administrative machinery necessary for their implementation. He felt that, in order to organize and unify action, a full time Commissioner should be appointed for a term of years and that the Commissioner should have the advice of a Director of Planning and a panel of experts. A small staff would be necessary to assist the Director but, for the most part, he would depend upon two sources of technical assistance:-

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- (a) on consultants for specialised and professional services of higher grade and wider experience than could be obtained locally; and
- (b) on existing departments for the remainder.

35. Holford suggested that it might be necessary for the Commissioner to ask the Departments occasionally for the formal secondment of one or more officers for agreed periods or for reports and designs to be prepared to terms of reference prescribed by the Director.

36. Holford also proposed that sufficient finance should be made available to enable realistic plans to be drawn up and adhered to during a continuing programme although proposals for expenditure were to be made subject to the examination of a Senate Committee in addition to the usual parliamentary debates. However, he did not believe that there should be periodic and

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detailed scrutinies of expenditure in the course of operation as this would provide too many opportunities for captious criticism.

37. Holford's report was tabled in the Parliament on 15th May, 1958, but was preceded on 28th August, 1957 by a Government bill to establish a National Capital Development Commission.

CHAPTER 3 - ESTABLISHMENT OF THE NATIONAL CAPITAL
DEVELOPMENT COMMISSION

38. During the Second Reading Speech on the National Capital Development Commission Bill, the Minister for the Interior and Works, Mr. Fairhall, after referring to the early difficulties encountered in the development of Canberra, stated that there had begun a new phase of development in the National Capital which must continue for some years subject always to the state of the economy. The Government had approved in principle of a five-year programme to meet the then current requirements in Canberra together with those generated by the Defence services' move to the National Capital which was expected to be the forerunner of additional transfers. Necessarily, proposals of this kind demanded the closest examination of the machinery for the planning, development and construction of the National Capital.

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39. The Government agreed with the general recommendations of the Senate Committee (the Senate Select Committee on the development of Canberra) on the matter, and the decision to establish a powerful and competent Commission charged with the responsibility for the planning development and construction of Canberra had resulted in the presentation of the Bill for the establishment of the National Capital Development Commission.

40. The Bill proposed that the Commission would be constituted by a Commission and would be a body corporate. The Commissioner would be assisted by two Associate Commissioners appointed by the Governor-General and those Associate Commissioners would be required to give such advice and assistance to the Commissioner as the Commissioner required and would perform such duties as the Commissioner directed. The period of appointment would not exceed seven years but Commissioners and Associate Commissioners would be eligible for reappointment.

41. The Minister stated that the report of the Senate Select Committee had stressed the need for unification of all of the activities involved in the development of the National Capital. For that reason, the Commission had been given the broadest possible powers in the statement of its

functions which were "to undertake and carry out the planning, development and construction of the City of Canberra as the National Capital of the Commonwealth with power to do all things necessary or convenient to be done in connexion with, or incidental to, the performance of its functions and the exercise of its powers". Although liberally endowed with the power to perform the task before it, the Commission was, nevertheless, required to keep the Minister informed of its decisions in respect of matters of policy. The Commission would not assume administrative functions of any kind but would have land transferred to it for development. Upon completion of its task, it would hand the land and the completed work back to the relevant department for administration and maintenance.

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42. The Minister pointed out that very little new administrative machinery would be required by the Commission. The Commission would have transferred to its control, the functions and staff existing within the Department of the Interior and the Department of Works who were engaged on matters which would become the responsibility of the Commission. The Bill also provided that the Commission may arrange for the Permanent Head of any department of State of the Commonwealth to make available the services of officers or employees of his particular department. Should the services available to it be considered inadequate or unsuitable the Commission would have power to appoint such officers or engage such employees as it considered necessary for the purpose. In addition, provision had been made for the availability to the Commission, on transfer or hire, as the case may be, of vehicles, machinery, plant or other assets owned by the Commonwealth if those assets were required for the performance of the functions allocated to the Commission. The rights of public servants appointed or employed under the Act would be adequately safeguarded.

43. Although the Government had accepted in principle the commitment involved in the five-year programme, finance would be provided for the work of the Commission by annual appropriation. The Commission would be required to expend its moneys only in accordance with estimates of expenditure already approved and to keep proper accounts and records which would be subject to inspection and report by the Auditor-General.

44. Forseeing that some members of Parliament would question the authority of the Commission to alter the gazetted town plan of Canberra, the Minister reassured the House that sub-clause (5) of clause 11 specified that the Commission shall not depart from or do anything inconsistent with the plan of layout of the City of Canberra except with the approval of both Houses of Parliament. Machinery had also been provided for the resolution of any difference of opinion between the Minister and the Commission on matters of policy to ensure that final authority was not taken out of the hands of the Government. The provision of funds by annual appropriation and the obligation of the Commission to present an annual report and financial statement to each House of Parliament also offered ample opportunity for the Parliament to keep under close scrutiny the performance of the Commission.

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45. The Minister also indicated that the growth of Canberra physically and the fact that the National Capital had become increasingly the focus of national sentiment made it essential that the Commission should have available to it the most expert advice available on matters of planning and development. Accordingly, the bill provided for the establishment of a National Capital Planning Committee of nine members under the chairmanship of the Commissioner. In order to promote the widest possible professional interest in the development of the National Capital, the co-operation of the three major national professional organisations had been sought and readily given. The Royal Australian Institute of Architects, the Institution of Engineers of Australia and the Town Planning Institute of Australia had each agreed to submit a panel of nominations from which two would be selected for appointment to the National Capital Planning Committee. Two additional appointments to complete the committee would be made of persons with special knowledge and experience in artistic or cultural matters. In this way, it was believed that the professional bodies would be encouraged to take a positive interest in and to play an important role in a task which required of the participants great skill, technical training and wide experience. Some degree of rotation of membership of the National Capital Planning Committee had been provided for by making the period of appointment three years, although retiring members would be eligible for re-appointment.

46. The Minister stated that appointment of the new Parliamentary planning committee would abolish the National Capital Planning and Development Commission which for the previous twenty years had functioned as an advisory body to the Minister under an ordinance of the Australian Capital Territory.

Parliamentary
Debates
(H. of R.) .
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1957
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47. The National Capital Development Commission Act was assented to on 12th March, 1957. Section 3(2) of the Act provides that the Commission shall be constituted by a Commissioner and the term of office of the first (and present) Commissioner, Mr. J. W. Overall, C.B.E., commenced on 1st March, 1958. This appointment was followed by those of the Associate Commissioners on 8th April, 1958.

National
Capital
Development
Commission
Act 1957-1960

48. In its first annual report the Commission stated that it understood its task to be:-

Exhibit
83/1

- (a) To complete the establishment of Canberra as the Seat of Government by providing the facilities necessary for the smooth functioning of the Parliamentary body;
- (b) To further the development of Canberra as the administrative centre by ensuring a smooth conclusion of the Defence Department transfers already approved and by providing the necessary physical facilities to permit the early completion of Commonwealth Public Service personnel transfers from Melbourne;
- (c) To give Canberra an atmosphere and individuality worthy of the National Capital by provision of monumental buildings and suitable special features; and
- (d) To further the growth of the National Capital as a place in which to live in comfort and dignity.

49. To carry out this task, the Commission envisaged four steps :

- (a) To survey problems and needs and fix both short term and long term objectives;
- (b) Produce a revised town plan;
- (c) Establish the resources available, to both government and private enterprise, and the roles of each; and

- (d) Prepare a programme which related to the needs, physical resources and the funds available.

50. We were informed that in the Commission's formative period during 1958-59 and 1959-60, it had established itself as a planning and co-ordinating unit with most of the routine work of design and supervision being transferred to agents such as the Department of Works. The Commission had to assume responsibility for, and continue, the development of Canberra in accordance with the amended Griffin plan which catered for a population of 75,000 persons. However, by 1959 approximately one third of the gazetted areas on the city plan had been developed and the outlines of the central areas were firmly established on the ground.

Exhibit
83/1

51. The Commission informed us that during the first seven years of its operation, concepts for the Parliamentary area as envisaged in Griffin's original planning have been well established. A strong business centre had been created, in conjunction with decentralised shopping areas, and an industrial area developed, near to the city, but isolated from residential development. The planning, design and construction of major water storage projects, supply mains, treatment works and sewerage reticulation and treatment facilities had gone forward and similar planning had been undertaken in respect of major city road networks and government office areas. This planning had been subject to continuing review by the Joint Parliamentary Committee on the Australian Capital Territory which reported to the Minister on all proposed variations to the gazetted city plan.

Exhibit
83/1

52. It was stated that in carrying out its function of developing a formal Seat of Government, the Commission has had to provide virtually a full range of urban developmental works for the city of Canberra by acting as a combined Housing Commission; Department of Main Roads; Water, Sewerage and Drainage Board; school builder; land sub-divider; estate developer and government office builder. However, the achievement of these aims was necessarily preceded by an assessment of the needs to which the Commission's efforts

Exhibit
83/1

might be directed and, immediately following the production of the Holford report, a comprehensive planning survey of Canberra was undertaken. A "Planning and Survey Report" was published in early 1959 upon which the Commission's proposals for the next five years were based but this report proved to be only the forerunner of a number of reports* reflecting the increasing interest of planners in the development of Canberra.

53. Mr. Lansdown suggested that the Commission's original task of developing Canberra has changed materially from that which had been envisaged originally. At the time the Commission had been created, the population of Canberra had been about 30,000 persons but, since that time, not only had the population grown to approximately 90,000 persons but the rate of growth had also increased. This meant that the period since 1958 had seen the arrival of two out of every three persons in the present population, resulting in a marked demand in

* Published reports bearing on planning and development considerations include the followings:-

- Sir William Holford - Report on considerations on the Future Development of Canberra, A.C.T.
- Sir William Holford - Landscape of the Canberra Lake Scheme
- Canberra Development, 1962-67
- John Child and Company - Retail Structure of Canberra
- Henry Wells and Dr. Nathaniel Lichfield - Advisory Report on Some Economic Considerations in Connection with the Development of the National Capital
- Dr. A. R. Hall - Housing in Canberra: Performance and Prospects
- P. J. Devery - Canberra and the Region
- Messrs Rankin and Hill, and De Levre Cather - Canberra Area Transportation Study: Report on 1961 Survey
- J. M. Wilson - Sun Protection in Canberra Buildings
- R. Bunker - Canberra's Economic Base
- Department of Labour and National Service: Employment Opportunities in Canberra
- R. A. Foskett - Costs of Urban Development
- Planning Report, 1959-64
- Planning Report Digest
- Planning Survey Report
- The Future Canberra

financial requirements and the provision of services. The most difficult problem confronting the Commission had been that of projecting the city's future growth in order to determine future demands for facilities. The problem had been made more complex in that the Commission was constructing not only the National Capital but also the larger entity of the City of Canberra. The Commission did not believe that the National Capital should be conceived as an area within the confines of the Parliamentary Triangle nor that the development of that triangle could be undertaken in isolation from the general development of the city. Q.5

54. Referring to the problems of future development, Mr. Overall stated that, although the Australian Capital Territory is a large area, not all of it is available for urban development as, for example, much of the area is reserved for water catchment. The Commission believed that Canberra was long past its founding period and that the time would come when most of the land will be in use including the considerable institutional requirements of the Government itself. Q.133

55. We were informed that problems relative to administration and finance could also be foreseen by the Commission. Canberra presently enjoyed a unique system under which growth had been co-ordinated to an extent envied by many other cities but it was expected that there would be increasing pressure for community participation in the development and administration of the city. It was clear to the Commission that the pressures of commercial enterprise and of the desire of many groups to be near the centre of government could lead to a loss of the special quality which is associated with the parliamentary and national areas. The Commission hoped that a discipline would be imposed over these pressures which, in the long term, could destroy the quality of the capital. Q.133

56. It was indicated that the future growth of the city will engender demands for substantial funds as, although it was expected that future projects of a national character would be financed by the Government, such projects required only a small portion of the total funds provided each year. Most of the Commission's expenditure had been in respect of Q.133

the city's domestic requirements and the growth of the city would therefore depend upon the continuing availability of funds. Q.133
The Commission hoped that it could avoid the expense of resumptions for future expansion by far-sighted planning but, if resumptions were found to be necessary, it was suggested that they might be funded from returns on the Commonwealth's earlier investment.

57. In order to facilitate the achievement of its developmental aims, the Commission has undertaken the preparation of annual works programmes and, in addition, has employed a technique of long term programme forecasting to provide a preview of priorities and requirements. However, the Government has always reserved its right to decide upon the extent of the Commission's budget appropriation annually, subject to a general understanding that there should be some continuity in the programme which would contribute to a cost structure stabilised at a level in keeping with other cities. Q.5

58. In its submission, the Commission stated that its activities since 1960 may be described as a history of Canberra itself but, the Commission suggested, in reviewing that history it is desirable to keep in mind that although the annual level of investment in other cities of comparable size may not be very different from that of Canberra, (excluding unique national capital features and Commonwealth offices) development in other cities had been financed by a wide variety of public authorities and private developers. Exhibit 83/1

59. In Canberra, municipal, territorial and national capital investment has been financed from a single appropriation from which funds have generally been allocated by the Commission. The Commission believed that this method of financing development had enabled it to meet varying demands at appropriate times and in accordance with adequate standards but at the same time had exposed the Commission to conflicting pressures which tested the flexibility which the National Capital Development Commission Act provided for the Commission's operations.

Mr. Overall informed us that the Commission had to ensure that the Minister was properly informed of the activities of the Commission to permit him to report to the Parliament. Q.133
The information provided to the Minister included

annual and quarterly reports, submission of reports for consideration by Cabinet, proposals for variations of the statutory plan for Canberra, advice of the views of the National Capital Planning Committee and discussions of the policies of the Commission. The Commission also submits, for approval, particulars of proposed expenditure but does not seek either detailed advice or decisions that might hinder the Commission in the discharge of its statutory responsibility. In this context, we note Mr. Lansdown's statement that the Commission's annual works programme is formulated by the Commission itself and is not subject to the approval of either the Government or the Department of the Treasury.

Q.207

60. Mr. Lansdown stated that although the Commission has been charged with the duty of planning, constructing and developing the city of Canberra, it would be wrong to assume that no other organisation contributed to the achievement of the task. A number of Commonwealth Departments, such as the Departments of the Interior and Works, were intimately involved in the operation while other departments, such as the Attorney-General's Department, the Treasury and the Public Service Board, each contributes to the Commission's activities in an administrative sense. The activities of private organisations, such as the National Council of Women, the Chamber of Commerce, the Trades and Labour Council, the Progress Associations, and private industry each affect the decisions made by the Commission in carrying out its role. The Commission therefore attempts to emphasise to the community that the development of Canberra is being undertaken by a partnership constituted by the Commission itself and outside bodies including private enterprise.

Q.5

PART II - GENERAL ADMINISTRATION AND ORGANISATIONCHAPTER 4 - STRUCTURE AND FUNCTIONS OF THE COMMISSION

61. Under the provisions of Section 3 of the National Capital Development Commission Act, the Commission is constituted by a Commissioner appointed by the Governor-General. The Act also provides that the Commissioner shall be assisted by two Associate Commissioners, each of whom is also appointed by the Governor-General, and that the Commission may appoint such officers and engage such employees as it thinks necessary for the purposes of the Act. The terms and conditions of service on employment are determined by the Commission and arrangements may be made with the Permanent Head of any Department of State of the Commonwealth for the services of officers or employees of the Department to be made available to the Commission.

National
Capital
Development
Commission
Act 1957-1960

62. The Commissioner and his two associates are assisted by nine divisional executives whose functional responsibilities may be described as follows:-

Exhibit
83/3

<u>Executive Classification</u>	<u>Functional Responsibility</u>
Director of District Development	To advise the Commission on policies and manage the Commission's programmes for urban land servicing and house and school design and construction and to advise the Commissioner on the design and construction of territorial and municipal buildings.
Director of Engineering	To advise the Commission on policies and manage the programme of research into future water, sewerage and transportation needs. He must also arrange and manage the programme for the design and construction of headworks, the connections from headworks to districts and the design and construction of major traffic networks.

Director of Architecture

To advise the Commission in the formulation of its civic design concepts and to manage the design and construction of monumental national capital buildings and major Commonwealth offices.

Director of Technical Advisory Services

To advise the Commission following technical research into improved construction practices and to "analyse and make recommendations" on the use of design and supervising agents.

Director of Town Planning

To advise on policy and manage the programme of detailed planning of the National Capital. He must also manage the Commission's design and siting policies and "recommend arrangements for the nomination of sites" for release to private developers.

Secretary and Manager

Secretary to the Commission providing general co-ordination of Commission operations.

Assistant Secretary

Prepares policy recommendations and formulate annual and long term construction programme requirements. Liaison with departments and community organisations on development of the research programme.

Business Manager

Control both the Commission's business operations, including financial and personnel management and the commitment of the annual construction programme.

Chief Landscape Architect

To advise the Commission on policy and manage the Commission's programme for the planning, design and implementation of landscape proposals.

63. A discussion, in more precise terms, of the functions of each of the divisions appears later in this Report but a correct assessment of the role of the Commission in the development of Canberra must necessarily be preceded by an appreciation of the arrangements effected by the Commission and under which it operates.

64. It was stated that the Commission's functions are dealt with in virtually only three sub-clauses of the National Capital Development Commission Act. Sub-clause 11(1) states that the Commission's task is to plan, develop and construct the city of Canberra as the National Capital. Sub-clause 11(2) states that the Commission is empowered to provide, within the Australian Capital Territory, buildings, roads, bridges, works for the supply of water or electricity, sewerage or drainage works and other matters incidental to that purpose, while sub-clause 11(3) empowers the Commission to undertake all tasks, functions and activities which are incidental to the purpose of the Commission. Q.5

65. In regard to staff employment, Mr. Lansdown indicated to us that the Commission's fundamental view had always been that it was desirable for the Commission not to employ a large number of architects and engineers within its own organisation. The Commission, as a major co-ordinating and controlling unit, felt that it was desirable to avoid the organisational problems which, he suggested, are inherent in a large staff body. In addition, there are in existence in Australia large resources of design and supervisory bodies of all kinds, both in Government Departments and private organisations. The Commission had decided to enjoy the advantages of management by declining to create a large professional group and had accordingly made the maximum use of design and supervision agencies. Q.143
Q.56-58
Q.771-774

66. It was stated that the Commission itself undertakes no design or construction work and that the work programme is undertaken almost entirely by contract. The Commission prepares briefs for the instruction of agents such as the Commonwealth Department of Works and private agencies or other authorities which it selects. Mr. Andrews cited the Commonwealth Avenue Bridge (which spans Lake Burley Griffin) as an example of the manner in which projects were managed. A private consultant had been responsible for the investigation, design and documentation relative to the project while tenders had been called and selected, and the construction supervised, by the Department of Works. Q.184

67. In the light of the foregoing evidence, we suggested to Mr. Price, during our examination of the Engineering Division, that the role of the Commission might more precisely be stated as being responsible to initiate the investigation, design and construction of all engineering work. Mr. Price felt, however, that the Commission's responsibility went beyond this description as it had to be satisfied that a project was completed to its own satisfaction. The Commission was involved in the early stages of an investigation since no indication could be given to consultants as to the precise requirements of the Commission. He indicated that the Commission therefore had to guide the consultants initially and then select, from alternatives, which proposal would proceed to design and construction. Mr. Price also stated that it was unfair to suggest that the Commission's engineers made only a theoretical approach to a project through planning and the preparation of briefs. He insisted that the Commission carries out design and construction work through agents although the only field work undertaken was that necessary to maintain liaison with consultants.

Q.845

Q.845

Q.891

Q.893

68. The organisation of the Commission as at 17th February, 1966 is illustrated at Appendix 2 to this Report. The staff establishment at the same date numbered 162 positions (of which 152 were occupied) but the Commission may appoint as many employees as it sees fit, subject to the Public Service Board's approval of the terms and conditions attaching to a position created for the first time. Thereafter, the Commission may independently appoint as many officers to similar positions as it may require.

Q.163-164

69. The growth of the Commission's staff is illustrated in the following table:-

TABLE NO. 1.
SUMMARY OF ESTABLISHMENT AND STAFFING*
1958-1965

<u>Year Ended 30th June</u>	<u>Establishments</u>	<u>Actual Staff</u>
1958	30	24
1959	65	63
1960	85	73
1961	99	93
1962	111	104
1963	130	122
1964	141	132
1965	148	141

*Excludes the Commissioner and Associate Commissioners.

70. The Commission informed us that it had little difficulty in recruiting highly qualified professional staff but experienced continuing difficulty in recruiting general clerical and administration staff to whom the limited opportunities within the organisation acted as a deterrent. Although the National Capital Development Commission Act protects the rights of public servants who transfer to the Commission, such officers found some difficulty in eventually returning to the Commonwealth Public Service as there was no way in which an officer could be promoted from the Commission to a higher position in the Service.

Exhibit
83/1 and
Q.149-160

71. The Public Service Board indicated that, upon appointment to Commonwealth statutory authorities listed in the schedule to the Officers' Rights Declaration Act and to other authorities established under statutes which extended benefits under that Act, officers are deemed to be unattached officers of the Public Service of the Commonwealth. These officers retain certain existing and accruing rights listed in Section 5 of the Officers' Rights Declaration Act. The rights so specified are:-

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- (a) Leave on the ground of illness
- (b) Long service leave or pay in lieu thereof;
(including pay to dependants on the death of an officer)
- (c) Superannuation;
- (d) Child endowment; and
- (e) In the case of female officers, payment on marriage to which from time to time they would be entitled if they had remained an officer of the Commonwealth Service, and had not been employed within the meaning of the Officers' Rights Declaration Act.

72. We were informed that Section 6 (3) of the Officers Rights Declaration Act also provides that upon termination of his employment by any of a number of authorities prescribed by the Act, an unattached officer who has not been dismissed for misconduct or who has not attained the maximum age for retirement fixed by the Commonwealth Public Service Act, shall be entitled to be appointed by the Public Service Board to an office in the Public Service of such status and salary as are determined by the Board, having regard to the office in the Public Service previously

vacated by the officer and his period of employment.

73. . It was stated that, as a matter of general policy in dealing with cases of this nature, the Public Service Board appoints the officer to the Service at a salary level which is determined as appropriate having regard to the designation and salary level which the officer held at the time of his appointment with the Authority and the period of his employment by the authority. Thus, the officer's salary on re-appointment to the Service will not be less than that which he previously enjoyed in the Service and may, in fact, be higher. Subsequent promotion is a quite separate feature of his career and is subject to appeal by other officers of the Service.

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74. . The Public Service Board Observer, Mr. Vanthoff suggested that several features of the Officers Rights Declaration Act should be emphasised. "Termination of employment" within a statutory authority is not limited to termination upon the initiative of the authority but includes the result of an officer's decision to resign. In addition, if an officer seeks re-employment in the Commonwealth Service, there is provision in the Act (subject to the qualifications relating to misconduct and maximum age), for the officer to be reintegrated into the Service. Finally, although the officer must be appointed to an office, the Public Service Board has a discretionary power to decide a level of appropriate salary to which the appointment will be made. Appointment of an officer to the Public Service under Section 6 (3) of the Officers' Rights Declaration Act is not open to appeal by other officers of the Service.

Committee
file
1965/4

CHAPTER 5 - THE PUBLIC RELATIONS SECTION

75. The National Capital Development Commission expressed the view that its public relations work is a necessary part of the activity of creating the city of Canberra, and the Commission quoted the National Capital Development Commission Act (1957-60) as its authority to adopt this role. The relevant section of the Act, Section 11, states that the Commission has power to do all things for or in connection with, or incidental to, the performance of its functions of planning, developing and constructing the city of Canberra. Q.616
Q.617-620
N.C.D.C. Act
76. The Commission has no statutory obligation to publicise Canberra, but believes that there are very compelling reasons for keeping the community informed about its plans for the National Capital. It was stated that private enterprise needs encouragement, and construction firms working for the Commonwealth must be reassured that materials and labour will be available. To this end, the Commission considers it essential to inform the Australian public about its current work and future plans for Canberra, as the interest and confidence in the City created in this way enable the Commission to work more effectively. Most statutory corporations, such as the Snowy Mountains Hydro-Electric Authority, and many Government departments, publicise their activities to assist their operations. The Commission promoted Canberra to achieve public acceptance of its work in creating a National Capital. The information distributed made it possible for the citizens of Canberra to seek further information and to comment on the proposed development of the city. The Commission's views were supported in 1962 in a report by Mr. Henry Wells, a British expert in the field of urban development who commented that industrialists would be unlikely to establish their activities in Canberra until their attention was drawn to the advantages of the city as a centre of attraction. Exhibit
83/9
& Q. 616
Q.578, Q.591
Q.579
77. The staff of the Public Relations Section consists of a Public Relations Officer responsible directly to the Commission, two journalists grade "A", and two Public Liaison Officers. Three clerical assistants complete the organisation, providing a total of eight officers. Exhibit
83/9

78. The Public Relations Officer is the senior officer in the Public Relations Section. The Commission's statement indicates that this officer is responsible for the production and printing of the Commission's publications which, to date, have included eight annual reports, three major developmental reports describing plans for the short and long term future and other reports produced by visiting experts on various aspects of Canberra's development. The Commissioner and, to a lesser extent, other senior Commission officers, give radio and television interviews on request, and occasionally the Commission's work is the subject of a short film. The Public Relations Officer is responsible for organising these activities also.
- Exhibit 83/9
Q.565
Q.563
Exhibit 83/9
79. The two journalists referred to have the primary duty of writing articles for newspapers and of answering questions from the Press. The articles may describe the planning and development of Canberra generally, or they may deal with individual projects such as Lake Burley Griffin or the National Library. Mr. Engledow stated that the Section may produce six newspaper articles per week although a lesser number may be distributed for publication.
- Exhibit 83/9
Q.513
Q.572
80. The two Public Liaison Officers give lectures as requested, guide important visitors around Canberra to show them the work of the Commission, and provide information to community groups for discussion of current problems. Mr. Engledow stated that one of the two positions of Public Liaison Officer had been created since February 1966 in order to permit a closer contact between the Commission and these community groups. The creation of this position had been in accordance with Mr. Wells' recommendation that the Commission should appoint a Public Relations Officer who would ensure that newly settled sections of the community had a chance to voice their views and grievances. The Liaison Officers are expected both to inform themselves about the Commission's affairs by initiating consultations within the Commission, and to be aware of the community's views and attitudes through attendance at meetings of local groups and by examining newspaper comments. The Public Relations Officers are expected to be sufficiently informed to advise the Commission on prevailing public opinion, and to inform
- Exhibit 83/9
Q.556
Q.557-558
Q.561
Q.562

the people of Canberra about the plans and the activities of the Commission. In addition to the addresses delivered to community groups by an experienced Liaison Officer at least once weekly, the Associate Commissioners and the Secretary-Manager frequently attend meetings of community organisations and discuss with the citizens concerned the difficulties encountered in the developing community. Talks are also delivered to groups outside Canberra but if an address is to be presented, for example, in Sydney, the task is undertaken by more senior officers outside of the Public Relations Section. 81.

We questioned the Commission on the relationship between its Public Relations Section and the Canberra Tourist Bureau, the News and Information Bureau and the Public Relations Branch of the Department of the Interior. We were informed that the News and Information Bureau publicises Australia* in overseas countries, and for this purpose works with the Departments of External Affairs, Immigration and Trade and Industry. Publicity within Australia is not one of its functions, and hence no overlap with the Commission's Public Relations Section is possible. The Department of the Interior is responsible for the day-to-day administration of Canberra, while the Commission is responsible for its construction. The Public Relations Officers of the two bodies are therefore concerned with different activities, and in the cases where both the Department and the Commission are concerned in the same work, there is frequent consultation between the two Public Relations Sections to ensure that there is no duplication of effort. 82.

The Commission informed us that it had assessed the efforts of other bodies, such as the Tourist Bureau, involved in promoting Canberra. The Commission believes that the Tourist Bureau has been doing little to attract tourists to Canberra, and that most of the publicity work for Canberra is done by the Commission itself. The Department of the Interior Observer, Mr. Kochen, agreed that the Tourist Bureau had been concerned primarily with catering for tourists once they had reached Canberra, and that only since the appointment of the Director of Tourism had attention been directed to the Australia-wide promotion of Canberra as a tourist attraction. We were informed that the Commission is satisfied that at present it is not duplicating the activities of the Tourist Bureau despite

* e.g., "From the Tropics to the Snow", produced by the Film Division in the News and Information Bureau of the Department of the Interior.

Q.574

Q.564

Q.575

Q.576

Q.609

Q.612

Exhibit
83/9

Q.599

Q.600

Q.608

Q.589

suggestions to the contrary by private individuals. However, Q.600
 the Commission will not hesitate to review its Public Relations
 organisation when it is satisfied that Canberra is being
 sufficiently publicised by pamphlets, posters, and other media
 produced by another body. Mr. Keehn indicated that the Q.608
 Director of Tourism, who was recently appointed by the
 Department of the Interior, is endeavouring to develop the
 Tourist Bureau into a body which will eventually assume prime
 responsibility for the publicising of the Australian Capital
 Territory but which will draw on the Commission for information
 about the future development of Canberra.

83. Mr. Lansdown stated that he did not believe that Q.577
 the staff of five officers in the Public Relations Section was
 disproportionate as the Commission had critically examined the
 staffing of that Section from time to time to ensure that all
 of the officers were required. He expressed the belief that
 the staff of the Section had increased proportionately with the Q.560
 remainder of the Commission's staff. However, Mr. Engledow stated Q.615
 that the Commission recognised that the Public Relations Section
 could become overstaffed if officers were permitted to extend
 their work beyond the reporting of the Commission's own activities
 to the promotion of Canberra as a tourist attraction. However,
 the Commission had resisted such an extension of the
 responsibilities of the Public Relations Section.

84. Mr. Lansdown stressed the importance of the work of Q.616
 the Public Relations Section and emphasised that the Commission's
 public relations activities could not be performed by other bodies.
 He stated that the publication of reports on Canberra's development
 and future plans were necessary to create confidence in Canberra
 and this was not an activity which could be appropriately
 discharged by a tourist body. He pointed out that the National
 Capital Development Commission carries out activities similar to
 those of the National Capital Commission in Ottawa, and that this
 body works in conjunction with a municipal organisation.

85. Mr. Lansdown stated that the activities of the Public Q.587
 Relations Section are financed from a budget approved by the
 Commissioner, and that the Commission's consequent control of the
 expenditure on public relations work is reinforced by a system of Q.588
 reviewing the Section's commitments each month and reporting them
 to the Commission. In 1964-65 the total cost of the Public Q.586
 Relations Section was approximately \$56,000, a figure which Q.604
 included salaries and the costs of annual reports and other
 publications.

CHAPTER 6 - THE COMMISSION'S RELATIONSHIP WITH
OTHER DEPARTMENTS AND AUTHORITIES

(i) The Department of Works

86. The Department of Works Observer, Mr. Tate, Q.241 informed us that, following discussions between officers of the National Capital Development Commission and the Department of Works in 1958, the then Minister for the Interior and Works issued instructions that the Canberra branch of the Department of Works was to operate in response to the Commission's requests for priorities and meet the Commission's requests on such matters as estimating, the provision of information and on matters of operational control. From 1st July, 1958, contractual arrangements normally undertaken by the Canberra branch of the Department of Works on the authority of the department's central office was to rest on the direction and authority of the Commission, so far as Commission funds were concerned and that, in addition, traffic engineering survey and design functions were to be taken over by the Commission. The instructions also indicated that the preparation of the works programme, the forward planning of construction, construction research, and like activities which had previously been handled jointly by the Departments of Interior and Works, would become matters for the Commission. The Director-General of Works was also instructed to ensure that effective liaison existed between the Canberra branch and the Commission.

87. As a result of the arrangement by which the Q.57 Commission undertakes no detailed design work but employs agents to prepare suggested designs for its selection, the Canberra branch of the Department of Works has operated as a design and contract supervision agency in respect of 55 per cent of the Commission's annual programmes while the remaining 45 per cent has been undertaken by private and other organisations. Within the Canberra branch, the Commission's projects represent 70 per cent of the branch activity on new works and 60 per cent in respect of new works and maintenance.

88. Mr. Tate informed us that, in addition to the Q.243 projects designed and managed by his branch of the Department in Canberra for the Commission, the branch also controls the works votes appropriated on behalf of the Defence services and the Postmaster-General's Department. Those latter projects

are subject to the normal design list and works programming systems although the Commission's projects are not. The branch had always succeeded in meeting the demands of the Commission but on occasions this had been achieved only with some difficulty.

Mr. Tate also stated that the design list system, which provides for an orderly flow of design preparation in the Department of Works throughout the Commonwealth, does not apply to Commission projects. A flexible programme of works is made available by the Commission, particularly in respect of water storage projects after reports prepared by the Canberra branch have been submitted to the Commission. The Commission then selects, from the report, one of a number of suggestions on the type of design it regards as most suitable and the Canberra branch then proceeds to produce the work required. Mr. Tate did not know whether the introduction of a design list system would overcome any difficulties engendered by the Commission's work but informed us that if a system could be devised which would provide more forewarning to his branch, but which would not interfere with the Commission's flexibility, that system would be very acceptable to his Department. 2.413 2.414

89. Mr. Lansdown, Mr. Andrews and Mr. Engledow each rejected suggestions that the Commonwealth design list system should be applied to the Commission's programme on the grounds that there existed an adequate degree of consultation with the Department of Works. Mr. Engledow also suggested that, if the system were applied, the technique would detract from the Commission's flexibility. The Department of the Treasury Observer, Mr. Hunter, indicated that the projects drawn from design lists A and B, and included in the civil works programme, were jobs which could feasibly be designed and programmed for construction in the light of funds which were likely to become available. Mr. Hunter stated that during the preparation of the design lists for Commonwealth works, the basic principle to be observed was the establishment of a design programme which was not beyond the resources of the Department of Works or the financial capacity of the Commonwealth and from which projects could be selected for construction in the following year. Once a design list has been established, the Department of the 2.421-423

Treasury is reluctant that it should be altered as alterations could lead to a wasted design effort in the Department of Works. Questioned on alterations in the Commission's programme, Mr. Engledow suggested that 90 per cent of the programme was committed without alteration, but the Commission, if faced with a crisis such as a shortage of school accommodation, would be obliged to ask for the urgent preparation of appropriate designs.

90. In an endeavour to ascertain the practical role played by the Department of Works in its relationship with the Commission, we asked for an explanation of the role of the Department in the development of the Belconnen trunk sewer project. Mr. Price stated that, as the maintenance and operating authority, the Department of Works was concerned in the early stages of the investigation and the refinement of final designs. We then sought similar, but more specific, information in respect of the Corin Dam project and we were informed that the Department had prepared the original report on the feasibility of the project, conducted investigations, established camp facilities, designed the access road and the dam structure, called tenders, supervised the construction and arranged payment to the contractors. 2.850 2.872-883

91. Mr. Overall informed us that, in selecting an agent for the design of a project, the Commission first weighed the relative skills available in private enterprise and the Department of Works and then allocated the work according to the Commission's judgment. The portion of the work programme reserved for the Department of Works was not inflexibly fixed at 55 per cent and the Commission endeavoured to ensure that the Department's resources were reasonably and adequately employed. 2.177

Mr. Overall also stated that the Department of Works was not able to service all of the work under its control and therefore sought outside assistance. This was said to be necessary because, if the Department designed its organisation to enable it to cope with peak periods of activity, a surplus of resources would exist after the peak had passed. 2.185

(11) Other Departments and Organisations

92. We were informed that close association is maintained with the Department of the Interior on most issues affecting city planning, development and redevelopment but that both the Commission and the Department had adopted independent roles in the discharge of their functions. As a result, the Department was a frequent client of the Commission in its role of developing Canberra. Facilities such as educational institutions, municipal buildings, swimming pools and park lands have been designed and constructed largely to client specifications and then handed to the Department for administration. As the Department also arranges and administers the lease of all Crown lands, building blocks and structures erected on those lands such as houses and flats are also returned to the control of the Department on completion.

Exhibit
83/1

93. The Parks and Gardens Section of the Department has acted as construction agent for the Commission in most of its landscape development, working to Commission plans and specifications and with funds provided by the Commission, and assumes responsibility for maintenance upon the completion of each project.

94. The Commission has been the authority responsible for street lighting in Canberra since 1964 after it agreed to an agency arrangement with the Australian Capital Territory Electricity Authority. The Commission was said to maintain close liaison with that Authority on planning and development matters which might influence the pattern of power distribution and, although the developmental costs are financed by the Commission and work is undertaken in accordance with plans and specifications provided by the Commission, the Authority arranges for the reticulation of electricity into the Australian Capital Territory from the New South Wales grid system and collects the charges made for the use of electricity in the Territory.

Q.823-831

95. The Commission has maintained a close relationship with the Prime Minister's Department, particularly in respect of such studies as the National Library, the proposed new Parliament House and the National Gallery. Most other departments have been consulted frequently, particularly in respect of office accommodation problems arising out of the transfer of public

Exhibit
83/1

servants to Canberra or the local growth of departments.

96. It was stated that in its planning operations the Commission has maintained close links with the Postmaster-General's Department and has nominated areas where postal, telegraphic and telephonic facilities would be required. A continuing informal liaison has been maintained also with the Snowy Mountains Hydro-Electric Authority on matters affecting the use of water, water supply and the construction of major storage facilities while there has been a rather more loose association with the New South Wales conservation authorities relative to the catchment area of Lake Burley Griffin. The New South Wales State and regional planning authorities have been consulted in respect of likely developments in areas of the State bordering the Australian Capital Territory and, more lately, in town districts adjacent to the Territory. The New South Wales transport authorities have also been kept informed of the likely development of the road system in the Territory. Exhibit 83/1

97. Although the Commission's charter to plan, develop and construct the city of Canberra has proved broad enough to permit it to legally assume various responsibilities not immediately apparent in a reading of the Act we were informed that the Commission does not seek the responsibility for developing hospitals in the Australian Capital Territory. The Commission accepts, however, the responsibilities of advising the Department of Health of its population growth projections and of providing a road access from the city to the present hospital. The Commission has also planned for the siting of hospitals at Woden and Belconnen but, Mr. Lansdown informed us, if a problem exists in relation to hospitalisation such as an inadequacy of beds, or the absence of psychiatric clinics or any other manifestation of hospital life, then those are matters of which the Department of Health must take cognisance. The Commission is also not responsible for the design and appearance of the extensions to the Canberra Community Hospital except that the layout, materials used, roof lines and parking areas concerned must meet with its approval.

98. Explaining the Commission's attitude, Mr. Lansdown 7.238
stated that although the Act does not say that the actual design,
construction and supervision of hospitals cannot be undertaken
by the Commission, conversely the Act does not say that it should
assume this responsibility. There exists no detail in the Act
under which the Commission may formally and legally bring a
design point of view to bear on another authority or department
apart from the reference to the function of planning, developing
and constructing the city of Canberra. The Commission felt,
therefore, that its views regarding hospitals, airports and
defence establishments were matters which had to be subject
to arrangements with the appropriate Departments in the absence
of a clear legal position.

PART III - FUNCTIONS AND OPERATIONS OF THE
PROFESSIONAL AND TECHNICAL DIVISIONS

CHAPTER 7 - THE TOWN PLANNING DIVISION

99. The Commission informed us that town planning has been described as the direction of the development and use of land to serve the economic and social welfare of a community in respect of convenience, health and amenity. The Commission was of the opinion however, that the planning of Canberra required a wider definition to acknowledge its importance as the National Capital.

Exhibit
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100. It was suggested that the establishment of a Federal Territory of over nine hundred square miles, the acquisition of the proprietary rights of some eight hundred square miles of land for the City and its surroundings and the adoption of the leasehold system of land tenure were steps taken to ensure that the planning, development and administration of the City would not be hampered by difficulties encountered elsewhere. Mr. Lansdown stated that the earlier planning had obviated costly acquisitions of land to further the development process and that the adoption of the leasing system had given the Commission the opportunity to specify to private developers the terms and conditions to be observed during construction to an extent regarded as favourably unique in other parts of Australia and overseas. It was stated that the leasehold system is no deterrent to private investment and that, in practice, commercial developers placed a good deal of confidence in the definition of land use established by the terms of a lease. The Commission had seen no significant evidence to indicate that Canberra residents would prefer, or would choose if given the opportunity, to live under a freehold system. The Commission was reinforced in its belief by the lesser degree of activity in the market for serviced land in Queanbeyan where blocks were available more cheaply and under freehold tenure.

Q.743

Exhibit
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Q.744-745

101. The Commission informed us that the public ownership of land also permitted the allocation and reservation of areas for social, community and recreational purposes without the restraints imposed by commercial competition for the land.

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The absence of acquisition costs did not mean, however, that the Commission was entirely free from restraint for, in employing land in what it felt to be the best manner, the Commission also needed to observe the requirements of posterity. It was recognised that the failure to select land with sufficient foresight would eventually mean that the Commission's successors must pay the costs of any resumptions found to be necessary. Therefore, the process of determining land usages had to have regard not only to the needs of the present but to both the short and long term future. This situation required a continuing programme of study and research into the changing patterns of urban development in Australia and overseas.

Q.741

102. The Town Planning Division is divided into five sections, dealing with long term planning, district development, developmental planning (of neighbourhoods and activity centres), site development and control, and administration. With one exception the establishment of 24 positions are at professional, sub-professional and technical grades. (See Appendix 3 to this Report).

Exhibit
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Mr. Harrison informed us that, apart from his own visits, four of his officers in the Town Planning Division had received overseas experience although none had visited other countries during their period of employment with the Commission. However, every resource available nationally and internationally was being exploited in order to gain further knowledge of current town planning developments. The Commission was visited constantly by overseas experts such as United Nations Technical Commission representatives, the Honorary Secretary of the Town Planning Institute, London, and Lord Holford, the Professor of Town and Country Planning at the University of London.

Q.715-716

Q.761

103. The Commission indicated that planning was conducted in three phases, viz. long term planning; district planning and development planning. A long term plan had been published in a report entitled "The Future Canberra" and had established a framework for outline plans of districts such as Woden, Belconnen and Weston Creek. In turn, the outline plan indicated more precisely the various forms of land use within the urban area and the possible uses in the spaces left between and around the districts. It was stated that

Exhibit
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the outline plan is not a finite plan for detailed development but is a means of establishing the limits of the suburbs and the size of the population to be accommodated in order to permit engineering design investigations to proceed on water and power supply, sewer and stormwater drainage, and traffic. Broad land use requirements for residential neighbourhoods, recreational areas, commercial centres and institutional uses (particularly schools) could be assessed, related to the particular topography, and planned within a traffic system providing for movements within the district and the connections to adjoining districts. No attempt was made to lay out the built-up areas at this stage beyond ascertaining that they were capable of proper development. The main concern was to establish the economy and general feasibility of the area for development, the pattern of major engineering services (including the pattern of major roads) and to fit the development to the natural landscape. It was stated that model studios are usually prepared to assist in this work.

104. We were informed that although most of the broad land uses are clearly established by an outline plan for a new district it is impossible to predict every requirement with precision. Spaces for traffic corridors are reserved for arterial roads and future expressways, but the detailed design of these can not be undertaken immediately and it may be many years before precise designs can be prepared. The important concern was to ensure that the future is not prejudiced by lack of foresight. Similarly, there was need to allow some flexibility for land uses which can not be foreseen or established immediately.

Exhibit
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105. The Commission stated that, within the framework of the district outline plan, detailed development planning can proceed since the residential neighbourhoods located between the major traffic routes take up most of the developed land within the district. The neighbourhood plans establish the exact road pattern and residential block subdivisions, leaving space in appropriate locations with suitable topography for schools, playing fields, parks, shopping centres and for housing of types other than single-family dwellings.

Exhibit
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106. Other details included in the framework of the district plan are the road and subdivision patterns of industrial and service trades areas, the delineation of sites for high schools, district playing fields, shopping and commercial areas and special governmental and institutional needs. All of this detailed planning is subject to strict criteria of engineering economy, convenience, traffic safety and aesthetic factors. Exhibit
83/10

107. The Commission informed us that a major development such as the Woden District Centre is prepared with the collaboration of other technical divisions of the Commission. Shopping centres and office groups are usually the subject of detailed site plans; architectural drawings, designed to ensure architecturally coherent building groups, are prepared before the leases are auctioned to show the prospective lessee the nature of the buildings envisaged. The detailed site plans also establish the design requirements for paving, roadworks, landscape arrangements, street furniture and engineering services. Exhibit
83/10

108. The Town Planning Division is also responsible for site development and control (which provides the link between developmental planning and actual development) on all sites with the exception of Government housing and Commission building projects. To this end all private enterprise projects are reviewed by the Division to ensure that their location and scale are suitable. At this stage, the discussions with private enterprise may lead to modifications of development plans to ensure that any sites released and conditions attached are both suitable and feasible. For major and complex projects such as the Dickson Centre and Hobart Place, special studies are made requiring detailed consideration of engineering, architectural and administrative aspects. These studies are carried out by either the Division itself, the Architectural Division or an agent working in collaboration with the Town Planning Division. Exhibit
83/10

109. The review of proposals is followed by the selection of sites for release to private enterprise or for development by the Commission and other Commonwealth authorities. Within the framework of the development plans discussed earlier and the site studies referred to above, sites are selected for offices, department stores, shops, service trades, flats, Exhibit
83/10

institutional uses and such other projects as are required in a growing city.

110. After a site has been selected, the conditions of lease and the conditions of sale are determined. The conditions of sale are associated with the lease (which itself generally includes only the purpose clause of the lease, the date by which construction must be completed and the lease term), and include the Commission's special conditions of building approval. It was stated that the conditions of building approval may contain one of the following requirements, established by the Division -

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- (a) Mandatory architectural control drawings which specify external appearance, siting, levels, colours and materials.
- (b) Conditions similar to (a) but not mandatory, leaving the opportunity for private enterprise to submit alternative designs.
- (c) Building envelope and levels showing maximum projections, levels, colours and finishes.
- (d) Minimum design standards expressed in descriptive conditions and
- (e) Value covenant and minimum descriptive conditions.

We were informed that the requirement attached in each particular case depends on the nature and significance of the development envisaged. In 1964-65, the leases issued for development, excluding those for residential purposes, totalled 63. None of the conditions of building approval accompanying these leases required the building proposals to conform to mandatory architectural control drawings as described in sub-paragraph (a) above, but 24 of the leases were offered with the conditions of building approval described by means of drawings indicating acceptable forms of development as in sub-paragraph (b). One lease for a large group of residential apartment buildings was subject to the mandatory provisions.

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111. When sites have been released by the Department of the Interior, the Division has the responsibility to ensure that development on the leased land is in accord with the conditions of building approval attached to the conditions of

Exhibit
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lease and that the form of development also agrees with the design and siting policies of the Commission. Under the Design and Siting Ordinance all development on leased land is subject to scrutiny by the Commission.

112. Design and siting control also applies to redevelopment activities and the Division is also responsible for the scrutiny of redevelopment proposals. Where redevelopment involves change in the purpose clause of the lease, the lessee is required to make an application to the Supreme Court. The Division advises the Commission and liaises with the Department of the Interior on these applications. Exhibit 83/10
Q.750

113. In response to questions on whether the control exercised over private building activity in Canberra was more restrictive than that exercised elsewhere in Australia, Mr. Lansdown informed us that a variety of views had been voiced on the matter, some complaining of the stringency of lease conditions and others suggesting that the control measures should be more adequately policed. Mr. Andrews added that the Commission had, however, endeavoured to incorporate the best features of town planning conditions found elsewhere and had attempted to convince developers that the higher standards insisted upon in Canberra were not only to the benefit of the community at large but also protected developers' investments. Q.293
Q.294

114. We also asked what avenues of appeal were open to developers who felt that the Commission's conditions were unduly restrictive. Mr. Lansdown informed us that the Commission had sought the introduction of legislation, subsequently enacted, to provide for the establishment of a Design and Siting Tribunal to which appeals may be addressed against the Commission's decisions. Notwithstanding the powers of the tribunal, no appeal may lie against the policies of the Commission and Mr. Lansdown later informed us that the Commission could withstand any appeal against its decision by pleading before the Tribunal that the subject of appeal was a matter of policy. He also stated that the Commission intended to codify its established policies to inform people, including members of the tribunal, of the nature of the Commission's views but Q.296
Q.469

that, because the Commission and its advisers had firm opinions about certain design and siting situations, some policies were of a nature which would remove the possibility of an appeal succeeding. The Commission had produced a publication entitled "Development Standards" which revealed to a builder the conditions attached to a lease such as the required heights of buildings and their external appearance, the landscaping of the surrounds, and the provision for traffic access and parking. This publication had been produced to allow developers and builders to become aware of building conditions prior to bidding for a lease.

Q.473

115. In a subsequent submission, the Department of the Interior Observer, Mr. Keehn, informed us that the administration in Canberra of building control legislation is partly the responsibility of the National Capital Development Commission and partly the responsibility of the Department of the Interior. Approval of the design and siting of buildings and other structures is the responsibility of the Commission, but all other aspects of the building control are administered by the Department.

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116. The current procedure requires architects or builders to submit plans of proposed buildings to the proper authority under the Canberra Building Regulations - the officer concerned being the Chief Architect, in charge of the Building Section in the Department of the Interior. Before the plans are examined for compliance with the structural requirements of the Regulations, they are referred to the National Capital Development Commission for consideration of design and siting in accordance with the policies, and subject to the provisions for appeal, described to the Committee by Mr. Lansdown.

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117. When design and siting aspects have been determined the plans are examined by officers of the Department and, if in accordance with the structural requirements of the Regulations, are approved by the Chief Architect. The Committee's attention, however, was drawn to the fact that under the Buildings (Design and Siting) Ordinance the Chief Architect is prevented from approving any plans that have not the prior approval of the National Capital Development Commission with respect to design and siting.

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118. A new Building Ordinance and amendments to the Canberra Building Regulations, promulgated about the same time as the Buildings (Design and Siting) Ordinance in 1964, made provision for a somewhat similar appeal tribunal to hear appeals against certain actions of the Chief Architect under the Canberra Building Regulations.

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119. Mr. Keohn explained that the structural requirements of the Canberra Building Regulations are not inconsistent with the building codes operative in other parts of Australia. Apart from power to withhold approval from the plans of unsatisfactory buildings, or to approve plans subject to specified conditions, the proper authority has power to prevent unsatisfactory building construction from being undertaken. For example, the Ordinance makes provision for the prohibition of further work on a building where it is not being constructed in accordance with approved plans and specifications, or where a building permit has not been obtained, and also for the demolition of any building constructed without a permit, or the requiring of remedial work to be carried out so that the building will conform to required standards.

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120. The Building Ordinance 1964 established a Canberra Building Review Committee consisting of five members, viz. a Chairman, and one representative each of the Department of the Interior, the Royal Australian Institute of Architects, the Institution of Engineers of Australia and the Australian Institute of Builders. This Committee has power to hear and arbitrate on objections to -

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- (a) orders to demolish or carry out remedial work made under the provision of the Ordinance relating to erection of buildings otherwise than in accordance with approved plans and specifications or the Canberra Building Regulations, or made under the provisions of the Ordinance relating to erection of buildings without a permit; and
- (b) the cancellation or suspension of a builder's licence.

121. The Canberra Building Review Committee has power to dismiss an objection or to revoke the order in respect of which the objection is made. Where the objection relates to an order to demolish or to carry out remedial work, and the notice is revoked by the Committee, the Committee may, in its finding, make such directions as it thinks should be followed by the person who made the objection. The activities of the Committee are integrated with the provisions of the Buildings (Design and Siting) Ordinance by a provision that the Committee is not to make an order upholding an objection to a "stop" notice unless the approval of the National Capital Development Commission with respect to the external design and siting of the building has first been obtained. Where an objection to a notice requiring demolition of a building is rejected by the Building Review Committee, the person who lodged the objection has right of appeal to the Supreme Court, which has jurisdiction to uphold or reverse a Committee finding.

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122. It was stated that a comprehensive review is being made of the Canberra Building Regulations with the object of bringing them up-to-date and generally in line with the Victorian Uniform Building Regulations, which are generally regarded as the most comprehensive building code at present in operation in Australia. It was expected to be some time before this review is completed and the revised legislation promulgated, but the 1964 provision for the Canberra Building Review Committee, with right of appeal to the Supreme Court, will be retained in the new legislation. Mr. Koehn felt that the 1964 legislation was introduced specifically in advance of the complete review of the legislation in order to make provision in the meantime for the operation of a system of appeal as described above.

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123. The Commission informed us that the responsibilities of the Town Planning Division in an administrative sense comprise three main functions - legislative and administrative review, management and drafting and mapping. The continuing growth of Canberra has had ramifications of an administrative and legislative nature which were expected to become increasingly apparent in the future. The Commission, as the statutory authority charged with the responsibility of

Exhibit
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planning, developing and constructing the National Capital believed that it could not confine its interests to the development and construction of new districts, but should be equally concerned with the redevelopment and reconstruction of existing districts. Likewise, the Commission was also concerned that development which may, in the long term, take place in remote areas of the Australian Capital Territory should not be prejudiced by undesirable development in the short term. We were informed that in this respect, it was the responsibility of the Division to undertake reviews, consult the Department of the Interior, and advise the Commission on attitudes and objectives.

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124. It was stated that the Division is also responsible for the preparation and presentation of the Commission's views before certain statutory bodies. These include the Supreme Court in the case of "change of purpose" applications in respect of leases, the Design and Siting Review Committee in the case of an appeal against a Commission decision under the Design and Siting Ordinance, and the Parliamentary Committee for variations to the Statutory Plan.

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125. The management function of the Division is related to the drafting and issue of briefs to agents in respect of planning projects, the determination of fees, liaison with agents, staff supervision, co-ordination of internal and external liaison, expeditious processing of enquiries and the meeting of visitors. The Division is also responsible for the drafting and mapping activities within the Commission.

Exhibit
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126. In an explanation of the Division's relationship with other Divisions, it was stated that the planning, development and construction of the Capital is a total activity. Specific activities can be grouped within particular divisions but the essential ingredient to success is close continuing liaison between the organised groups within the Commission and between the Commission, Departments and authorities also operating in Canberra. The Town Planning Division therefore is required to work in close liaison with the Director of Engineering and his staff on such matters as major traffic corridors, areas for water storage, reservations for water reticulation and areas for sewage treatment

Exhibit
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facilities and sewage reticulation. The Division maintains an equally close relationship with the Director of Architecture to ensure that all town planning proposals and activities give due weight to civic design concepts. The Division and the Chief Landscape Architect's Division also work closely together in the definition of landscape policies and landscape schemes and treatments, all of which have to be recognised through the various stages of planning with appropriate allowances and conditions made.

Exhibit
83/10

127. We were informed that the same kind of liaison exists between the Director of District Development and the Town Planning Division in the planning and development of neighbourhoods, shopping centres, school sites and the like. There exists also a continuous link between the Management Division and the Town Planning Division on the prediction of land use needs and timetables for the availability of particular sites for both Commission and private enterprise development. Those liaisons were said to be effected by daily discussions, the circulation of papers and by working party groups and formal committee meeting techniques. An emphasis was placed upon the rapid exchange of information and criticism as well as upon suggestions aimed at achieving proposals emanating from interested Divisions within the Commission.

Exhibit
83/10

128. The Division is expected to maintain close contact with the Lands Branch of the Department of the Interior on matters of common interest, including survey, land auctions, leasing and re-development. The Division was stated to have strong continuing links with such other groups interested in city planning and development as the P.M.G. Authorities, the Australian Capital Territory Electricity Authority and with State and regional planning authorities whose problems approach the Australian Capital Territory.

129. The Commission informed us that the original plan for the development of Canberra has been substantially fulfilled and that the continuing task is to provide a framework for growth far larger than the early concept of a city of 75,000 persons. It was stated that the present city is surrounded by some three hundred square miles of land

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83/10

held in Commonwealth ownership, an area sufficiently large to provide for both a population of 500,000 persons and such service requirements as airports, power transmission routes and treatment works. It was expected that there would also be continuing demands for sites for defence and research establishments which will require tracts of countryside free from the possibility of urban encroachment.

130. We noted that the provisions of sub-section 11(5) of the National Capital Development Commission Act state that the Commission shall not depart from, or do anything inconsistent with, the plan of layout of the City of Canberra and its environs as published in the Gazette in 1925 or do anything inconsistent with any modifications to that plan subsequently made in accordance with law. Questioned upon the reason for variations to the gazetted plan, Mr. Lansdown informed us that there had been no alternative to the variations if development by the Commission was not to exceed the confines of the gazetted plan. Q.278

131. Mr. Koehn also informed us that variations to the existing city plan were engendered by the planning activities of the Commission. The plans for future development are submitted for approval in the first instance by the Commission to the Joint Parliamentary Committee on the Australian Capital Territory. The proposals are then conveyed to the Department of the Interior for further processing and submission for approval to the Minister for the Interior. The Seat of Government (Administration) Act requires that any proposed variations to the existing plan shall firstly be subject to a gazettal of notice of intention to vary the plan and, after the elapse of a period in which objections may be lodged, a further gazettal of notice formally varying the plan. This was a necessary preliminary step to allow the Commission to proceed with its plans for the subdivision and development of the new area concerned. Mr. Koehn also indicated that, notwithstanding the foregoing formalities, further legislative amendment is necessary before leases may be granted in respect of blocks situated within a newly completed area if the development is completed outside of the "City" as defined by the City Area Q.734

Leases Ordinance. This Ordinance provides for the granting of leases for residential and business purposes in the City of Canberra but the area encompassed by its definition of the City does not coincide with that definition contained in the Seat of Government (Administration) Act.

132. Mr. Lansdown stated that the limitations of the gazetted plan did not prevent the Commission from continuing its developmental activities since legal advice had been received to the effect that the City of Canberra, as referred to in the Commission's Act, extended as a result of the activities of the Commission. In the light of this advice, the development of Belconnen was regarded as part of the task of developing the City and it was felt that any legislative amendments which had proved to be necessary were consequences flowing from the Commission's discharge of its functions. Q.720 Q.722

133. Mr. Lansdown indicated that the reservation of tracts outside of the urban area was also authorised by the Commission's charter in that it was a prerequisite to the continuing development of Canberra. In response to a question as to the limits of future development, the witness indicated that, at the present time, the only limiting factor was the boundary of the Australian Capital Territory although it was inevitable that the metropolitan area of Canberra would spread into New South Wales. However, it was not the Commission's responsibility to plan this development. Q.725 Q.726

134. Mr. Lansdown informed us that, under its charter, it was the Commission's prerogative to determine the industrial, commercial and administrative content of the city subject only to the specifications of the gazetted plan, and the Act's requirement that the nature of the Commission's activity should be divulged in the annual report to the Parliament and the quarterly reports to the Minister. Questioned upon whether proposals concerning the content of development were subject to Ministerial sanction, the witness indicated that it was not the Commission's practice to make such decisions without such a reference. Q.730 Q.733

CHAPTER 8 - THE DISTRICT DEVELOPMENT DIVISION

135. We were informed that the District Development Division is responsible for three categories of work associated with the development and construction of districts - land development and municipal engineering, municipal and territorial buildings, and house construction. The Division does not handle such matters as arterial roads or water storage facilities which serve more than one district. Exhibit 83/12
136. The Division is responsible also for arrangements for design and construction of projects such as pre-schools, primary and high schools, technical colleges, offices and special buildings for territorial and municipal administration. It also manages such special projects as swimming pools and similar community facilities and other architectural works outside the Parliamentary area as determined by the Commission. Exhibit 83/12
137. It was stated that within the broad policies established by the Commission the Division formulates the detailed housing programme in terms of areas, times, contractual arrangements and special groupings. It arranges for development of design standards, for review of costs and rationalisation of fittings, methods of construction and offsets contractual arrangements so that full advantage is taken of developing experience in Australia. Exhibit 83/12
138. Within the foregoing context, the Division must arrange for land, administer contracts for land development, houses and other construction, and supply of items such as electric stoves, slow combustion heaters, kitchen cupboards and fittings thereby promoting continuity of work for contractors and labour, and aiding economy and efficiency in construction. To carry out these functions the Division is organised into Engineering, Architectural and Housing Sections, each responsible to the Director. (See Appendix 4 to this Report). Exhibit 83/12
139. The Commission's submission stated that the Engineering Section is supplied with a town plan and arranges achievement of the land development programme, a process requiring the development of roads, stormwater drainage, sewerage, sportsfields, shop sites, footpaths and streetlighting.

The Section also implements the municipal engineering programme, assembles basic data, prepares costs and times for all items and analyses projects to enable priorities to be determined. It co-ordinates and controls the approved programme both physically and financially. The work entails liaison with agents to ensure that standards and objectives including cost control are achieved in the preparation of design and construction.

140. We were also informed that the professional officers in the Engineering Section are responsible for establishment of design criteria and development of standards of design, the preparation of technical briefs, supervision of design work prepared by the agents, and review of reports from agents to ensure that the Town Planning concepts are fully and properly considered. They maintain a continuous programme of research into design and construction and may act as Project Engineers for special projects where design and construction need special consideration.

Exhibit
83/12

141. Because of the generalities used by the Commission Q.766 in describing the functions of the District Development Division, we directed a number of specific questions to Mr. Lansdown in order to gain a little more precision in the responses to our inquiries. We asked him to explain what was meant by the statement "the preparation of costs and times for all items and analysis of projects to enable priorities to be determined". After emphasising the co-ordinating role of the Commission, Mr. Lansdown stated that the Division, after being provided with a brief, was expected to consider the material with which it had to work and the time scale, and to then advise others in the Commission of the total programme that is required in terms of costs, times, priorities and design resources. This meant that the Division, again in association with others, would identify areas on which houses would be built and would arrange construction of the houses. It would also identify and arrange for the servicing of areas which would be offered as serviced land for private housing at public auction. The witness concluded his explanation by stating that an attempt had been made to emphasise in the submission that the Division took a plan and, by using the whole organisation and time, money and resources, created a physical entity.

142. Explaining the reference to the Commission's liaison with agents to ensure that standards and objectives, including costs control, are achieved in the preparation of design and construction, Mr. Andrews informed us that overall control of agents was exercised to ensure that a neighbourhood project developed in a co-ordinated fashion. The Department of Works was the Commission's principal agent in this field but, we were informed, the Commission was just as concerned with the Department's performance as that of any other agent. This did not mean, however, that the Commission attempted to supervise contractors but rather expressed to the agent its views for transmission to the contractor. Q.767

143. We questioned Mr. Andrews on the nature and content of the "terminal briefs" purported to be prepared in the Engineering Section. We were informed that the briefs were complete briefs setting out the total requirements that were to be achieved in respect of standards. The design criteria were spelled out in a manner sufficient to permit agents to carry out the necessary work and to call tenders. We questioned why the Commission's officers should limit their activities to the establishment of design criteria and were informed that this practice was one of policy as the Commission believed that it was the most economic method of achieving its programme. Q.768

144. We also asked Mr. Andrews to elaborate upon the Commission's statement that the professional officers in the Engineering Section maintain a continuous programme of research into design and construction. It was stated that a great deal of attention was paid to performance reviews after projects were completed and that the Commission's officers were also required to maintain their own contacts with State and local government organisations handling similar classes of work. The Commission also ensured that selected officers were able to engage in seminars to exchange professional knowledge with the aim of avoiding an insular outlook. Q.769

145. We asked a witness whether there was any suggestion of a duplicated effort in the District Development Division and the Programming Development and Research Section of the Management Division. It was stated that the work of Q.771

the District Development division fundamentally entailed the preparation of design briefs and "getting the jobs completed" while the Development, Programming and Research Section was concerned with the total programme of the Commission and not simply the annual design and construction programme. We were informed that the Development, Programming and Research Section prepares the design programme and sees that it is implemented by the District Development Section. Mr. Lansdown, in later recapitulating his evidence, informed us that if serviced land, houses and schools are required in a district by a certain time, the District Development Group is expected to take the section of territory concerned and convert it to a completed project. In doing so, the Division is expected to be free of the influence of the Civic Design group, the Planning Group and the "basic long term" Engineering Group. The Division is expected to work from a plan prepared by the Town Planning Division and to further process that plan to permit the land to be serviced. Mr. Lansdown emphasised that, in discharging its function, the District Development Division bears the sole responsibility to complete the project but, in doing so, is free of any cost restriction or influence by the planning, programming, finance or research interests.

Q.764

146. The Architectural Section is responsible for the briefing, design, documentation and supervision of all municipal architectural works, and major architectural works such as schools, hotel accommodation and other buildings outside the Parliamentary Triangle as determined by the Commission. It is responsible for the achievement of target dates and expenditures based on the approved design list and construction programme and for development of project achievement records and collation of data on costs.

Exhibit
83/12

147. The responsibilities of the Section demand liaison with the Assistant Secretary (Management) on programmes and costs and with client departments on detailed requirements. The Section is also responsible for the preparation of briefs, submissions relative to the engagement of agents, the clearance of design proposals and for professional association

with agents in review of both design and construction to ensure compliance with planned targets of cost, time and quality. The Section also arranges performance reviews of each project to establish whether any need exists for altered construction practices to be applied in future.

148. The Commission's submission stated that the Housing Section is responsible for implementation of the approved construction programme (in terms of siting and groupings in accordance with Commission policy), the preparation of design briefs, and recommendations on tender acceptance. Constant professional association is maintained with agents on both design and construction matters. The Section also has responsibility for administration of housing contracts and contracts for annual bulk supply of items such as slow combustion heaters, cooking stoves, kitchen and bathroom fittings and rotary clothes hoists.

Exhibit
83/12

149. The Housing Section engages in the comparative analysis of standards of governmental housing in the Australian Capital Territory and the States, and generally investigates and reports on materials, fittings, finishes and standards. It is expected to review existing house designs and recommend on new house designs in the light of new techniques and materials. It was stated that a considerable degree of field work is entailed, including the preparation of construction progress reports, the inspection of housing contracts in order to report on standards of workmanship and materials, and to carry out checks on completed houses.

Exhibit
83/12

150. In the light of the reference to the considerable field work entailed in the administration of the housing construction programme and the need for constant professional association with agents, we sought to define more clearly the relationship between the Commission and its agents. In a prepared statement, Mr. Andrews suggested that the relationship between the Commission's architects and engineers and its consultants may be more readily understood if a comparison was made with other public or private bodies undertaking large developmental programmes. These bodies were usually broken into functional groups and were led by a staff of senior officers exercising a co-ordinating, reviewing and directing function.

Q.787

151. The Commission had, from its inception, the opportunity to employ its own operational staff but had chosen to employ established specialist technical groups as its agents. Mr. Andrews suggested that this practice had proved to be most satisfactory in that it had offered a greater degree of flexibility and had permitted the use of the best available skills in the preparation of the wide variety of designs required by the Commission.

Q.787

152. It was stated that the Commission, being totally responsible for its programme, allowed its agents only limited authority outside the specific terms of a brief or contract. Any necessary changes were referred to the relevant Director who, with the advice of his staff, maintained an intimate control of the job through continuous liaison with the consultants. The Commission's staff was therefore not involved in the supervision of contractors but was concerned with such issues as the preparation of briefs and standards of design, the agent's adherence to time and cost requirements, the assessment of documentation and adjustments, and recommendations on contract variations.

Q.787

153. In a statement concerning the relationship of the District Development Division to other Divisions it was indicated that the Division implements plans and programmes prepared elsewhere in the Commission. We were informed that a close association is maintained with the Town Planning Division and that there are daily contacts with the Management Division "in the provision of facilities to agreed timetables and costs, and on most aspects of expenditure time tables and contractual matters". There is also a daily working relationship with the Director of Engineering on the integration of district and municipal engineering on the one hand and the territorial engineering work such as major sewage, water, stormwater and traffic provision on the other. The Division also has a regular working relationship with the Chief Landscape Architect and his staff on the integration of architectural and other project and landscape construction.

Exhibit
83/12

154. We were informed that the District Development Division necessarily works in close touch with the Australian Capital Territory Electricity Authority on the provision of electricity reticulation and streetlighting. Under arrangements effected in 1963-64, the Electricity Authority undertook the work of electricity reticulation and streetlighting upon the order and specifications of the Commission.

Exhibit
83/12

Q.823

155. Mr. Andrews stated that in undertaking this aspect of development, the Commission had adopted a general policy of placing low tension poles and mains along the rear boundaries of allotments as opposed to street placement. Streetlighting, with its attendant underground wiring and reticulation, is carried out concurrently with the normal land servicing contracts and the arrangements for the development of complete neighbourhoods in a tidy co-ordinated single programme is under the control of the Director of District Development.

Q.825

Committee
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156. It was suggested that the comparison of street lighting standards in Canberra with those adopted in other cities is best considered under two headings, as follows -

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- (a) Pedestrian lighting in residential streets;
- (b) traffic route lighting.

157. Referring to pedestrian lighting, the Commission stated that the practice in Canberra is to provide a well designed concrete lamp standard fitted with a 100 watt lantern spaced at 150' intervals, with servicing cables underground. The lights are sited to cater essentially for footpath lighting, with some spill to the road edge to provide an average intensity of lighting of approximately 9 lumens per foot, equivalent to about 20,000 or 30,000 watts per square mile. In other cities, the practice has been to use the wooden poles of the low tension aerial reticulation to support a 60 watt lamp providing an average intensity of between 2 and 9 lumens, depending on the spacing of the reticulation poles and whether or not the lighting is provided on both sides of the road. As an example, the Mackellar County Council,

an electricity authority operating in the northern suburbs of Sydney, designs its lighting by the provision of a 2 x 20 watt fluorescent fitting on a wooden pole some 20' to 25' high at a spacing of about 300', giving an average intensity of about 3 lumens per foot, the equivalent of probably 10,000 to 15,000 watts per square mile.

158. We were informed that the illumination for traffic route lighting in Canberra will not be less than the values recommended in the new Standards Association of Australia Lighting Code. In fact, the two designs already completed provide for intensities of approximately twice the minimum recommended by the Code. In other capital cities the recent production of a new Standards Association Code has led to a progressive introduction of lighting to these new code standards. In most cases the minimum provided by the Code is being adopted.

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159. It was stated that pedestrian lighting and highway lighting are being provided in Canberra to meet their particular functional requirements. It was suggested to us that not only is this lighting aesthetically pleasing, but its intensity is somewhat greater than that being provided in other cities. It is considered to be a reasonable standard for the safety and convenience of pedestrians and for motor vehicles on the highways.

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CHAPTER 9 - THE ENGINEERING DIVISION

160. In a submission relative to the Engineering Division, it was stated that the Division is responsible to the Commission for the investigation, design and construction of all engineering work of a national and territorial character (as distinct from neighbourhood and district projects) and for the provision of advice to other divisions on engineering matters. The work embraces projects such as dams, sewers, electrical works, expressways and other roads and bridges and includes studies of the immediate and future needs of the transportation system.

Exhibit
83/13

161. The Director of Engineering is assisted by a staff of ten officers consisting of five engineers, two technical officers, a drafting officer and two clerks (See Appendix 5). We were informed that the work undertaken by these officers falls into four categories:-

Exhibit
83/13

- (a) Long term investigations as a basis for policy decisions and long term plans. This function entails the compilation of briefs, the choice of agents and their subsequent supervision and the preparation of reports and recommendations.
- (b) The implementation of specific projects arising out of the long term investigations. It was stated that the manner of implementation involves the selection of projects as the development process proceeds and the compilation of briefs for the instruction of agents. The agents are supervised by the Commission from the time when a preliminary report is being prepared until the completed project is transferred to the control of the Department of the Interior. As each stage is reached, the Division Engineer is responsible for liaison with other Divisions, for the close oversight and control of standards and costs, for checking on performance and the preparation of submissions to the Commission.

- (c) The preparation of engineering standards using internal or agent facilities and the study of State, national and international practices.
- (d) The provision of engineering advice on specialised technical matters to other divisions.

162. We were informed that the Engineering Division, in consultation with the Management Division, prepares and constantly reviews its physical and financial programmes within the framework endorsed by the Commission. The principal aim is to integrate the division's engineering responsibilities into the development being processed by other divisions. To this end, the formal circulation of proposals between divisions for comment, report and decision is supplemented by informal liaison on a daily basis. Exhibit 83/13

163. The description of the Division's responsibilities, as appearing in the Commission's submission, suggested to us that a more precise definition of its duties might be that the division initiates, rather than undertakes, the investigation, design and construction of engineering works. On this point, Mr. Price suggested that the division's responsibilities went beyond that of initiation in that it had to ensure that the requirements were carried out to the Commission's satisfaction. The Division was involved, in a real sense, in the early stages of investigation as the Commission could not indicate its requirements in precise terms. This meant that the division engineers had to guide the consultants in producing alternatives for the Commission's choice until the stage was reached where the design and construction could proceed. Q.845

164. We examined Mr. Price on the Commission's statement that briefs are prepared in respect of projects arising from long term investigations. Referring to the Balconnen sewerage project, Mr. Price informed us that the Commission's engineers had carried out an investigation of the water catchment area over a period of twelve months after which further investigations had been conducted by consultants over the succeeding year to determine whether the area could be sewerage. A second stage investigation was then commenced relative to "the type of treatment and the precise location of mains and so on". The brief eventually produced for the Q.846
Q.859
Q.848
Q.846
Q.852

design and construction of the project will request the consultant to design the sewerage main, the man holes and ventilation features and to produce for the Commission documents in respect of which tenders could be called for the construction of one section of the scheme. We were informed that in most cases, the consultant who undertakes the early investigations also proceeds to the detailed design of the work. Q.853
165. Questioned upon the role played by the Q.850

Department of Works in the Belconnen project, Mr. Price informed us that the Department was involved, as the operating and maintenance authority, in the early stages of the investigation and the refinement of the designs finally prepared. The Department had a cell which had been established to undertake the bulk of the water supply and sewerage work but the demands being made upon the Department when the work was initiated had prompted the Commission to allocate the task to a private organisation. Q.854

166. The relationship between the Commission and the Department of Works is discussed elsewhere in this Report. See para

However, in the light of Mr. Price's suggestion that the Department of Works will be involved only in the early stages of investigation of the sewerage project, we feel it is pertinent to note the degree of responsibility borne by the Department in respect of the Corin Dam, which will augment the existing Canberra water storage facilities. This project first appeared as a recommendation in a report from the Department of Works to the Commission in 1962 arising from a feasibility report which also had been prepared by the Department. The investigations on which the report was based had been undertaken by the Department in conjunction with employees of the Snowy Mountains Hydro-Electric Authority and an overseas consultant. Q.872-884

The camp facilities provided for the work force constructing the dam were designed and erected, through the agency of the Department of Works, by a successful tenderer from South Australia while the access road to the dam site was also designed by the Department. Finally, the dam was designed and tenders called for construction by the Department which is also supervising and paying the contractors undertaking the project.

167. We also examined the Commission's statement that investigation studies are made of the basic transportation system, including aerodromes, and its immediate and long term future. We were informed that the responsibility for the airport and its facilities lies with the Department of Civil Aviation but that the Commission, in conjunction with that Department, had discussed the location or re-location of the airport on a number of occasions and that an alternative site had been selected approximately six miles from Civic Centre. However, it was said that the provision of the airport and associated facilities is not the affair of the Commission which is concerned only with the question of providing roads to the site. Q.862 Q.867

168. Mr. Price would not agree that the Commission's officers restricted their efforts to investigation, planning, the preparation of briefs and the submission of recommendations. He stated that the Commission's engineers had been involved in the investigation, design and construction of some very large works and had exercised a marked influence in all stages leading to the construction of projects such as Lake Burley Griffin, the Commonwealth and King's Avenue bridges and Anzac Parade. He claimed that the Commission's engineers carried out the design and construction of projects, even though agents were employed by the Commission and field inspections were restricted to those necessary to maintain liaison with consulting engineers. Q.891 - Q.892 Q.893

Mr. Price later cited as an example the Corin Dam project, stating that the Commission's engineer, who has the responsibility to supervise the project, consulted the Department of Works engineer two or three times each week to discuss the progress of the job. The Commission's engineer would also visit the dam site at least once each fortnight to inspect the work and to engage in formal discussions with the contracting engineers.

169. Mr. Lansdown suggested that the role of the Commission in the implementation of a project might be more readily realised if it was noted that, at the time of the hearing, between 1,000 and 1,500 Commission projects had reached some stage between investigation and construction. Q.968

The value of the projects being undertaken would approximate \$80 million but it was still possible to identify individual officers within the Commission with particular groups of work such as, for example, one officer who was engaged in work associated with a housing project valued at \$16 million. Mr. Lansdown also suggested that the work of the Commission was analogous to that of a private estate developer. The entrepreneur would look to some experts to discover his investment opportunities and to others to implement his ideas and, Mr. Lansdown indicated, this was the approach which had been adopted by the Commission. The witness did not feel it proper to conclude that, in respect of projects undertaken, the Commission's contribution was in any sense theoretical, notional or academic.

Q.896

CHAPTER 10 - THE ARCHITECTURAL DIVISION

170. The Commission informed us that the Architectural Division is responsible for the effectiveness of the design and construction of major Commission building projects in the central areas of Canberra. The Division also tenders advice to the Commission on general architectural and civic design matters, and on the aesthetic design aspects of work carried out by other Divisions of the Commission. Explaining the emphasis placed upon civic design and the necessity for aesthetically appealing results, Mr. Engledow stated that large sums were being invested in creating permanent features of Canberra and it was the fundamental aim of the Commission that the design of the total landscape should produce a harmonious effect. Q.687
171. It was stated that all building proposals in areas of special concern (such as the Parliamentary Triangle) are referred to the Director of Architecture. Private development construction proposals are subjected to design and siting studies by the Town Planning Division in the first instance but such proposals may also be referred to the Architectural Division. If the nature or siting of the project is sufficiently significant, the matter may eventually be referred to the National Capital Planning Committee and, in that event, the Director of Architecture would be called upon to provide comment. Exhibit 83/11
172. The Division comprises two groups, one being the Design Group under the personal supervision of the Director of Architecture and the other a Project Management Group controlled by an Executive Architect responsible to the Director. (See Appendix 6 to this Report). The function of the Design Group is to initiate and prepare architectural and civic design studies to guide the Commission's thinking on the development of the city, the work concerned ranging from the preparation of design and feasibility studies for building projects of all sizes down to the design of street furniture. Questioned on the nature of a "feasibility study", Mr. Lansdown informed us that such studies were designed to determine, for example, how a client department's requirements of an office block were to be satisfied. Exhibit 83/11 and Appendix Q.689

Decisions had to be reached concerning the site of the building, the shape, its relationship with adjacent buildings and landscape features and the effect the occupants of the building would have upon traffic movements.

173. The Design Group is also responsible for the preparation of pilot studies, in respect of individual buildings, from which the design requirements to be included in the brief for government projects are established. The group also reviews design proposals submitted by the Commission's agents, in the case of government projects, and by private developers in the case of non-governmental work. The review of a major project may be undertaken over a period of one or two years before the project is required in order to determine a precise completion date to be specified. On other occasions when a programme has reached an advanced state, the review may be completed in a matter of weeks.

Exhibit
83/11

Q.693

174. We were informed that the Design Group also prepares plans and drawings illustrating the Commission's development proposals including material for brochures and reports on the Commission's work. However, it was stated in evidence that, although the Architectural Division employs six architects, no detailed working drawings are prepared apart from occasional small projects and that all design work is produced by agents for the Commission. Mr. Andrews stated that the Design Group also produces material which adequately describes architectural concepts to be observed in private enterprise projects and which might be regarded as architectural or control documents. We were informed that at the time of the public hearings, the Director of Architecture and his staff had an interest in forty-one projects which were in various stages of investigation, design, construction and contract maintenance. The value of such projects was estimated to be in excess of \$50 m.

Exhibit
83/11

Q665-Q668

Q669

Committee
File
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175. The Project Management Group manages the Commission's construction programme for government office buildings and other works such as the National Library. In addition, the group collates information relative to building costs, materials and other technical data relevant to the Division's project for comparative purposes while financial estimates are prepared from building schedules supplied by

Exhibit
83/11

the agent architect. An architect member of the group also undertakes site inspections to ensure that progress is proceeding according to schedule and, where necessary, to review the programme with the agent.

176. Describing the sequence of events in the discharge of its management role, the Commission stated that after being given broad functional and accommodation requirements and receiving approval to proceed, the project manager prepares a brief containing the detailed requirements for the instruction of the agent architect who is to prepare sketch proposals and final design details. The brief also seeks a report from the agent upon the adequacy of the information provided and whether the cost limits and construction time table are reasonable. It was stated that during the preparation of the detailed designs, the division maintains close liaison with both the agent and the client to ensure that the brief is being complied with in all respects. Reports are also submitted to the Commission in respect of cost trends, design problems and adherence to the timetable while other reports are submitted to the National Capital Planning Committee and the client department as required. The project manager ensures that the building documents produced by the architect not only express the technical requirements of the brief but also include the legal conditions of contract as determined by the Commission. Exhibit 83/11

177. After the designs have been produced, the division arranges for the calling of tenders and, after a project has been completed, also arranges for its transfer to the administration of the Commonwealth. Exhibit 83/11

178. In the case of some projects, including some landscaping and engineering works originating from within the Commission, the Director of Architecture is requested by the originating Division to advise on appropriate civil design criteria for inclusion in the brief. Later, as the proposal develops, the originating Division seeks the Director of Architecture's comment on the designs. Exhibit 83/11

179. It was stated that during the management of a project, the Project Management Group maintains a close relationship with the Programming and Finance Section in respect of the commitment of projects and the control of costs. This liaison continues throughout the planning Exhibit 83/11

and construction stages of a project to assist in the preparation of forward programmes and estimates of expenditure by the Programming and Finance Section. Material by way of building estimates, costs per place, costs per square, and similar data in regard to office buildings is also provided by the Director of Architecture for incorporation in appropriate submissions.

180. Throughout the inquiry we sought elaborations on what we felt to be the imprecise statements of responsibilities submitted to us. In this instance, we asked the witness to reconcile for us the role of the Management Division and the Architectural Division since both Divisions appeared, from the evidence, to be responsible for such aspects as policy formulation, the recording and the control of costs, the calling of tenders, and the transfer of completed projects. Mr. Lansdown admitted that the two bodies had the same objectives and furthermore invited our attention to the agent in each transaction who also has the responsibility for the design and supervision of a contract. However, endeavours were made to avoid overlapping of responsibility and it was felt that none existed. Stating the difference between the two Divisions, Mr. Lansdown said that the Architectural Division was responsible for every form of technical reference, raised by the contractor through the agent, which required a decision by the Commission while the Management Division was concerned with the "broad management" of the programme. Q.683

181. Referring to the apparent duplicated effort in the maintenance of cost records, Mr. Engledow stated that the Commission required its agent architects to submit, during several stages of the erection of a major building, an "elemental cost analysis". This document contained a dissection of the components of the building and included a record of the actual costs of the frame, the roof, the upper floors, staircases, etc., and the cost per square of the building. We were informed that the document was analysed within the Architectural Division and formed a record for the purposes of future comparison. On the other hand, the Management Division maintained a cost history card in respect of the accumulative costs of each project which finally provided only the total cost of each project. Q.672

CHAPTER II - THE LANDSCAPE DIVISION.

182. The Commission stated that it had pursued the concept of a garden city which was implicit in Walter Burley Griffin's original plan and which had been accepted by successive planning and development administrations. In doing so the Commission had sought to use landscaping as a foil to public buildings, to assist in the blending of major road networks and the surrounding development and generally to create a pattern of colour and beauty in the National Capital. Exhibit
83/8

183. It was stated that the Commission's Chief Landscape Architect is responsible for advising the Commission, through the Secretary and Manager, as to the landscaping policies the Commission should adopt in the National Capital. We were informed that the Division is responsible also for the planning and design of landscaping proposals for the city and for arranging the implementation of those proposals approved by the Commission. Exhibit
83/8

184. When requested to explain the Commission's landscaping policy, Mr. Lansdown related to us the types of landscaping effects which were to be found in Canberra and suggested the nature of impressions received by visitors. The only near specific content of the evidence in this respect was that the areas surrounding Lake Burley Griffin are to be of open, park-like landscape design while, within the parliamentary triangle, the ground cover is to be of mown, watered grass. Q.429

185. We were informed that the Landscape Division has the following responsibilities:- Exhibit
83/8

- (a) To advise the Commission on all matters pertaining to the use of landscaping in the National Capital.
- (b) To prepare annual and long term landscaping programmes covering design and construction.
- (c) To initiate all actions necessary to produce designs and contracts for formal and informal landscaping on Crown lands and Commonwealth properties in the National Capital.
- (d) To accept responsibility for the continuing review of the performance of construction agents; to report to the Commission upon the acceptability of work undertaken by the agents and to recommend as to the future use of agents.

- (e) To maintain appropriate records of landscaping costs and advise the Commission from time to time on all financial and economic aspects of its landscaping programmes.
- (f) In association with other divisions of the Commission, to prepare and review contract documents and formal agreements in respect of the work of agents undertaking design and construction and,
- (g) To maintain liaison with the Department of the Interior on the maintenance implications inherent in the design themes and construction sponsored by the Commission.

186. In order to gain a more explicit explanation of the manner in which officers of the Division discharged their duties we sought a statement as to precisely who produced the Commission's landscaping designs. We were informed that the work might be produced within the Division itself or by consultants and that, on occasions, the Parks and Gardens Section of the Department of the Interior also produced design work. Q.430

187. It was stated that the staff of the Landscaping Division consists of seven officers of whom one is a field officer who supervises the work of contractors. (See Appendix 7 to this Report.) In response to a question as to whether the Commission was duplicating the work of the Department of the Interior we were informed that the Commission was the planning, development and construction authority and that the landscaping function was being discharged by seven officers. The Commission therefore was not endeavouring to duplicate any function. Q.465

188. In view of the Commission's statement that the Division is responsible for the oversight of construction agents and that the resources of the Parks and Gardens Section of the Department of the Interior are used to a large extent in implementing the landscaping programmes, we sought to establish whether the Commission attempted to supervise the Section's activities. We were informed that the Parks and Gardens Section carries out eighty to eighty-five per cent of the Commission's Q.431

landscaping work but, it was indicated, the remainder of the programme is undertaken by contractors as part of larger projects such as the surrounds of the Scrivener Dam. In the contract for the performance of the major work, the landscape requirements are also included in terms of design, cost and completion date.

189. With the limited amount of landscaping work undertaken by organisations other than the Parks and Garden Section of the Department of the Interior in mind, we sought information regarding the organisations available in the Australian Capital Territory who are capable of quoting for the Commission's landscaping work. It was indicated that the Commission is not aware of the presence of such organisations, other than very small operators, despite the Commission's approaches to large firms in Sydney, Melbourne and elsewhere. The Commission was said to be examining means by which such firms might be attracted to Canberra.

190. We also questioned Mr. Engledow in an attempt to discover the nature of the cost records maintained by the Chief Landscape Architect, especially in the light of the Division's responsibility to advise the Commission on the financial and economic implications of the landscaping programmes. We were informed that the records were maintained to keep the Chief Landscape Architect informed about the continuing costs of maintenance and to guide the Division's staff in introducing economies in design. However, when we sought a comparison of costs with those in other capital cities, the witness could not provide an answer other than to suggest that such a comparison would be favourable.

191. The observations made by the representatives of the Department of the Interior indicated that because of the scale of operation, extremes of climate and the limitations of the Department's accounting system, the cost information made available to the Commission was of doubtful accuracy. Indeed, the evidence suggests that the information is supplied to the Commission in a form which would convey very little to the Commission's officers. For example, we cited the recently completed Bureau of Mineral Resources building and asked whether the Commission's cost records would reveal the extent of wages paid to workmen employed on landscaping, the number of hours bulldozers had worked on the landscaping project or the value of the material used. It was stated that the records would not reveal such information but that the Department's records might eventually do so under its proposed revised accounting arrangements.

PART IV - FUNCTIONS AND OPERATIONS OF THE
MANAGEMENT DIVISION

CHAPTER 12 - MANAGEMENT OF THE COMMISSION'S PROGRAMME

192. We were informed that the Commission's Management Division, controlled by a Secretary-Manager, has the general role of co-ordinating the activities of the Commission both internally and with the operations of other authorities such as the Commonwealth Departments of the Treasury, Works and Interior. The Division is also responsible for research into and the preparation of annual works programmes and the administrative and financial control of the Commission's activities.

Exhibit
83/7

193. The Management Division is divided into two sections: the Development, Programming and Research Section and the Finance and Administrative Section. (See Appendix 8 to this Report). The former section, working through an Assistant Secretary to the Secretary-Manager, has functions related to the development and construction of the city and the Commonwealth funding arrangements. We were informed that it is closely co-ordinated with other groups, both within and outside the Commission, and ensures that the planning, design and construction requirements of the city gain recognition sufficiently early to achieve a co-ordinated and balanced city development.

Exhibit
83/7

194. In a submission to the Committee, the Commission described in broad terms the duties and responsibilities of the officers of the Development, Programming and Research Section but, in order to appreciate the responsibilities more specifically, we sought evidence on this Section within the framework of the new Belconnen development project.

Exhibit
83/7

195. In response to questions on the role played by the Assistant Secretary, we were informed that the planning and the sequence of the projects in the development of a new district depended largely upon population projections

Q.1042

which it is the Assistant Secretary's duty to provide. In conjunction with the Commission's Principal Planner, the Assistant Secretary had been reaching conclusions during the preceding twelve months as to the dates when the first pre-schools, schools, houses and shopping facilities would be required in Belconnen. This information was then provided to a long term planning committee, composed of Commission officers closely concerned with development where it was debated in conjunction with information provided by other officers and a joint decision reached as part of the planning process. The Assistant Secretary is also responsible for providing the link between, for example, the Department of the Interior as a client and the Director of District Development as the designer and constructor of schools in the Australian Capital Territory.

Q.1042

196. We were informed that the Commission's Principal Planner, under the direction of the Assistant Secretary had, among other duties, the preparation of critical path analyses in respect of neighbourhood and district development. The necessity to employ this technique had been impressed upon the Commission by its management consultants and it was also used in the Architectural and Town Planning Divisions. Notable examples of projects to which the technique had been applied are the National Mint and the extensions to Parliament House, both being projects subject essentially to firm completion dates. Although the critical path analysis techniques were not being implemented in their most detailed forms, the methods employed were stated to have been of material assistance to the Commission in the development of its projects.

Q.1050-1056

197. On several occasions during our inquiry we felt that the evidence presented to us suggested a duplication of effort within the Commission's organisation. One example of this was contained in the Commission's submission on the Management Division, where it was stated that the duty of two Executive Officers in the Development, Programming and Research Section included the formulation of short and long term construction and development programmes and proposals. In another submission relative to the Town Planning Division it was stated that the Division was responsible for initiating and co-ordinating long term

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planning studies although all divisions contribute to and participate in the programme. Mr. Engledow explained that the planning and subsequent construction of a major project were distinct aspects of development which may be separated by a period of twenty years but the Town Planning Division is expected to prepare for the time when the population of the city may reach 500,000 persons. This was in contrast to the functions of the Management Division which plans for the needs of the city within the next five years. Mr. Landown added that it is difficult to provide a precise delineation between the responsibilities of the two Divisions and cited as an example the difficulties inherent in the task of road and traffic planning for both the immediate and the long term future. The technical advice received by the Management Division from the Commission's town planners and engineers in this respect has to be considered in the light of expected costs, available resources and budget realities and, in this process, there exists an unavoidable overlapping of responsibility.

Q.1057

Q.1059

198. We were informed that the two Executive Officers in the Development, Programming and Research Section also have additional duties which are simply described in the Commission's submission as to "Examine and recommend on matters of policy, conduct investigation, research, liaison with other departments and recommend." Asked for an elaboration of the duties, Mr. Engledow informed us that the duties had been typified in discussions with the Department of Interior's Director of Education on the subject of school requirements. The Executive Officers had been determining questions of policy in respect of the size of future high schools and whether a single primary school should serve one or two neighbourhoods. The officers concerned were similarly active in liaison with other departments in respect of such matters as police stations and the High Court building. As a result of their inquiries, the Executive Officers were able to determine the attitudes of client departments and provide reports which were ultimately considered during the formulation of a brief for a design agent.

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Q.1063

199. Another position in the Development, Programming and Research Section is that of Senior Projects Officer whose duties include the responsibility to "assemble expenditure data relating to the total costs of development including all governmental and private enterprise costs and develop statements to assist in projections of expenditure and predictions of needs." He is also expected to "seek effective comparisons with like developmental works elsewhere in order to assist in economic development analysis." We sought further evidence in respect of these duties after examining a number of the Commission's typical cost records in which were recorded the sums authorised for expenditure on each project, the expenditure recorded during the year to date, the expenditure recorded during the preceding month and the balance remaining of the sums originally authorised. There appeared to us to be a lack of sufficient detail to permit any form of analysis since the headings on each project record were revealed as "Reconstruction of Llewellyn Street"; "Gordon Primary and Infants School" and "Car Park - Section 119, Balmain". Mr. Lansdown suggested that there existed two aspects of the costing function; one related to the total cost of development and a second related to the detailed costs of specific projects. In respect of cost of total development, the Commission was concerned to see that it was acting with due economy in the expenditure of public money. The absence of a system in which income could be matched against expenditure left no alternative other than to measure developmental costs against those incurred in Sydney, Melbourne, Wollongong and Newcastle. The costs recorded by the Commission, in conjunction with material provided by the Commonwealth Bureau of Census and Statistics enabled the Commission to determine that the total cost of developing Canberra (including expenditure by the Department of Works, the Australian National University, the C.S.I.R.O. and private enterprise) amounted to a certain number of dollars per head of population. However, the comparison was regarded only as the broadest of indicators as the costs incurred in developing Canberra were not aggravated by the transportation and traffic congestion problems experienced in other cities. Conscious of the differing situations, the

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Q.1069

Commission had endeavoured to compare actual construction costs only and had excluded from its consideration factors such as interest on capital invested and demolition costs. Despite the exclusion of these factors the Commission was still reluctant to offer comparisons due to the limited number of developmental projects being undertaken elsewhere on a large scale. A number of Housing Commission projects had been examined in New South Wales and Victoria as well as developmental projects at Brisbane, Queensland and Elizabeth, South Australia and, in broad terms, the Commission had been able to demonstrate that the costs of developing Canberra, compared favourably with other projects of a similar nature.

Q.1072
and Q.1074

Q.1073-
1076

200. In response to our queries on the recording of detailed costs of specific projects, Mr. Andrews offered an assurance that the Commission adopted an analytical approach and a critical attitude during its examination of each project. The Commission called for the detailed examination of costs during the preparation of a brief and for a cost analysis during the preparation of preliminary sketches. Performance reviews are also submitted to the Commission and we were informed that a typical bill of quantities for a large project, such as the Commonwealth Avenue Offices, would amount to a substantial volume in which every item would be detailed with unit costs.

Q.1071

201. We also endeavoured to ascertain the nature of the research conducted by Commission officers into private enterprise expenditures. Mr. Lansdown stated that the Commission was concerned to establish the availability of resources and labour, the general movement of contract costs and "everything associated with a forward look at development in Canberra". The Commission regarded the extent of private investment in Canberra to be of some significance since an accelerated rate of investment could represent an increased degree of competition for the resources of contractors.

Q.488

202. We were informed that the Senior Projects Officer is also responsible for the preparation of reports, statements and analyses relating to revenue and expenditure projections and in respect of the economics of the development operation. He is also required to undertake, as required,

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the necessary research arising from the reports of economic consultants and to conduct research into alternative techniques of funding development. Mr. Lansdown indicated that the activity of the Senior Project Officer in this respect could not be measured in terms of the number of reports produced since the process was simply a process of analysing development costs in a progressive manner. The work produced was suggested to be a form of accounting synthesis based on assumed notional costs which was only as accurate as the original assumptions.

Q.1080

203. Explaining the reference to alternative techniques for funding development, Mr. Lansdown stated that the Commission had always been conscious of returns to the Crown from rents and premiums on the sale of leases and that it had been felt that, since the size of the Commission's annual appropriation had been growing as the city increased in size, an examination should be undertaken of the possibilities of funding development in more direct ways than by bulk appropriation, particularly in respect of land development and housing construction. However, the proposal was one for future consideration as the National Capital Development Commission Act in its present form does not provide for alternative methods of financing operations.

Q.503

204. We also questioned Mr. Lansdown on the Commission's employment of economic consultants and asked whether such assistance had been sought in the planning of the Bolconnen project. We were informed that the views of such a consultant had not been sought as the decision to launch the project had been made on the basis of facts collated within the Commission. However, Mr. Lansdown felt that the eventual use of an economic consultant would be valuable to the Commission.

Q.1083

205. The Development, Programming and Research Section is also responsible for research into the economic, social and geographic aspects of Canberra's growth including the leasehold system of land and its application to development and economics. Mr. Lansdown explained that the leasehold system was the means by which private development proposals could be brought to fruition and was also a medium of providing returns to the Crown in the form of

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Q.489

rents and premiums. He indicated that, although the leasing system was administered by the Department of the Interior, its operation did have implications for the Commission. The witness cited, as an example, applications under the City Area Leases Ordinance for approval to alter the terms of a lease pertaining to the use of land and subsequent redevelopment projects. Each application had presented some new aspect to be considered in the Commission's efforts to ensure that redevelopment was undertaken in accord with established policy.

206. Mr. Lansdown informed us that research was also conducted into the question of premiums paid in respect of leases. Although there was no reference to the payment of premiums in the Ordinance, the procedure involved in the disposal of land to the public made it inevitable that premiums should be realised. Mr. Lansdown felt that the Commonwealth, acting through the Commission as the development agency, was entitled to expect a sufficient return to cover its costs and that the returns could only be derived from premiums or land rent. Q.489

207. Mr. Lansdown also indicated that the premiums received may be divided into two groups: premiums paid in respect of commercial leases and those paid for residential leases. Little public comment had been made in respect of the level of premiums paid for commercial leases but public opinion about the level of residential leases had been of a more vocal nature. Opinion had been divided on whether or not premiums should be paid at all while other arguments had centred upon the level which premiums should reach and whether their existence contributed to higher costs of housing. He stated that it had been the Commission's intention to provide sufficient serviced land to keep premiums at a low level but, since it was felt that premiums would exist, a premium of between \$400 and \$600 was not unreasonable as a means of determining who should acquire a particular block of land. Q.490

208. Houses erected by the Commission on behalf of the Department of the Interior are available for sale to the tenants but, until recent years, no land premium had been included in the sale price. Since the Commission indicated to us that it was not responsible for the emergence of land premiums, Exhibit 83/1 and Q.497

we sought an explanation from the Department of the Interior Observer, Mr. Keehn, as to why premiums of some hundreds of dollars have now been included in the sale price of Government homes. We were informed that the earlier failure to include a premium had been regarded as an acceptable practice as most land was being disposed of for small premiums of a few hundred pounds. After premiums of considerable amounts began to be realised on the sale of leases the Department felt it desirable that additional sums should be recouped by the Commonwealth from people who had the advantage of being tenants and therefore of being able to purchase their homes at lower rates of interest and at lower rates of repayment. Mr. Keehn elaborated upon this aspect of departmental administration in a subsequent submission in which he stated that until recent years, Departmental houses were sold to tenants on a basis of valuation of improvements only, the tenant-purchaser being granted a 99-year lease of the property. This was a reasonable basis, having regard to the fact that until recent years, there was no very marked enhancement in value of residential properties in Canberra. However, this position had commenced to change with the accelerated development of the city in the late 1950's, and the consequent increasing demand for serviced land for residential building. This change was reflected in substantially increased premiums paid at auction for the rights to lease such land, and in the market values of improved properties offered for sale.

Q.497

Q.498

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209. These factors prompted a change in policy, and since October 1963 the sale price of all Departmental houses offered for sale to tenants has included a component by way of "premium" for the land. This component has been assessed by the Commonwealth Valuers having regard to the premiums paid at auction for comparable residential blocks and also to the market value of comparable improved properties. Mr. Keehn indicated that the revised policy was adopted and applied to take account of the changed circumstances in the real estate market, and to ensure that the tenant-purchaser would pay a fair price for the improved property, but not exceeding the Valuer's assessment of market value. It was suggested to us

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that a significant point which should not be overlooked is that it is at least five years before any such lessee has any prospect of making a capital gain from purchase of a Departmental house. Under Section 28A of the City Area Leases Ordinance, the purchaser of a Departmental house wishing to dispose of the lease within five years after the date of purchase must first make an offer to the Commonwealth to surrender the lease, and the Commonwealth may accept the offer. In that event, the amount payable by the Commonwealth to the lessee would in practically all cases be comparable with the sale price to the tenant. Where the amount payable to the lessee cannot be determined by agreement, there is provision in the Ordinance for the matter to be settled by arbitration. While the Commonwealth may not always exercise its option to repurchase a property offered to it by the tenant/purchaser within the first five years, especially if it is a house that would be difficult to relet, it has been the policy of the Commonwealth to exercise its option to repurchase in every case where the house is of a satisfactory type.

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210. The component included in the sale price by way of "premium" is determined in accordance with the location, size and general desirability of the individual block of land on which the house is built, and has regard to the expected value of the property on the open market in accordance with accepted valuation principles. In all cases the sale price of departmental houses to tenants would be somewhat below the Valuer's assessment of what the property would realise on the open market. It was stated that in this regard, the Department has in mind that in relatively few instances would a tenant have been allocated a house in the area and of the type that he would have chosen had he had a free choice. Indeed, in a large proportion of cases, tenants accept houses that have little real attraction for them. While subsequent purchase of a tenanted property is entirely voluntary, and a large proportion of tenants regard the exercise of their privilege to purchase as being a worthwhile investment that should eventually be to their financial advantage, there would be relatively few who would regard purchase as a

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great financial attraction at the present time.

211. The Department's submission concluded that it has adopted the policy of not divulging to intending purchasers or other persons the respective components of the sale price. Offers of sale have always been made on the basis of a comprehensive price at which the Commonwealth is prepared to sell the improved property and that under no circumstances would the Commonwealth enter into negotiations with the tenant for a lesser price.

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212. The second major area of activity within the Management Division is in the Finance and Administrative Section. The section operates under the immediate control of the Business Manager and consisted, at 17th February, 1966, of fifty eight positions divided into seven subsections of Programme-Management and Contract, Accounts, Staff, Records, Office Services, Typing and Relief.

Exhibit
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213. We were informed that the Business Manager is expected to engage in direct consultation with Division Heads within the Commission and to deal directly with representatives of external organisations such as Commonwealth and State departments, government instrumentalities and private consultants. Subject to any policy direction from the Secretary-Manager, the Business Manager is also expected to supervise operations within his jurisdiction until each transaction becomes finalised. He is also required to provide, within the Commission, accurate information relative to the balance of the Commission's commitments at any time and to bring to the notice of the Commission any actions or trends which may prejudice or impair the Commission's general business operation.

Exhibit
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214. Within the Section, the areas which appear to be most immediately concerned with the Commission's functions are the Programme Management and Contract and the Accounts sub-sections. It was stated that the former sub-section implements the annual construction programme in terms of proposing a pattern of expenditure for each project and recommending dates by which tenders should be let and projects completed. The sub-section is responsible also for informing the Commission's officers of trends in expenditure and for providing

Exhibit
83/7

comprehensive cost information at monthly intervals. It interprets for other Divisions, clauses of contract agreements, reviews standard contract clauses and recommends any amendments that experience has shown to be necessary.

215. The Accounts sub-section records and supervises the Commission's receipts and expenditures, controls assets and maintains the Commission's accounting records. The sub-section also prepares reports and financial statements as required by the National Capital Development Commission Act and bears responsibility for the payment of accounts, preparation of staff salaries and the maintenance of records relative to completed projects.

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CHAPTER 13 - FINANCIAL ADMINISTRATION

216. We were informed that upon its inception, the Commission was given an assurance by the Government that, subject to prevailing economic conditions each year, substantial continuity of the Commission's programme could be expected and annual budgets framed accordingly. In this respect Mr. Overall stated that substantial funds will be required in order to finance future growth and that apart from expenditures on national features, which form a relatively small part of the total expenditure, most of the appropriation is being spent on the normal domestic requirements of a growing city. Mr. Overall suggested, however, that eventually such growth could become self-financing. Mr. Lansdown informed us that, of the £35 million being spent on Canberra in 1965-66 between £26 million and £28 million was being used to finance the normal requirements of the community, such as the servicing of land and the construction of houses. The servicing of land for private people, developers, industry, service stations and the like resulted in the payment of premiums and rent which constitute an increasing and considerable return to the Commonwealth. The existence of such returns has provided some comfort to the Commission and has prompted suggestions that the income obtained should be matched with the developmental expenditures.

Q.5 & 223
& Exhibit
83/1

Q.133

3.299

217. Section 18 of the Commission's Act provides that there are payable to the Commission such moneys as are appropriated by the Parliament for the purposes of the Commission and that such moneys shall be paid in such amounts and at such times as the Treasurer determines. We were informed that the Department of the Treasury has ruled that the appropriation for Capital Works and Services, previously provided for the Department of the Interior, would be regarded as the Appropriation for the purposes of the Commission's Act while a separate appropriation would be made available to the Commission for its administrative expenses.

Q.5 and
Exhibit
83/1

218. Under Section 21 of the National Capital Development Commission Act, the Commission is required to submit to the Minister, not later than the 31st March each year, particulars of proposed expenditure for the following financial year. The Commission must not expend any of the moneys appropriated under the Act except in accordance with the particulars approved by the Minister. Apart from this restriction, the Commission is exclusively independent in its financial administration in that the Department of the Treasury has no power to require the Commission to supply details of any aspect of that administration nor, as will be discussed later, has the Audit Act any application to the finances of the Commission.

Exhibit
83/1

Q.363

Qs. 357 - 363,
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219. We were informed that each year, the Commission has prepared a works programme from which the particulars of proposed expenditure are compiled, but the Minister's approval has been given in respect of the total amounts revealed under each heading of expenditure used in a construction programme account. After the Minister's approval has been secured, the particulars of proposed expenditure, supported by a detailed financial and physical programme, are submitted for Cabinet approval. Copies of the particulars are also forwarded to the Department of the Treasury prior to Cabinet's consideration of the Budget.

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220. The amounts received by the Commission annually since 1958 are illustrated in the following table:-

Table No.2

Appropriations on behalf of the National Capital Development Commission for the years 1957-58 to 1965-66

Year	Administrative Expenses	Capital Works and Services*	Total
	\$	\$	\$
1957-58	33,200	-	33,200
1958-59	350,000	20,000,000	20,350,000
1959-60	457,000	22,000,000	22,457,000
1960-61	535,000	21,900,000	22,435,000
1961-62	570,000	22,000,000	22,570,000
1962-63	724,000	24,300,000	25,024,000
1963-64	818,800	27,840,000	28,658,800
1964-65	888,000	30,800,000	31,688,000
1965-66	1,007,000	35,000,000	36,007,000
Total	5,383,000	203,840,000	209,223,000

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* Includes professional fees

221. During the same period, the Commission received additional sums relative to Defence Department projects and managed other amounts on behalf of the Australian National University. Details of the expenditure of the additional funds are recorded in the Receipts and Expenditure Statements (Construction Programme: Other Organisations) appearing at Appendix 9 to this Report. The Defence appropriations were employed in the construction of the first and second Electronic Data Processing Buildings and other works for the Defence Services in the Russell Buildings, Canberra.

Exhibit
83/1

222. In order to acquire the funds made available by appropriation, the Commission tenders advice to the Treasury each month of its financial requirements for payment to the Commission's account held with the Reserve Bank. It was stated that the Commission's programme had been arranged to permit the deposit of equal sums each month.

Exhibit
83/1

223. To facilitate the proper control of the Commission's financial administration, written instructions were issued in June, 1958. Instruction No. 1 was prefaced by a reminder of the requirements of the National Capital Development Commission Act concerning the opening of bank accounts, the maintenance of proper accounts and records and the examination of those accounts and records by the Auditor-General. Attention was drawn to the emphasis which the Act places on this aspect of the administration and care and attention was urged upon all officers of the Commission.

224. The original financial instructions were supplemented in August, 1958, whilst in February, 1966 further additions and amendments were made. After reviewing the substantial nature of the supplements and amendments, we were prompted to ask whether the Commission had sought the advice and assistance of the Department of the Treasury and the Auditor-General's Office when the instructions were being compiled. We were informed that no such approach had been made although copies of the prepared instruction were made available to both offices. However, the Audit Office Observer, Mr. Parker, indicated to us that the Audit Office is satisfied with the adequacy of the instructions and that the Commission's officers have always been receptive to suggestions made by that Office.

Q.112-118
Q.142, and
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225. The financial statements of the Commission for the seven years ended 30th June, 1965, appear in a comparative form at Appendix 9 to this Report. An examination of the statements explaining expenditure of the Commission's appropriation reveals that the Commission has, since its inception, expended larger sums of money than those appropriated by the Parliament. For example, during the year ended 30th June, 1965, construction programme payments to the value of £61,462 were made in excess of the appropriation of £30.8 million. These payments were financed from the miscellaneous receipts received by the Commission in the form of interest on fixed deposits and liquidated damages. Upon seeking an explanation of the Commission's authority to expend these additional funds, our attention was invited to the provisions of sub-section 3(3)(c) of the National Capital Development Commission Act which states that the Commission is capable of acquiring, holding and disposing of real and personal property and of suing and being sued. Mr. Lansdown suggested that this section envisaged that money other than the sums appropriated by Parliament shall be received by the Commission and that the provisions of the Act relative to the banking of moneys also applied to miscellaneous receipts. He stated that there was no reference, direction or authority to require the payment of such receipts to the Commonwealth Public Account and, as Section 20 of the Act stated that the monies of the Commission will be applied to the Commission's expenses, it was believed that the expenditure of the additional receipts had been incurred under proper authority.

Q.212-222

Q.227

226. The views expressed by Mr. Lansdown on the Commission's authority to expend funds beyond the level of the appropriation were later supported by the Department of the Treasury and the Attorney-General's Department in a memorandum to the Committee. A copy of the memorandum appears at Appendix 10 to this Report but we feel that certain statements are of a significance worthy of mention. The Department of the Treasury stated that, although the Commission was not restricted to expenditure of sums appropriated by the Parliament, the Commission's statutory powers do not appear to envisage that the Commission might

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engage in revenue raising activities of any significant kind. Sub-sections 14(2)(b) and 14(3) of the Act indicate the Parliament's intention to be that the Commission's function is not to lease land and that the control of the land, when developed, can only be surrendered to the Commonwealth.

227. The Department of the Treasury's memorandum continued that, in discussing with the Commission the amount which might be provided from the Commonwealth's Budget for payment to the Commission, the Treasury is aware that the Commission will, in the normal course of business, take some miscellaneous receipts to its accounts (the Commission's particulars of administrative expenditure do, in fact, include an estimate of receipts and recoveries - the proportion sought being not of this amount; no such estimate is available to the Treasury in the particulars of construction expenditure).

Whilst these amounts have remained relatively small (the ratio of total miscellaneous receipts to total amounts appropriated for the last seven completed financial years has been 1.5 per cent in respect of administrative expenses and 0.2 per cent in respect of capital works and services) the Treasury has not sought in a formal manner to bring estimates of receipts into discussions on the Commission's construction account. If the receipts were to assume more substantial proportions, the Treasury would examine closely their significance in relation to the Commission's cash "bill" for the following year, in the framework of its pre-Budget discussions with the Commission.

228. The "expenditures" incurred by the Commission beyond the level of appropriation have not been limited to the value of miscellaneous receipts in each year. An examination of the "Statement of Cash and Other Balances" reveals that, in respect of the 1964-65 construction programme, the Commission expended in full its appropriation of £30.8 million, together with the sum of £61,462 derived from miscellaneous receipts, and also increased the balance of unpaid accounts over the 1964 level by £1,243,124. We considered this increase in commitments in conjunction with the Commission's statement that the Programme Management and Contract sub-section in the Commission has the responsibility to certify that funds are available for the payment of contractors prior to the letting of tenders.

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Q.526

Exhibit
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Exhibit
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229. Mr. Lansdown explained that, during 1964-65, construction resources had been available to the Commission to an extent not previously foreseen and that these circumstances, together with benevolent weather conditions, had resulted in the completion of projects earlier than had been expected. He invited attention to the fact that the sundry creditors balance of over £1.2 million represented approximately one fortnight's payments and that, in preparing a construction programme, so many variables existed that it was not possible to arrive at a precise total of estimated expenditure for any year. Q.529 Q.530

230. We accepted Mr. Lansdown's statement that difficulty would be invariably experienced in arriving at precise forecasts of expenditure but we questioned how, in the light of such uncertainty, prior to the letting of a contract, any officer in the Commission could certify that funds would be available when payments became due. The Treasury Observer, Mr. Balfour, indicated that the Commission is not bound by the Audit Act or the attendant Treasury Regulations and Directions and that the framing of financial instructions which similarly referred to the certification of the availability of funds was entirely a matter of the Commission's internal administration. Mr. Lansdown informed us that the Commission referred to such a certificate for evidence that the authorised programme and estimates of expenditure are being followed. Q.533

231. The evidence suggested to us that the Commission's practice of certifying that funds are available for the performance of a contract, notwithstanding the existence of variables which may affect such availability, has the effect of making it incumbent upon the Parliament to provide funds for liabilities to which it has been committed by the Commission. Our concern was aggravated by Mr. Balfour's statement that the Act gave the Treasury no power to exercise any restraint over the Commission in respect of the level of contracts to be entered into each year. Q.1030

232. Mr. Balfour agreed that the Parliament was bound to provide sufficient funds each year to finance the Commission's outstanding liability on contracts and that the liability would be a first charge on the funds appropriated Q.1031

for a forthcoming year. However, this was so only to the extent that it is ultimately at the discretion of the Parliament whether an Act, which by definition includes Appropriation Acts, would be passed at all. In the case of the National Capital Development Commission, the Parliament had passed an Act which, among other things, had given the Commission authority to enter into contracts but which did not restrict the level of the contracts to be let in any one year to the level of the appropriation for that year. Moreover the Act did not provide a special appropriation to enable the payments to be made and, in the circumstances, it was felt that the Commission must necessarily assume that the Parliament, by approving the Act in its existing form, had accepted the fact that in a future Appropriation Act, it would have to provide funds to meet payments due under previously arranged contracts. Mr. Balfour believed that, if the Commission was not permitted to act as it had done, its administration would be seriously hampered. He also believed that support for the National Capital Development Commission's current practice was expressed in an opinion^{*} given by the Solicitor-General relative to the power of the Australian Aluminium Production Commission to enter into commitments. The pertinent paragraphs of that opinion read as follows:-

"6. It is, I think, necessary to observe at the outset, and to maintain throughout, a distinction between the power of a public authority to make contracts (i.e. to enter into legal commitments) on the one hand, and the power to make the expenditure, on the other hand, necessary to carry out the contracts. If, as in the case of the Commission before the 1952 Act was passed, the expenditure of a statutory corporation is to come from any part of the Public Account, it is of course governed by the Audit Act and the Treasury Regulations. But I do not think it is necessary, for present purposes, to consider further the question of the Commission's expenditures. It is the prior power to make contracts with which we are here concerned.

* Appendix 18, 22nd Report of the Public Accounts Committee
- Australian Aluminium Production Commission

The distinction between the two matters was clearly drawn, in respect of contracts of the Executive Government, in advice given in 1953 by the then Acting Solicitor-General to the Auditor-General (See Auditor-General's Report for the year ended 30th June, 1953, Appendix H)".

"For a long time, it was thought that a contract by the Executive Government for the expenditure of public moneys was void in the absence of Parliamentary Appropriation. That view has, during the last twenty years, been shown to be mistaken. The power to make a contract involving the expenditure of public funds is not now held to be necessarily limited by any such rule. Such a contract might be held by a court to be subject to an implied condition that payment would only be made under it by funds appropriated by Parliament. But such a condition would not of course make the contract invalid. Nor would it prevent the contract from being sued upon, or judgment from being given on it."

233. In a submission to the Committee, we were informed that under Clause 24 (3) of the National Capital Development Commission Act, the Commission is required to submit financial statements to the Minister in such form as the Minister approves. The present form of the accounts provides for the preparation of statements relating to the Commission's own construction programme, the construction programme undertaken on behalf of other organisations (such as the Australian National University), administrative expenses, a trust account and a statement of cash and other balances. It was stated that the form of the accounts has been basically the same since the inception of the Commission except for the statement of receipts and expenditure relating to the construction programme. The form of this account was altered, with the Minister's approval, following discussions between the Commission's officers and Inspectors of the Auditor-General's office, with the intention of more clearly identifying heads of expenditure in relation to the Commission's operations. It was stated that the new headings were adopted following the report by Mr. Henry Wells in January, 1962 on the economic considerations in connection with the development of the National Capital.

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Q.338

234. The conclusions to Mr. Wells' report included a statement that the absence of published statements of accounts made it difficult to find the answer to simple questions on finance and economics which, in a normal Australian city, could be answered by reference to published figures. Q.327

Mr. Wells also concluded that the accounting system followed by the Commission should be examined to see whether it can be improved so as to provide information which would enable economic checks to be made more easily and quickly on development practices. He also believed that the establishment of a cost accounting system should be considered.

235. Mr. Lansdown informed us that the Commission had not introduced a cost accounting system but had endeavoured to obtain a clearer understanding of the level of development costs by recording every item of cost incurred in the construction of the new district of Woden. This was a difficult task, as there was no precedent for this practice in any other part of Australia, but it was still not the type of accounting sought by Mr. Wells. The Commission had been supported by the Government in 1964 when it was proposed to conduct accounting exercises to produce the type of accounts referred to by Mr. Wells but, Mr. Lansdown emphasised, the work since carried out had been only an "exercise". However, the Commission hoped that eventually it would be able to elaborate upon development costs in its Annual Report but could not foresee when this would be achieved. He indicated that the type of accounts recommended by Mr. Wells was more appropriate to an organisation of a trading nature, with continuing finances, and these would not be appropriate to the Commission which is financed by annual appropriation. Q.328 Q.331 Q.332 Q.346

236. The Commission's annual expenditure on the construction programme is revealed in a statement of receipts and payments under seven headings, viz., National Works, Commonwealth Offices, Territory Works, City Works, Land Development, Minor Works and Fees and Charges. However, no elaboration of the figures appearing is offered by the Commission in its financial statements. In the year ended 30th June, 1965, a total of £14,198,662 was spent on Exhibit 83/4

"Territory Works" and when we sought more detail of this expenditure, our attention was invited to the Commission's Eighth Annual Report in which additional information appeared. Q.246

We concede that expenditure under the heading "Territory Works" has been analysed in the Report but we suggest that the additional information provided is of a minimal nature since the only further detail offered in this respect appears, for example, as "Education - £2.592 million" and "Housing and Accommodation - £7.422 million". When we indicated to the witnesses that we were still not satisfied as to the adequacy of the explanations of the Commission's expenditures our attention was invited to the Civil Works Programme Part II which relates to the Commission's programme of expenditure. Q.247

237. We suggest that upon detailed analysis of its present form, the Civil Works Programme document will prove to be of a most unsatisfactory nature. This will be demonstrated elsewhere in this Report but, for the moment, we will confine our comment to its inadequacies when used as a reference to support the Commission's construction programme. In the Commission's financial statement relative to the construction programme, a sum of £1,856,594 is indicated as the sum of expenditure on National Works during 1964-65. However, expenditure on the same group of items appears in the Civil Works Programme as £1,700,676. Mr. Myers informed us that the Civil Works Programme reveals works which are in progress at 1st July each year while the Commission's account includes expenditure on both work in progress and completed works. We note, however, that it is not possible to add the value of completed works to the expenditure indicated in the Civil Works Programme and to arrive at a reconciliation. There are further complicating factors, discussed later, which deny such calculations. Mr. Lansdown stated that it was not the Commission's contention that the expenditure totals in the two documents were comparable since each was prepared on a different basis. We finally pointed out that the Commission's 1965-66 appropriation amounted to £35 million for capital works and asked for the source from which we could establish the nature of the projects on which the sum was to be spent. We were informed that this was the only information not included in the Civil Works Programme. Q.248

238, Mr. Lansdown stated that he felt that the present form of accounts adequately revealed the nature of the expenditure incurred by the Commission each year and that the presentation of accounts was in a form related to the particulars of proposed expenditure approved by the Minister. However, we note that, in earlier evidence, it was stated that when the form of accounts was initially submitted to the Minister, no alternative form was tendered for his approval. Q.341 Q.334

239 In response to a question concerning the adequacy or otherwise of the Commission's accounts, the Audit Office Observer, Mr. Parker, stated that the Audit Office felt that the particular headings used gave, in very precise terms, the fundamental groupings of expenditure by the Commission on construction. The Audit Office was satisfied that the statements summarised the detailed accounts of the Commission and that the statements could be related to detailed construction projects. The question of any elaboration upon the information contained in those accounts was entirely a matter for the Commission. The fact that the Auditor-General had provided an elaboration of the Commission's Accounts in his Annual Report was a reflection of that officer's prerogative to do so, but, Mr. Parker suggested, the Auditor-General had provided the elaboration after noting the lack of detail, in an attempt to assist the Parliament in its consideration of the Commission's affairs. Q.338 Q.339 & Q.349

240. Mr. Lansdown indicated that the Government, when establishing the charter of the Commission in simple legislative terms, had created an organisation of a flexible nature designed to cope with the problems of co-ordination which had been encountered during Canberra's earlier development. The Government had also advised the Commission to expect a broad continuity of finance but had cautioned the Commission by stating that it was expected that the flexibility of operation and the assurances of continuity would be material factors in the reduction of developmental costs to a level comparable with costs elsewhere in Australia. Q.5

241. Mr. Andrews informed us that the Commission had achieved stability of costs with the construction programme, for the past five or six years, by such measures as the application of industrial "production line" techniques to the development process. The witness cited the development of the Woden Valley as an example of an area developed from open paddocks to suburban areas serviced with all facilities. During the development of this type of project it had been demonstrated to the Commission that there existed a great deal of similarity between land servicing works in the continuing development of suburbs. The Commission therefore had collaborated with consultants and experienced contracting civil engineers in the study of all processes and sequences of operations to determine a form of contract which would be appropriate to large scale developmental projects. The Commission had succeeded in formulating contracts which had permitted the use of specialised machinery by contractors and the continuous employment of groups of specialised artisans which justified professional engineering and management control by the contractor concerned. The new type of contract also provided for the regular completion of fully serviced house building blocks while permitting the Commission to maintain a steady monthly rate of expenditure. 7.223 & 226

242. Mr. Andrews also indicated that contracts of a form devised by the Commission had resulted in the complete servicing of 150 blocks of land each month equal to approximately two-thirds of the Commission's programme requirements. The remaining one-third of the programme is undertaken under ad hoc contract arrangements although all contracts are let after the receipt of competitive tenders. All tender prices are compared against a model cost schedule in order to determine cost trends, and relative cost indexes prepared in respect of each project indicate that works costs have fallen progressively by 14.8 per cent between 1961 and 1965. We were informed that the improved cost situation is also reflected in the average cost of providing basic engineering services in residential districts as evidenced by the cost of comparable development by governmental authorities in Sydney and Melbourne which required expenditure of \$5,500 per acre compared with a cost of \$5,240 in Canberra. It was stated 7.226

that a further measure of the increased efficiency sponsored by the Commission's contractual arrangements for land servicing was the reduction of on-site labour levels from 115 men per £1 million of expenditure in 1960 to 43 men in 1965.*

243. We were informed that "production line" techniques had also been applied to the Commission housing construction programme. The Commission had been able to introduce contracts offering optimum operational conditions, which permitted the introduction of new practices evolved by the building industry, and contracts had been arranged to furnish an even flow of competitive classes of work for various specialised trades over a number of years. As a result of these arrangements, the Commission's contractors are able to complete 50 houses, or two-thirds of the programme requirements each month. The balance of the programme is undertaken by ad hoc arrangements similar to those relative to land servicing. Q.226

244. Mr. Andrews informed us that the improvement in production costs had been due to practices such as the use of factory made roof trusses, the modular construction of internal fittings and the purchase in bulk by the Commission of items such as electric stoves, kitchen sinks and laundry tubs. These construction practices had resulted in movements in the annual average cost of brick veneer houses as revealed in the following table:- Q.226

Table No. 3

Annual Average Cost of Brick Veneer Houses

Year	Average Cost £
1959-60	8,496
1960-61	7,726 (i)
1961-62	7,584 (ii)
1962-63	7,680 (iii)
1963-64	8,100
1964-65	8,180
1965-66	8,056

(i) Design alterations introduced

(ii) New form of contract introduced

(iii) Including 10 per cent content of

4 bedroom houses

* Further evidence relating to the cost of development appears at paragraph 255 et seq of this report.

245. In common with land servicing statistics, the "on site" labour figures had also decreased from 100 men to 77 men per 100 houses completed. Q.226

246. It was stated that figures published recently had revealed that the average cost per square for brick veneer houses built by the War Service Homes Division amounted to £846 in New South Wales, £652 in Victoria and £744 in Queensland. The costs of houses erected by the Commission in Canberra amounted to £744 but this figure includes approximately £16 per square for insulation, heating and fly-proofing not provided elsewhere.

247. Mr. Andrews expressed the view that the standard of houses being erected by the Commission compares favourably with the best type of house being erected in the States. All Commission houses are insulated and are provided with hot water services, electric stoves, steel sinks and an adequate number of electric lights and power points while externally the houses are provided with paths, driveways and rotary clothes Q.308

hoists. He indicated that the efforts of the Commission to reduce the cost of development were not restricted to domestic areas. The Commission, when calling tenders in respect of a major project, has required the inclusion of cost estimates of succeeding stages of the project and has written into the contract an option allowing the Commission to accept the cost estimate of later work by a stated time. The Commission believed this to be an economical method of completing major construction works as it avoided the incurring of a new contractor's cost of establishing his work force, particularly if he is not already working on the adjacent site. In the engineering field, improved techniques such as those employed in the construction of the Commonwealth Avenue Bridge had been sought to reduce construction costs. The bridge had been completed at a unit cost 10 per cent lower than the earlier constructed Kings Avenue Bridge because the design had made repetitive use of 200 identical concrete units. The advantage derived from this method was not enjoyed during the construction of King's Avenue Bridge which embodies a varying depth of beam and therefore did not lend itself to repetitive construction practices. Q.226

248. We feel that the merits in the degree of cost control achieved by the Commission cannot be assessed without regard to the cost of the Commission's administration. The Commission's entire design and construction programme is implemented through agents and, in respect of 45 per cent of that programme, fees are paid to the agents although the fees are not brought to account when comparisons of contract costs are made. The Department of Works, which carries out 55 per cent of the Commission's design and construction programme, has not received any payment of fees from the Commission since 1st July 1963 after the abolition of the practice of making "interdepartmental" payments as recommended in our 55th Report. Notwithstanding the abolition of these payments, the Commission's statement of receipts and payments relative to its construction programme reveals that a sum exceeding \$9 million has been paid as fees and charges between 1st July, 1959 and 30th June, 1965. This sum is exclusive of the fees of organisations consulted in respect of matters outside the normal range of design and construction. These latter fees, in the same period, have amounted to approximately \$635,000.

Q.100
and Q.668Q.97
Q.177

Q.94

249. A further cost element which is not included in the Commission's cost comparisons is expenditure of an administrative nature such as salaries, general expenses and fees paid to the National Capital Planning Committee. Since 1st July, 1958, the Commission's salaries and general expenses have totalled £4,022,164* which, when compared with the annual staff strength, reveals the following administrative expense per officer:-

Committee
File
1965/4

Table No. 4

Administrative Expenditure
(£ per head of Staff)

Year	Number of Officers	Salaries & Extra Duty Pay per Officer	General Expenses per officer	Total
1958-59	66	2,514	2,322	5,236
1959-60	76	3,960	1,972	5,932
1960-61	96	3,580	2,072	5,652
1961-62	107	3,692	1,740	5,432
1962-63	125	3,752	2,088	5,840
1963-64	135	4,126	1,972	6,098
1964-65	144	4,480	1,780	6,210

* See also Appendix 9 to this Report.

250. The Commission informed us that its general expenses had shown a decreasing trend in proportion to total administrative expenditure although the annual totals had increased from £152,000 in 1958-59 to £248,000 in 1964-65. The major portion of the increase had been attributable to office rentals, which had accounted for approximately £74,000 of the £96,000 increase, although it was said that the Commission's expenditure in this respect compared favourably with the rates paid elsewhere in Canberra by the Commonwealth and private enterprise. The Commission also drew attention to a six per cent increase in the general index of costs since 1960 which would also be reflected in the increase in general expenses.

Exhibit
83/14

251. The Commission believes that it has reached a substantial degree of stability in staffing and that, by improving its control techniques, it would be capable of absorbing further increases in work load without material changes in the percentage of administrative charges to construction expenditure. This percentage has increased from 1.01 per cent in 1959-60 to 1.30 per cent in 1964-65.

Exhibit
83/14

252. Although the administrative expenses of the Commission are composed of numerous items such as salaries, office requirements, postage and telephone charges, office rents and fees of private consultants, we noted that the appropriation provided annually by the Parliament is not dissected in the Appropriation Act. A sum of £1.7 million was appropriated for the year 1965-66 under the single head of "Administration" and we questioned the Commission's apparent departure from the practice adopted by Commonwealth Departments. Mr. Lansdown informed us that although the appropriation was sought under one item, the Commission provided estimates under a number of heads when seeking the Minister's approval. This arrangement permitted the Commission to exercise some flexibility in its internal financial management by being permitted to adjust sub-items according to its needs during the year. In this respect, Mr. Lansdown commented that Commonwealth Departments are controlled by Treasury Regulations and Directions which do not apply to the Commission.

Q.102

Q.353

Q.354

Q.359

253. In his second report* to the Commission in 1963, Mr. Henry Wells commented upon the lack of detail in public documents relative to the Commission's capital expenditures. He observed that no accounting system had been designed which would enable a ready check to be made as to whether government grants had been wisely spent. Thus, the accounts would not reveal to an inquirer how much had been spent on a particular project at a given time, nor what return had been received, although this information could be obtained by the combined efforts of the Commission and Commonwealth Departments. Mr. Wells added that he was not suggesting that the Commission was not economy minded since it went to a great deal of trouble to compare tenders with similar costs prevailing elsewhere. However, in the conclusion to his Report, Mr. Wells emphasised that capital expenditures of the magnitude necessary to cope with an increasing population must be subject to "more economic accounting practices" than those pursued earlier. We considered these statements in conjunction with the Commission's evidence that officers in the Finance and Administrative Section had the responsibility of reporting on detailed systems and methods for the comprehensive recording, costing and analysis of expenditure and revenues related to Canberra development. However, Mr. Engledow informed us that, although considerable work had been done in the past two years, no reports had been produced as the organisation having that responsibility had existed only since January, 1966. Mr. Lansdown informed us that, although Mr. Wells had also suggested the implementation of a cost accounting system, the Commission had not adopted the suggestion but had made an attempt to record each cost incurred during the development of the Woden Valley area in order to provide some assessment of total developmental costs. This, he suggested, was not an easy task as there was no precedent to be followed in Australia and it was unlikely that a precedent existed in any other part of the world. Mr. Lansdown also suggested that the production of accounts required a matching of income with expenditure but a difficulty confronted the Commission in that it did not possess details of the revenues arising out of its activities.

Exhibit
83/7

Q.525

Q.327

* Henry W. Wells: Advisory Report on Some Economic Considerations in connection with the Development of the National Capital, December, 1963.

254. We were informed that the Commission employs only one officer to conduct an internal audit programme of the Commission's operation. The officer, known as the Inspector of Finance and Systems, is directly responsible to the Business Manager for the audit of all phases of both the construction and administrative operations of the Commission in accordance with a programme which was submitted to and noted by the Auditor-General. The limited promotional opportunities within the Commission had caused some difficulty in acquiring the services of a suitable officer and the position had recently been vacant for some time. The Commission, however, was satisfied that the audit function was now being adequately discharged. The Audit Observer, Mr. Lawrence, commented that the internal audit organisation still appeared to be settling down but, from what had been observed, it was hoped that it would function successfully.

Exhibit
83/7

Q.545

CHAPTER 14 - CIVIL WORKS PROGRAMME

255. In paragraph 90 of the Sixty-Second Report, which related to the Budget document, Your Fifth Committee stated that the financial documents presented for 1963-64 would be preliminary ones only and Your Committee would again review the documents at an early date with those responsible for their compilation to determine whether or not further amendments are necessary. Arising from that decision Your Committee made a comparison of the financial documents submitted to the Parliament in 1962-63, 1963-64 and 1964-65 and subsequently held discussions with the responsible officers of the Department of the Treasury on 9th November, 1964 and 4th March, 1965. A subsequent review of the financial documents presented to the Parliament for 1965-66 and 1966-67 reflected a substantial improvement in their content and format arising from the discussions which had taken place.

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243 of
1962/63

256. In the case of the financial document entitled the "Civil Works Programme" which amplifies information relative to estimated capital works expenditure contained in the Appropriation Bill No. 2, it became apparent during the discussion in March, 1965, that as part II of the document was primarily the responsibility of the National Capital Development Commission, any discussion or examination of that part of the document would need to be undertaken by Your Committee direct with the Commission.

257. Although, following the discussion with Treasury officers in March, 1965, some improvements were made in respect of Part I of the Civil Works Programme document presented to the Parliament in 1965-66, some deficiencies remained and for this reason certain matters relating to the whole of the document are referred to in this chapter.

The Commission and the Civil Works Programme

258. During our examination of Part II of the Civil Works Programme document we reviewed the projects in respect of which the Commission expected to spend its appropriation for capital works of \$35.0 million in the year 1965-66.

We found that the information sought was not disclosed in the detail included in Part II (nor, in respect of departmental expenditure, in Part I). We then endeavoured to match the expenditure incurred in 1964-65, as revealed in the White Paper, with the expenditures disclosed in the Commission's financial statements and found, on comparing the totals, a difference of over £1.6 million. Mr. Lansdown informed us that the Commission did not contend that the contents of the document were directly comparable with the figures disclosed in the Commission's financial statements, and that the Commission was merely following a request by the Department of the Treasury that it should observe a pattern of presentation consistent with that of the information prepared in respect of Commonwealth Departments. Mr. Myers stated that the document contained details only of works which it was intended should be commenced during the financial year and works which had not been completed as at 1st July. The Treasury Observer, Mr. Hunter, confirmed the document as described by the witnesses and suggested that any confusion could be resolved by adding a preface to the document indicating that expenditure on works in progress during a previous year excluded, by definition, expenditure on works completed during that year. As we doubted whether such an explanatory preface would overcome more basic deficiencies in the present form of the document we explored the situation more fully. Q.248A Q.249

259. We examined the Commission's Sections of the Civil Works Programme documents for the years 1958-59 to 1964-65 and established that the value of new works proposed for those years aggregated £162.4 million. To this sum we added £11.4 million as the value of works in progress taken over by the Commission upon its inception, thereby arriving at a total value of £173.8 million. We then extracted from the Commission's financial statements the total value of works completed during the same period and added the value of works in progress at 30th June, 1965 and the remaining liability in respect of the uncompleted works at the same date. The total of these figures amounted to £206.9 million, providing a difference of £33.1 million from the total commitment figure advised to Parliament.

260. Although it appeared that such a comparison might reasonably be undertaken by any Member of the Parliament, we were informed that for the following reasons a fundamental error would occur if such a comparison were to be made:-

Exhibit
83/17

- (i) The Commission's financial statements include expenditures on behalf of other authorities such as the Australian National University and the Defence Departments, in respect of which details do not appear in the Civil Works Programme Document.
- (ii) The new works figures contained in the document are estimates often submitted for printing up to ten months in advance of actual contract and are therefore based on a relatively early appreciation of the developing project; (We note, however, earlier evidence where it was stated that the information provided by the Commission in the document was not based on decisions made six or twelve months earlier but rather on decisions made within a month of publication.) Q.1000
- (iii) The figures contained in the document for projected new works do not include possible variations permitted by rise and fall type of clauses written into contracts and other contingent items.
- (iv) The figures in the document do not include fees and charges.

The Commission stated that an analysis of the actual variations in individual years between the programme to be committed, as notified in the Civil Works Programme document and the programme actually committed showed a gross variation over the years 1958-59 to 1964-65 of between £13.5 million to £14.0 million. This additional value was related to variations in the annual programme, principally by way of the addition of projects.

Exhibit
83/17

261. After reviewing these explanations, we turned our attention to specific projects under the control of the Commission, one of which was the proposed construction of a gravity water main in the Cottoir River district. This project, the cost of which was estimated at \$3.6 million, was advised to Parliament as a proposed new work in the 1964-65 Civil Works Programme document. However, in the 1965-66 document, the project was not revealed as work in progress although another item entitled "Investigations for gravity main" estimated to cost \$60,000 appeared in that section. In addition, the gravity main again appeared as a proposed new work but the estimated cost had increased from \$3.6 million to \$5.1 million. Mr. Andrews informed us that the work had been deferred due to the priorities which had been accorded to other work including the Corin Dam which is required to augment Canberra's existing water storage facilities. The professional staff of the Department of Works had therefore to proceed with work other than the gravity main project which, in any event, Mr. Andrews stated, traversed extremely rugged country requiring a more detailed examination and testing than was earlier felt to be necessary. We were informed that only preliminary investigations had been carried out before the funds were originally sought from the Parliament. Q.550

262. We were also informed that expenditure by the Commission on behalf of Defence Departments does not appear in any part of the Civil Works Programme document. However, upon examining the document produced for the year 1961-62 we found, in the section describing proposed new works, reference to the erection of buildings 5, 6 and 7 of the Russell Offices which presently house the Departments of Defence and Army. Mr. Lansdown informed us that the construction of the buildings referred to was financed from sums appropriated for the development of Canberra, viz., the Commission's appropriation, while the cost of an adjacent building housing the Defence Department's electronic data processing equipment had been met from another appropriation. The Treasury Observer, Mr. Balfour, indicated to us that, by definition, no defence buildings appear in the Civil Works Programme document and that there is no public source from which this information could be obtained. Exhibit 83, 17 Q.1002 Q.1009

263. We feel that two other features of the evidence relative to the White Paper are also worthy of note. Both Mr. Myers and Mr. Hunter informed us that the Civil Works Programme document represents the proposed civil works programme existing only at a given point of time, i.e. when the Parliament is considering the Estimates. Furthermore, Mr. Engledow indicated that although a project estimated to cost £10 million may be included in the document as a proposed new work, expenditure may not necessarily be incurred during the financial year under review.

Q.988

Q.998

Q.555

264. We made clear to Commission witnesses that we were not satisfied with the extent to which the Parliament was informed of the use of the Commission's appropriations. In one instance Mr. Lansdown replied that, although he understood and respected the view of the Committee, he felt obliged to refer to the provisions of the Commission's Act. The legislation requires the annual presentation of a report on the Commission's operations, together with financial statements, to the Parliament but there is no requirement in the Act that any information should be provided in the Budget Papers or the Civil Works Programme document. (In this respect we note Mr. Balfour's comment that, under the Commission's Act, neither the Treasurer nor his Department has any power to require the production of this information by the Commission.) The Commission believed that a balance should be maintained between its statutory freedom on the one hand and the requirement that the Parliament be informed on the other. Elsewhere in evidence, Mr. Lansdown indicated that the publication of additional information could eventually reduce the Commission's flexibility of operation and that the Commission would not wish to provide greater detail in the Budget Papers. The Commission's view is that the inclusion of a single line in the Appropriation Act, supported by the considerable detail of the Civil Works Programme document and the necessity to seek the Minister's approval to the proposed particulars of expenditure, provide a proper and sufficient check on the Commission's activities. However, the Commission would consider including an amplification of its performance in its annual report with a view to indicating, at least, the major works on which the money appropriated had been spent.

Q.259

Q.363

Q.259

Q.365

Q.259

265. The Commission's attitude to any suggestion of accountability to the Parliament was also manifested elsewhere in evidence. We suggested to Mr. Lansdown that the Commission should not be responsible to the Minister only but to the Parliament as a whole. In reply, Mr. Lansdown referred to the British system under which it was felt by a number of authorities and writers that a substantial difference existed between the responsibility of a statutory authority to its Minister and separately to the Parliament. In Britain there had been occasions when a Minister had declined to answer a question, with or without notice, because the matter fell within the prerogative of a statutory corporation. Mr. Lansdown informed us that this situation has not occurred in respect of the Commission's affairs but he considered that a difference existed between the responsibility to the Minister and to the Parliament.

Q. 370

PART V -- CONCLUSIONSCHAPTER 15 -- CONCLUSIONSThe Development Background

266. The history of the development of Canberra, as stated by the Senate Select Committee in 1955 and outlined in Chapter II of this Report indicates that prior to the establishment of the National Capital Development Commission, several factors impeded the earlier successful growth of the National Capital. These factors included changes made in the form of the administration and development plans and responsibilities; reversals of relevant Government policies; the economic effects of the depression in the 1930's and World War II; and, overall, considerable uncertainty as to the funds which would be made available for development purposes. This last factor in particular, resulted in uneasiness and uncertainty in planning, the uneconomic use of financial resources and the creation of barriers to effective long-term planning. (Paras 8 - 27)

267. We note that historically, the creation of Committees and Commissions to advise on or administer the development of the National Capital has not of itself alone provided the solution to the problems of development. This fact was recognised by the Senate Select Committee in its Report in 1955 when it advocated the establishment of a new development authority for Canberra and concurrently recommended that the authority to be created should be guaranteed sufficient finance to permit it to carry out a large scale balances programme of a period of years.

268. The Report of the Senate Select Committee contained the following views and recommendations:-

- (i) Canberra had failed to develop as the administrative centre of the Commonwealth.
- (ii) The then existing form of administration was unsatisfactory for the task required of it. The blame did not lie with the various departments, however, but with the type of organisation.

- (iii) The development of Canberra to permit the full transfer of administrative departments should be given over to a centralised authority with powers similar to those of the Snowy Mountains Hydro-Electric Authority.
- (iv) The authority should be controlled by a single Commissioner with full executive powers under a Minister of State holding a separate portfolio for Canberra development.
- (v) Those branches of the Departments of Interior and Works dealing solely with Canberra's activities should be taken from their respective departments and unified in the Authority.
- (vi) The Authority should be guaranteed, by an appropriate provision in the Enabling Act, sufficient finance to permit it to carry out a large scale balances programme over a period of years. (Para 30)

269. The introduction of a Bill in the House of Representatives to create a National Capital Development Commission indicated that the Government had recognised the deficiencies in the progress of Canberra's development and had determined to take remedial action. The Minister for the Interior and Works stated, when introducing the Bill to provide for the creation of the National Capital Development Commission, that the Government agreed with the Select Committee's general recommendations and that the establishment of the Commission would begin a new phase in the City's development. The Minister elaborated upon the various provisions of the Bill relating to the structure of the Commission, its duties and its responsibilities and, at the same time provided Members of the Parliament with both an explanation of the manner in which the Government expected the Commission to discharge its role and a description of the restraints and limitations of authority under which the Commission would be expected to operate. (Paras 38 - 46)

270 There can be no doubt that with the establishment of the National Capital Development Commission and the provision by the Parliament of a comparatively high and increasing level of funds for public investment each year under the control of the Commission, a very considerable transformation has occurred in the nature and growth of the National Capital. This impression was re-inforced when, during the course of its inquiry, Your Committee made inspections of suburban development and public buildings in the Canberra area, and we would pay a tribute to those responsible for bringing the National Capital into this new era of development as foreshadowed by the Minister when the National Capital Development Commission Bill was before the Parliament.

Previous Inquiries into Statutory Authorities

271. Prior to the present inquiry, Your Committee has not conducted an extensive inquiry into a Statutory Authority since the inquiry conducted by Your Second Committee in 1954 and 1955 into the Australian Aluminium Production Commission. In the Twenty-first and Twenty-second Reports, which related to that inquiry, Your Committee formulated several conclusions relating to Statutory Corporations generally, some of which have an important bearing on the present inquiry. We feel that the substance of those conclusions together with the subsequent Treasury Minute relating to them should be examined and related specifically, to the National Capital Development Commission.

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272. In conclusions 11 to 15 of the Twenty-first Report and 29 to 32 of the Twenty-second Report Your Committee concluded that the whole question of the Audit of Statutory corporations should be reviewed when amendments to the Audit Act were being made. In regard to this matter we were informed by the Department of the Treasury in the subsequent Treasury Minute that the Government had taken the broad position that, in the case of statutory corporations whose finances do not form part of the Public Account, the proper place for statutory provisions relating to the audit of statutory corporations is in the acts constituting the statutory corporations rather than in the Audit Act. In its examination of the Treasury Minute Your Committee

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of 1964

concurred in the position taken by the Government in this regard. This type of provision has been included in Section 23 of the National Capital Development Commission Act.

273. In conclusion 16 of the Twenty-first Report and conclusions 29 to 32 of the Twenty-second Report Your Committee indicated that the responsibility for the form of the accounts of statutory corporations and Government trading undertakings should be reviewed when amendments to the Audit Act were being considered. The subsequent Treasury Minute indicated that, in respect to statutory corporations, the Government had decided that the necessary provisions should be included in the relevant statutory corporation legislation rather than in the Audit Act. Your Committee concurred in this view when it examined the Treasury Minute. Section 24(3) of the National Capital Development Commission Act provides for the furnishing of a Report by the Commission to the Minister, each year, for presentation to the Parliament.

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274. In conclusions 17 and 18 of the Twenty-first Report and 19 and 20 of the Twenty-second Report, Your Committee found that there was a need to clarify the position with regard to pecuniary interest of members of statutory corporations in transactions with their corporations. The subsequent Treasury Minute indicated that action to give effect to the Committee's finding had been taken in respect of a number of statutory authority acts. In the case of the National Capital Development Commission Act provision was made in Section 8 for the Governor-General to declare the office of the Commissioner or an Associate Commissioner vacant if, in any way, otherwise than as a member, and in common with other members, of an incorporated company consisting of not less than twenty-five persons, the Commissioner or Associate Commissioner becomes concerned or interested in a contract entered into by or on behalf of the Commission or participates or claims to participate in the profit of any such contract or in any benefit or emolument arising from any such contract.

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275. Your Committee notes with satisfaction that provisions which it regards as acceptable relative to the audit of the accounts and records of financial transactions of the Commission, the furnishing of reports of its operations together with financial statements to the Minister for presentation to the Parliament and the pecuniary interest of Commission Members have been incorporated into the National Capital Development Commission Act.

The Powers and Functions of the National Capital Development Commission

276. The powers and functions of the Commission are set down as follows in Section 11 of the National Capital Development Commission Act:-

"Section 11(1) The functions of the Commission are to undertake and carry out the planning, development and construction of the City of Canberra as the National Capital of the Commonwealth,

- (2) For that purpose, the Commission is empowered to provide, or arrange for the provision of, within the Australian Capital Territory, buildings, roads, bridges, works for the supply of water or electricity, sewerage or drainage works and other matters and things for, or incidental to, that purpose.
- (3) The Commission has power to do all things necessary or convenient to be done for or in connection with, or incidental to, the performance of its functions and the exercise of its powers.
- (3A) The powers of the Commission under the last preceding sub-section include such powers in relation to matters affecting, or connected with, the planning, development and construction of the City of Canberra as are expressed to be exercisable by the Commission by, or by regulations under, an Ordinance in force under the Seat of Government Administration Act 1910-1959.
- (4) The functions of the Commission do not include the undertaking or carrying out of construction upon land owned or held under lease, by a person other than the Commonwealth, except

- (a) as incidental to the performance of its functions in relation to land not so owned or held and with lawful authority; or
 - (b) at the request of the owner or lessee of the land and with the approval of the Minister.
- (5) The Commission shall not depart from, or do anything inconsistent with, the plan of layout of the City of Canberra and its environs published in the Gazette on the nineteenth day of November, One thousand nine hundred and twenty-five, as modified or varied, whether before or after the commencement of this Act, in accordance with law."

277. Whilst the Commission enjoys a wide range of powers and functions under Section 11 of its enabling legislation that Section makes it clear that those functions and powers are not unlimited. In particular Sections 11(4) and (5) place specific limits on the functions of the Commission and it seemed to Your Committee that the itemised list of powers conferred on the Commission in Section 11(2) to provide or arrange for the provision of certain types of works within the Australian Capital Territory, associated with the functions of the Commission to carry out the planning, development and construction of the City of Canberra in Section 11(1), implied a limitation as to the type of work to be carried out.

278. In these circumstances Your Committee was disturbed by remarks made by officers of the Commission that the only limiting factor to the Commission's development plans is the boundary of the Australian Capital Territory. In particular, Mr. Lansdown stated that the limitations of the gazetted plan did not prevent the Commission from continuing its development activities since legal advice had been received to the effect that the City of Canberra, as referred to in the Commission's Act, extended as a result

of the activities of the Commission. In the light of that advice the Commission regarded the development of Belconnen as part of the task of developing the city and it was felt that any legislative amendments which had proved to be necessary were consequences flowing from the Commission's discharge of its functions. We also noted that the reports of the Commission's consultants had discussed the advantages which would flow to the Commission if it were to assume the role of a trading undertaking in the field of municipal administration.
(Paras 132, 216, 235)

279. Having regard to the evidence referred to above, and the financial implications of development, Your Committee considered that it should seek advice on the Commission's powers and functions and accordingly on 1st September, 1966 addressed a series of specific questions to the Secretary, Attorney-General's Department for legal advice. Legal opinions were submitted by the Secretary, Attorney-General's Department, on 12th September, 1966. Two of these questions and the substance of the opinions on them which are relevant in the present context, are set out below.

280. One question on which legal advice was sought was:
"Do the provisions of sub-sections (2) and (3) of Section 11 of the National Capital Development Commission Act permit the Commission to undertake any function which it may regard as incidental to the performance of its functions or the exercise of its powers, e.g. the establishment of zoological or botanical gardens or national parks in the Australian Capital Territory?"

281. In reply, the Secretary, Attorney-General's Department assumed that one aspect on which advice was sought was whether the Commission, having made its own decision as to what is incidental to the performance of its functions or the exercise of its powers, its decision cannot be challenged. We were advised that this is not the position and while the Commission must from time to time make decisions, in the course of its operations, as to what may be regarded as being truly incidental to the performance of its functions or the

exercise of its powers, the question of whether any particular operation on which it embarks is within the terms of section 11 (of the National Capital Development Commission Act) is a matter to be decided upon the true construction of that section and does not lie merely in the discretion of the Commission.

282. The Secretary, Attorney-General's Department expressed the view that the planning and establishing of zoological and botanical gardens or parks may properly be regarded as being matters falling within the incidental functions of the Commission in undertaking and carrying out the planning, development and construction of the City of Canberra but he did not think it followed that the Commission can establish gardens or parks at any place it pleases within the Australian Capital Territory. He added that the Commission is not given any general function of planning and developing the Territory, as distinct from planning and developing the City. He continued that it may not in all cases be easy to say with confidence whether a particular project can properly be regarded as an incident of the planning and developing of the City but he thought that the planning and establishing of zoological and botanical gardens adjoining the City, or in close proximity to it, could certainly be regarded as being within the Commission's functions. He did not consider, however, that the planning and development of national parks throughout the Territory could be regarded properly as being incidental to the function of planning, developing and constructing the City of Canberra.

283. Another question on which legal advice was sought was:

"Does the area of the City of Canberra, as referred to in sub-section 11(1) of the National Capital Development Commission Act, expand as a consequence of the Commission's activities?"

284. In reply, the Secretary, Attorney-General's Department stated that the Act does not define the geographical area of the City of Canberra and that the absence of such a definition is understandable if it is borne in mind that, when the Act was passed, there was already in existence a city known as Canberra and that the primary purpose of the Act was to provide for the development of that city. Bearing these considerations in mind, he considered that the Act contemplates, not that the Commission's functions of planning, developing and constructing the city are to be capable of being performed only within some geographically defined 'city area', but that the existing boundaries will be progressively extended. In these circumstances the Secretary did not entertain any doubt that the planning and development of both Woden Valley and Belconnen are truly part of the development of Canberra.

285 In view of the evidence and legal opinions referred to, Your Committee accepts the proposition that as the construction of urban development work by the Commission proceeds within the prescribed city area and the need emerges for that area to be expanded to enable further necessary urban development work to be undertaken in adjacent areas, the City of Canberra expands as a consequence of the Commission's activities. Your Committee would not regard as proper, however, a state of affairs in which the Commission were to embark on urban development work in areas adjacent to the City of Canberra, thereby making necessary a retrospective revision to the city limits. We believe that such a situation would be contrary to the spirit of the assurance given to the Parliament in 1957 by the Minister in connection with clause 11(5) of the National Capital Development Commission Bill, namely, that the Commission shall not depart from or do anything inconsistent with the plan of layout of the City of Canberra or its environs except with the approval of both Houses of the Parliament.

286. With regard to the establishment of such facilities as zoological and botanical gardens to be constructed in close proximity to the City, Your Committee believes that the same principles apply. We would not seek to pre-judge the desirability of developing such facilities but we regard

it as of considerable importance that before such work commences, proposed amendments to the plan of the City of Canberra and its environs showing the locations and dimensions of tracts of land to be used for such purposes should be submitted to the Parliament for prior approval.

287. After giving careful consideration to Section 11(5) of the National Capital Development Commission Act, Your Committee recognises that some basic planning would be required before proposals to amend the plan of the City of Canberra and its environs could be properly submitted to the Parliament for consideration. Your Committee is of the opinion that urban development work or, special urban amenity-type work, such as zoological and botanical gardens, by the Commission should not, because of the financial commitments involved, proceed beyond the long-term planning stage and into the engineering design investigation stage in respect of areas beyond the approved plan of layout of the City of Canberra and its environs until such time as an appropriate amendment to that plan has been approved by the Parliament. In reaching this view, Your Committee would assume, of course, that the National Capital Development Commission would seek to avoid unnecessary criticism by ensuring that proper amendments have been made to the plan of layout of the City of Canberra and its environs as envisaged in Section 11(5) of the Act, before embarking on developmental work of the type referred to.

The Administration of the Commission

288. As indicated earlier, the Commission has power under Section 11(2) of the National Capital Development Commission Act to provide, or arrange for the provision of, within the Australian Capital Territory, buildings, roads, bridges, works for the supply of electricity, sewerage or drainage works and other matters and things for or incidental to the planning, development and construction of the City of Canberra. The evidence taken during Your Committee's inquiry shows that so far, the Commission has not undertaken the provision of these facilities itself but has arranged for them to be undertaken on its behalf.

289. In these circumstances the Commission is, at present, a co-ordinating agency and we have some doubts as to whether, in this role, the Commission might not be employing staff upon duties of a somewhat imprecise nature and extending its influence to an extent not entirely necessary. We believe that this situation is demonstrated in the evidence received relative to the Commission's Architectural Division. We were informed that although the Architectural Division employs six architects, no detailed work or drawings are prepared apart from occasional small projects and that all design work is produced by agents for the Commission. We believe that the absence of any practical application of the skills available within the Division is of some significance when considered in conjunction with the Commission's statement that the Director of Architecture and his staff had at the time of the hearings an "interest" in forty-one projects valued in excess of \$50 million which were in various stages of investigation, design, construction and contract maintenance. We note, however, other evidence that the value of projects being undertaken by the entire Commission amounted to \$80 million. (Paras 169, 174)

290. During our examination of the duties of the various officers of the Architectural Division we experienced some difficulty in acquiring clear explanations as to the precise manner in which various officers contributed to the Commission's activities. For example, we were informed that feasibility studies are undertaken in the Division but when we sought an explanation of the nature of a feasibility study we were informed that, in the instance mentioned in evidence, this was simply a study designed to determine how a client department's requirements of a block of offices were to be satisfied. It was explained that decisions had to be reached concerning the location where the building was to be erected, what its shape was to be, its "relationship with adjacent buildings" and the effect the occupants of the buildings would have upon traffic movements. (Para 172)

291. The limited extent to which the Division's officers are actually engaged in the developmental process (apart from their role of co-ordination) was revealed in evidence describing the sequence of events in the discharge of the Commission's management role. It was stated that after being given broad functional and accommodation requirements the project manager prepares a brief containing the detailed requirements for the instruction of the agent architect, who prepares both the sketch details and the final design details. However, after the requirements of the Commission had been made available to him, the agent was asked whether a project could be undertaken on the basis of the information, cost limits and time specified by the Commission. (Para 176)

292. Since its inception the Commission has adopted the practice of employing agents to discharge its design and construction programme on the grounds that as a major co-ordinating and controlling unit it is desirable to avoid the organisational problems which it believes are inherent in a large staff body. In addition, we were informed that there are in existence in Australia large resources of design and supervisory bodies of all kinds both in Government departments and private organisations providing a variety of abilities which may be employed by the Commission. Generally 55 per cent of the Commission's design programme work is undertaken by the Department of Works which has made arrangements for strengthening both its design and supervising staff to cope with the programme being implemented. The remaining 45 per cent of the design programme is undertaken by private agents. The Commonwealth Department of Works has not received any payment in the nature of fees since the 1st July, 1963, when, following Your Committee's recommendations in its Fifty-fifth Report in this respect, interdepartmental or transfer payments were abolished. Although this practice has been abolished the Commission's statement of receipts and payments relative to its construction programme reveals that between 1st July, 1959 and 30th June, 1965 a sum exceeding \$9 million has been paid by the Commission as fees to consultants, including payments to the Department of Works up to 30th June, 1963. Your Committee acknowledges

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that these expenses may be regarded as part of the cost of Canberra's accelerated development. Notwithstanding our endeavours to obtain it, however, no evidence or other information was submitted to Your Committee on which a judgment may be made as to the economic merits of the present ratio in which the Commission's design programme work is allocated between the Department of Works and private agents. In these circumstances, Your Committee feels that the Commission should regularly test the validity of these ratios and where necessary make suitable variations to ensure that its total design work is maintained at minimum cost consistent with the achievement of the required programme. (Paras 86 - 91, 251)

293. The cost records maintained by the Commission indicate only the expenditure recorded upon a particular project during the year to date, the expenditure recorded during the preceding month and the balance remaining of the amounts originally authorised. We find it difficult to accept a suggestion that the absence of a system in which income could be matched against expenditure created a situation in which the only other alternative was to measure developmental costs against those incurred in Sydney, Melbourne, Wollongong and Newcastle. We note that the Commission regards the comparison as being only of the broadest nature as the costs incurred in developing Canberra are not increased by either the transportation and traffic congestion problems experienced in other cities or by the costs of land acquisition or resumption. (Para 199)

294. Your Committee is not the first authority to criticise the Commission in respect of the absence of a system of cost control. In January, 1962, Mr. Henry Wells, a town planning consultant appointed by the Commission, when reporting on the economic aspects to be considered in connection with the development of the National Capital, stated that the absence of published statements of accounts made it difficult to find the answer to simple questions on finance and economics which, in a normal Australian city, could be answered by reference to published figures. We noted the reply of the witness that the type of accounts recommended by Mr. Wells was more appropriate to an organisation of a trading nature with continuing finances

and that such accounts would not be appropriate to the Commission which is financed by annual appropriation. We accept this explanation because we do not believe that the National Capital Development Commission has ever been expected to be an authority on questions of municipal finance and economics. Your Committee believes that the Commission is a planning, developing and constructing authority only and was never envisaged as a body charged with the responsibility of providing any form of municipal administration. However, we question the adequacy of the cost records maintained by the Commission. We were informed that in order to obtain a clearer understanding of the level of development costs, every cost item incurred in the construction of the new district of Woden had been recorded. An examination of the form of cost records maintained by the Commission, however, revealed that these records detailed only gross expenditures in respect of particular projects and that this information was transcribed from cost schedules made available by the Commonwealth Department of Works. Your Committee feels that even this record is an improvement on the situation prevailing at the time of Mr. Wells' second report to the Commission in 1963 when he observed that no accounting system had been designed which would enable a ready check to be made as to whether Government grants had been wisely spent; neither would the accounts reveal to an inquirer the amount spent on a project at a particular time. Mr. Wells emphasised that capital expenditures of the magnitude necessary to cope with an increasing population must be subject to more economic accounting practices than those pursued earlier. Mr. Wells' insistence in this respect apparently prompted the Commission to make some attempt to recognise his exhortation for a more adequate accounting system for we were informed that certain officers in the Finance and Administrative Section of the Management Division have had, since January 1966, the responsibility of reporting on detailed systems and methods of the comprehensive recording, costing and analysis of expenditures and revenues related to Canberra's development. We established, however, that despite the date of the two Wells' Reports (i.e. January, 1962 and December, 1963), no reports had been produced by these officers up to the time of our inquiry. (Para 253)

295 The Commission's failure to produce any evidence of the existence of some form of analytical cost accounting system (despite numerous opportunities provided for it to do so) has not permitted Your Committee to confidently accept those cost comparisons which are made available by the Commission. The Commission informed us that the current cost of development of basic engineering services in Canberra amounted to \$5,240 per acre while the same costs in Sydney and Melbourne amounted to \$5,500. We were also informed that relative cost indexes prepared in respect of the Commission's projects had indicated that works costs had fallen progressively by 14.8 per cent between 1961 and 1965 while at the same time the level of labour employed in the production of basic engineering services had been reduced from 115 men per \$1 million of expenditure in 1960 to 43 men per \$1 million in 1965. We note that these detailed comparisons were provided despite the Commission's assertions that the recording of such costs had proved a difficult exercise and that the Commission was still endeavouring to obtain a clearer understanding of the level of development costs by exercises such as the recording of all costs in the new district of Woden. In this respect Your Committee believes that notwithstanding the difficulties which may be confronting the Commission in the compilation of an adequate cost recording system which will accurately provide the unit costs of all aspects of a district's development, the introduction of the system is a matter of urgent necessity due to the extent of the capital expenditures involved. (Para 242)

296 A further feature of the evidence which Your Committee found to be disturbing was the persistent inadequacy of the financial information published in the Commission's Annual Reports. The Commission's annual expenditure on the construction programme is revealed in a statement of receipts and payments under seven headings viz. National Works, Commonwealth Offices, Territory Works, City Works, Land Development, Minor Works and Fees and Charges. However, no elaboration of the figures concerned is offered by the Commission in its financial statements. For example, in the

year ended 30th June, 1965, a total of \$14.98 million was spent on Territory Works in respect of which only a limited elaboration appears in the Commission's Eighth Annual Report where the reader may learn that "Housing and Accommodation" cost \$7.422 million. We do not accept the Commission's view that the present form of accounts adequately reveals the nature of the expenditure incurred by the Commission each year, particularly as the Auditor-General, in his Reports, has provided an elaboration of the Commission's accounts in an attempt to assist the Parliament in its consideration of the Commission's affairs. Your Committee has already noted that, under the provisions of Section 24(3) of the National Capital Development Commission Act the Minister is required to approve the form of the financial statements of the Commission. However, we also note that when the form of the accounts was initially submitted for the consideration of the Minister, no alternative form was tendered for his consideration. (Para 238)

In the twenty-third conclusion to its Twenty-second Report relative to the Australian Aluminium Production Commission, Your Committee stated that it looked for a presentation to the Parliament of the accounts of the commercial undertakings of the Commonwealth in a clear and reasonably standard form. We believe that this principle extends also to statutory authorities other than commercial undertakings. Your Committee notes from the Ninth Report of the National Capital Development Commission, which was presented to the Parliament on 21st September, 1966, that, following our inquiry, some changes have been made in the form of the Commission's financial statements including a more detailed elaboration of expenditure on Territory Works. However, in all the circumstances we find that the financial statements of the Commission require further elaboration and should be made the subject of an extensive review. In addition, we reject Mr. Lansdown's assertion that any attempt by the Parliament to oblige the Commission to reveal any further detail of its expenditure will amount to a restriction of the flexibility inherent in the Commission's present form of administration. In this

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respect we have noted the observations by witnesses that a good deal of argument has existed in Britain relative to the accountability of statutory corporations to the Parliament. We would suggest, however, that the type of statutory corporation which has been the subject of discussion in Britain is that charged with responsibility for the administration of nationalised trading industries, a form of administration which is not common to Australian experience and which we regard as inappropriate in any discussion of the affairs of the National Capital Development Commission. (Paras 264 - 265)

297. Your Committee believes that the discharge of the Commission's functions in a manner which it defends as being "flexible" may have engendered inefficiencies and wasted efforts in the Canberra branch of the Commonwealth Department of Works which was placed virtually at the absolute disposal of the Commission when instructions were issued that the Branch was to operate in response to the Commission's requests for priorities and meet the Commission's requests on such matters as estimating, the provision of information and on matters of operational control. As noted earlier the result of this arrangement means that the Commission undertakes no detailed design work, but employs the Department of Works as a design and contract supervision agency in respect of about 55 per cent of the developmental programme. Notwithstanding its complete control of its own developmental programme, the Commission rejects any suggestion that the flow of its design work allocated to the Department of Works should be the subject of any system similar to the design system employed within the Commonwealth administration. Such suggestions were countered again by objections that the adherence to such a system would detract from the Commission's flexibility and that in any case there existed an adequate degree of consultation with the Department of Works. We find it difficult to appreciate the Commission's viewpoint in this respect for, as explained by the Treasury Observer, Mr. Hunter, the basic intention of the Commonwealth design list system is the establishment of a design programme which is not beyond either the physical resources of the Commonwealth or the design resources of the Department of Works during the programmed year. We believe that the efficiency of the system within the Commonwealth administration has, by its continued existence, been proved and we suggest that the deficiencies in the present system adopted by the Commission

have been responsible for the Department of Works' difficulties on occasions in meeting the demands of the Commission. We note also that whilst the Department of Works Observer felt unqualified to comment on the merits of a design list system for the Commission's work, he stated that if a system could be devised which would provide more forewarning to the Canberra Branch of his Department, and which would not interfere with the Commission's flexibility, that system would be very acceptable to his Department. (Paras 87 - 91)

298. Your Committee notes that on the basis of the provisions of the Commission's enabling Act which confers on it power to do all things incidental to the performance of its functions of planning, developing and constructing the City of Canberra, the National Capital Development Commission has established a public relations section comprising eight officers. It was indicated that this section was created for the task of engendering within both the national and local communities a climate favourable to the continuing discharge of the Commission's function of developing the National Capital. (Para 76)

299. Whilst not doubting the need for the Commission to undertake some public relations work as a part of its normal activity, and in view of the expenditure necessary to finance this activity, Your Committee felt that it should obtain legal advice as to the extent to which the Commission should embark on activity of that type. Accordingly, on 1st September, 1966, the following question was addressed to the Secretary, Attorney-General's Department:-

"Whether the powers conferred on the Commission under section 11(3) of the National Capital Development Commission Act are wide enough to justify the Commission engaging in the publicising of tourist attractions in Canberra and the Australian Capital Territory".

300 In his reply dated 12th September, 1966, the Secretary, Attorney-General's Department, advised that the power conferred on the Commission by Section 11(3) enables the Commission to engage in public relations activities in connexion with and reasonably incidental to, the discharge of its functions.

He considered that, in the context of the Act, which is the charter for the planning, development and construction of the City of Canberra as the National Capital of the Commonwealth, involving expenditure of large sums of money and being of great importance to the Nation as a whole, a narrow view should not be taken in considering the scope of provisions conferring general powers on the Commission. He added, however, that it did not follow that the Commission can therefore engage in any activity it pleases in respect of the publicising of tourist attractions in the Australian Capital Territory but could, as a part of permissible public relations activities, publicise the development of the City of Canberra. The Secretary further stated that it would be necessary to examine each case to ascertain the relationship of the publicised attraction to the development of the City of Canberra as the National Capital of the Commonwealth and difficult questions of degree could arise.

301. Your Committee notes the fact that the Commission's staff tables provide for five positions of public relations officer, journalists and public liaison officers compared with six architects in the Architectural Division, six engineers in the Engineering Division and only one Internal Auditor for the entire Commission. In these circumstances and having regard to the nature of the legal opinion supplied to us, Your Committee feels that public relations work undertaken by the Commission should be confined to matters bearing directly on the Commission's responsibilities. Where the form of work to be carried out, however, is primarily of a tourist attraction nature, Your Committee feels that it should be undertaken by the Tourist Bureau of the Department of the Interior.

302. During its inquiry Your Committee experienced some difficulty in arriving at a precise assessment of the manner in which the Commission is, in fact, discharging its role. An example of this is contained in the Commission's description of part of the duties of the Executive Officers in the Development, Programming and Research Section, who, we were informed, must "examine and recommend on matters of policy, conduct investigation, research, liaison with other departments and recommend". On another occasion we were informed that a

Senior Project Officer is responsible for the preparation of reports, statements and analyses relating to revenue and expenditure projections and in respect of the economics of the development operation. It was stated that he was required also to undertake the necessary research resulting from the reports of economic consultants and to conduct research into alternative techniques of funding development. When we sought a verbal elaboration of these duties and questioned witnesses on the number of reports produced we were informed that the activity of the Senior Project Officer could not be measured in terms of the number of reports produced since the process was one of simply analysing the development costs in a progressive manner. The work produced in this respect was suggested to be a form of accounting synthesis based on assumed notional costs which was only as accurate as the original assumption on which it was based. Replying to questions on alternative techniques of funding development the witness informed us that this was a matter of future consideration as the National Capital Development Commission Act in its present form does not provide for alternative methods of financing operations. Finally, we questioned the witness on the Commission's employment of economic consultants in respect of one of the Commission's latest major projects and were informed that the views of economic consultants had not been sought but that the eventual use of such experts would be valuable to the Commission.

(Paras 198, 202 - 204)
 303. Your Committee also invites attention to the evidence submitted relative to the Landscape Division of the Commission, the duties of which are set out in Chapter 11 of this Report. In response to questions as to the nature of the Commission's landscaping policies we were able to establish only that the surrounds of Lake Burley Griffin are to be of open, park-like landscape designs while, within the Parliamentary Triangle, the ground cover is to be of mown, watered grass. Your Committee did not attempt to determine the extent of the effort involved in "initiating all actions necessary to produce designs and contracts" but we sought further information on the review undertaken by the Commission of the performance of construction agents. We had been informed that the Parks and Gardens Section of the Department of the Interior carries out 80 to 85 per cent of the Commission's landscaping work, due to the presence of only small landscaping operators in the Australian Capital Territory.

We therefore sought to establish whether the Commission was attempting to supervise the Parks and Gardens Section activities and whether the Landscaping Division was duplicating the work of the Department of the Interior. In reply, Your Committee was informed that the Commission was the planning, development and construction authority and that with seven staff positions within the Landscaping Division it was not attempting to duplicate any functions. (Paras 184 - 188)

304. When Your Committee referred to the financial records maintained within the Landscaping Division, it was stated that these records were maintained to keep the Chief Landscape Architect informed on the continuing costs of maintenance and to guide the Division's staff in introducing economies in design but when we sought a comparison of costs of those in other capital cities the witness could only suggest that such a comparison would be favourable. We then sought evidence, in respect of the landscaping surrounds of the Bureau of Mineral Resources Building, as to whether the cost records would reveal the number of hours bulldozers were employed, the value of wages paid to workmen or the value of materials consumed on the project. We were informed, however, that the records would not reveal such information but that records maintained by the Department of the Interior might eventually do so. The Department of the Interior Observer advised us that due to the scale of operation, extremes of climate and the limitations of the Department's accounting system, the cost information made available to the Commission was of doubtful accuracy. (Paras 190 - 191)

305. Your Committee examined the circumstances of the Parks and Gardens Section of the Department of the Interior during its inquiry into the Report of the Auditor-General for the financial year 1964-65 and in its Seventy-Eighth Report arising from that inquiry commented on discussions that had been held between the Departments of the Treasury and the Interior with a view to improving costing within the Parks and Gardens Section of the latter Department. Your Committee believes that there is an urgent need for the costing problems within the Department to be resolved and trusts that the

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Departments concerned will reach early agreement on the outstanding matters. It is apparent that until this is achieved the Commission will be unable to obtain reliable landscaping costs from the Department of the Interior. At the same time, however, Your Committee believes that a direct responsibility lies with the National Capital Development Commission to equip itself with the best possible cost information available as a guide to management in the allocation of landscaping contracts and that the form and content of the Commission's landscaping cost records should be examined critically without delay.

306. Your Committee notes that the provisions of Section 15 of the National Capital Development Commission Act provides that the Commission may appoint such officers or engage such employees as it thinks necessary for the purpose of the Act and that the terms and conditions of service or employment will be such as are determined by the Commission subject to the approval of the Public Service Board. According to the evidence received by Your Committee the practical effect of these provisions has been that, provided the Public Service Board has approved the salary classification of a newly created position, the Commission may thereupon create as many similar positions as it sees fit. (Para 68)

In view of the evidence received Your Committee is concerned to find that the information supplied in the Commission's Annual Reports to the Parliament in respect of its staff structure is confined to aggregate staff levels and the relationship between these levels and the Commission's total expenditure over a series of years. Whilst fully aware of the flexibility conferred on statutory authorities in the performance of their functions as specified in their enabling legislation, Your Committee feels that in cases where such authorities incur the expenditure of public funds but do not have available to them the normal commercial measurements of profitability as guides to management, such authorities should include in their reports to the Parliament an analysis of their staff establishments and the nature of the changes made therein from year to year. In the case of the National Capital Development

Commission, Your Committee's proposals in this respect would be met if the Commission's Report included details of its staff establishment by Divisions and in a form, for each Division, along the lines of the information supplied for each Commonwealth department in the Schedule to the Appropriation Act.

307. In regard to the existing level of staff employed by the Commission we are satisfied that the provisions of the Officers Rights Declaration Act has provided adequate protection to the interests of any officer of the Commonwealth Public Service seeking transfer to the employment of the Commission. Your Committee believes therefore that this is the maximum extent to which the Commonwealth administration can assist in staffing problems reported by the Commission. We would suggest, however, that the ratio of actual staff numbers to positions within the Commission as shown in Table No. 1 to this Report indicates that the Commission's staffing situation is one that should not seriously impede the Commission in its work. (Paras 69 - 74)

The Civil Works Programme Document

308. Your Committee is not satisfied that the present form of the Civil Works Programme document conveys adequate information relative to works programmes to meet the requirements of the Parliament. Our conclusions in this respect may be considered as applying equally to both the departmental and Commission sections of the document. We consider that the most notable deficiency is the absence from the document of any information indicating the proportion of each gross appropriation which has been allocated to individual projects listed in the programme. We are mindful of the Commission's objections that the allocation of sums to individual projects would not be feasible due to uncertainties in each programme and also of its objections that the necessity to provide additional information would be a restriction on its flexibility. We are also mindful of statements indicating that the Civil Works Programme document represents the proposed Civil Works Programme only at a given point of time. Notwithstanding these

objections and explanations, we do not accept the obvious inference that as the document is adequately fulfilling the role accorded to it by Commonwealth departments it should be regarded as adequately fulfilling the task required of it by Members of the Parliament.

309. The failure to allocate the gross appropriation among projects in the Civil Works Programme permitted the National Capital Development Commission, in its 1964-65 Civil Works Programme, to list a gravity water main project estimated to cost \$3.6 million in support of its bid for an appropriation of \$30.8 million. Although the Commission, in arriving at this figure would have included expected expenditure in the year 1964-65 against the gravity main project, no related expenditure was revealed in the 1965-66 Civil Works Programme apart from a new item entitled "Investigations for Gravity Main", expected to cost \$60,000 and in respect of which only \$27,684 was expended in the preceding year. Notwithstanding the fact that the Commission had supported its case bid in 1964-65 by listing the gravity main project, the same project again appeared as an item supporting a cash bid of \$35 million in 1965-66. However, by the time the 1965-66 Civil Works Programme document was tabled in the Parliament the estimated cost of the gravity main project had increased to \$5,100,000. Your Committee regards this situation as patently unsatisfactory and our concern is heightened by the fact that the present form of the document does not reveal how the funds originally appropriated for the gravity main project were expended in 1964-65. (Para 261)

310. A further unsatisfactory feature is the Civil Works Programme document's failure to detail the total expenditure on projects. It was explained to us that the information revealing the extent of the works in progress excludes, by definition, projects which were completed during the previous year. Accordingly, although at the commencement of any year a substantial portion of the sum authorised for expenditure on a then current project may have been unexpended, the exclusion of the project upon its completion from the next Civil Works Programme document denies Members of the Parliament the opportunity to ascertain details of the final expenditure. (Para 258)

311. Your Committee believes that the present form of the Civil Works Programme document should be revised to disclose the estimated expenditure on proposed new works listed therein and that the Departments of the Treasury and Works and the National Capital Development Commission should confer with a view to determining the alternative methods which might be employed to enable this to be achieved. Your Committee also believes that consideration should be given to appending to the Civil Works Programme document a schedule containing the final expenditure incurred on projects the details of which have been deleted from the document upon completion in the previous year. The adoption of this practice would permit Members of Parliament to satisfy themselves that particular projects commenced in earlier years have, in fact, reached completion and not merely been deferred and to assess the total expenditure incurred on each project completed.

Other Matters

312. Under arrangements effected in 1963-64 the Australian Capital Territory Electricity Authority undertook the work of electricity reticulation and streetlighting upon the order and specifications of the National Capital Development Commission. The policy of the Commission is to place low tension poles and mains along the rear boundaries of allotments as opposed to street placement. Streetlighting, with its attendant underground wiring and reticulation is carried out concurrently with normal servicing contracts. In regard to traffic route lighting, we were informed that the illumination in Canberra will be not less than the values recommended in the new Standards Association of Australia lighting code whilst in regard to pedestrian lighting and highway lighting it was claimed that the intensity of lighting provided is somewhat greater than that provided in other cities. (Paras 154 - 159)

313. During its inspection of lighting on 22nd June, 1966, Your Committee was impressed with the more recent lighting development work that has been undertaken. It

believes, however, that notwithstanding the costs involved, there is a compelling need for improvement in lighting standards in some of the older suburbs of Canberra and in relation to parklands which obviously could not be traversed in safety by pedestrians at night. During our inspection we were impressed by the method of lighting adopted in the cases of the Commonwealth and King's Avenue bridges but we noted with concern the paucity of lighting in respect of the approaches to the bridges which traverse relatively open country.

314. During our inquiry we were informed that a comprehensive review is being made to modernise the Canberra Building Regulations and to bring them generally into line with the Victorian Uniform Building Regulations which were said to comprise the most comprehensive building code currently in operation in Australia. It was expected to be some time before this review is completed. Your Committee believes that the early completion of this review and the issue of modern Building Regulations is an urgent matter and trusts that the parties concerned will make every effort to ensure that this is achieved.

For and on behalf of the Committee

David N. Reid

David N. Reid,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA. A.C.T.

Richard Cleaver

RICHARD CLEAVER
CHAIRMAN

Ivy Wedgwood

28th September, 1966.

Exhibits and Supplementary Submissions
tendered by the National Capital Development Commission

Exhibits

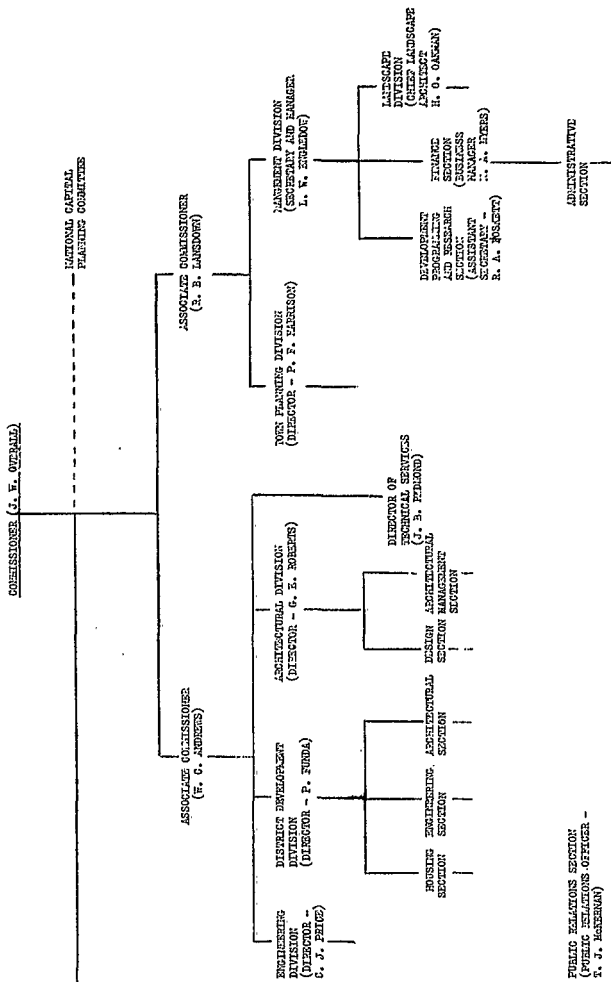
Statement No. 1	History of the Commission	Exhibit No. 1
Statement No. 2	Legislation under which the Commission is constituted	" " 2
Statement No. 3	Organisation of the Commission	" " 3
Statement No. 4	Financial Statements of the Commission and reports relating thereto	" " 4
Addendum to Statement No. 4	Report of the Auditor-General	" " 5
Statement No. 5	Establishment of the Commission	" " 6
Statement No. 6	Functions and Operations of the Management Division	" " 7
Statement No. 7	Functions and Operations of the Landscape Division	" " 8
Statement No. 8	Functions and Operations of the Public Relations Division	" " 9
Statement No. 9	Functions and Operations of the Town Planning Division	" " 10
Statement No. 10	Functions and Operations of the Architectural Division	" " 11
Statement No. 11	Functions and Operations of the District Development Division	" " 12
Statement No. 12	Functions and Operations of the Engineering Division	" " 13
Statement No. 13	Statement relative to the Siting of Parliament House, Consultants Costs and Administrative Expenditure	" " 14
Statement No. 14	Statement relative to the Commission's Financial Instructions and the Clerical and Administrative Staff	" " 15
Statement No. 15	Statement relative to variations to the Statutory Plan of Canberra and the Sale of Land	" " 16
Statement No. 16	Statement relative to the Commission's Civil Works Programme	" " 17

Supplementary Submissions

Statement No. 6A	Statement relative to the Commission's Expenditures
Statement No. 17	Statement relative to Building Approvals
Statement No. 18	Statement relative to Design Models
Statement No. 19	Statement relative to the Kegatta Point Exhibition
Statement No. 20	Statement relative to the Commission's financial records
Statement No. 21	Statement relative to expenditures incurred without prior approval
Statement No. 22	Statement relative to administrative expenditures
Statement No. 23	Statement relative to Cost Analyses
Statement No. 24	Statement relative to the number of projects managed by the Commission
Statement No. 25	Statement relative to the Commission's legislative requirements
Statement No. 26	Statement relative to Street Lighting in Canberra

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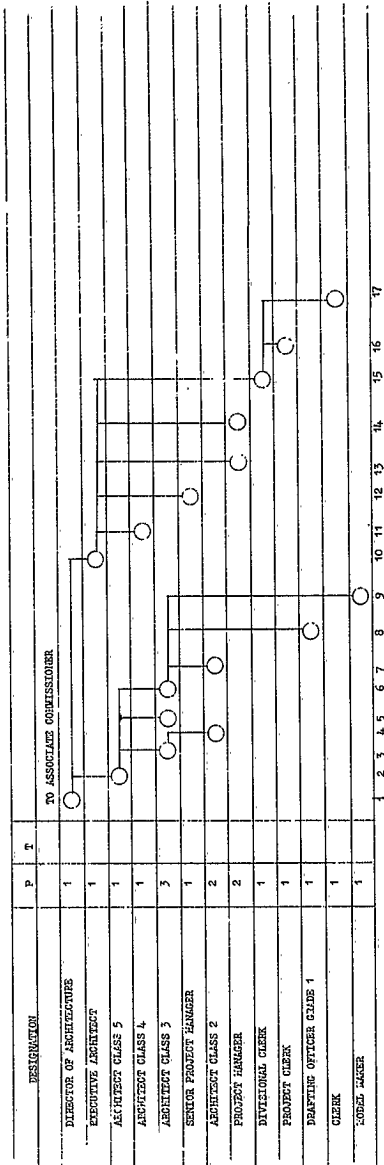
ORGANISATION AS AT 17TH FEBRUARY, 1966



NATIONAL CAPITAL DEVELOPMENT COMMISSION
ORGANISATION CHART - ENGINEERING DIVISION

DESIGNATION	P	T	TO ASSOCIATE COMMISSIONER										
DIRECTOR OF ENGINEERING	1												
PROJECT ENGINEER (CLASS 5)	1												
ENGINEER CLASS 4 (TRAFFIC)	1												
ENGINEER CLASS 4 (DESIGN AND INVESTIGATION)	1												
ENGINEER CLASS 3	1												
ENGINEER CLASS 3 (TRAFFIC)	1												
SENIOR TECHNICAL OFFICER GRADE 1	1												
DIVISIONAL CLERK	1												
TECHNICAL OFFICER GRADE 1	1												
DRAFTING OFFICER GRADE 1	1												
CLERK	1												
POSITION NUMBERS			4	2	3	4	5	6	7	8	9	10	11

NATIONAL CAPITAL DEVELOPMENT COMMISSION
ORGANISATION CHART: ARCHITECTURAL DIVISION



PROJECT MANAGEMENT

CIVIC DESIGN

SECTION

NATIONAL CAPITAL DEVELOPMENT COMMISSION
ORGANISATION CHART - LANDSCAPE DIVISION

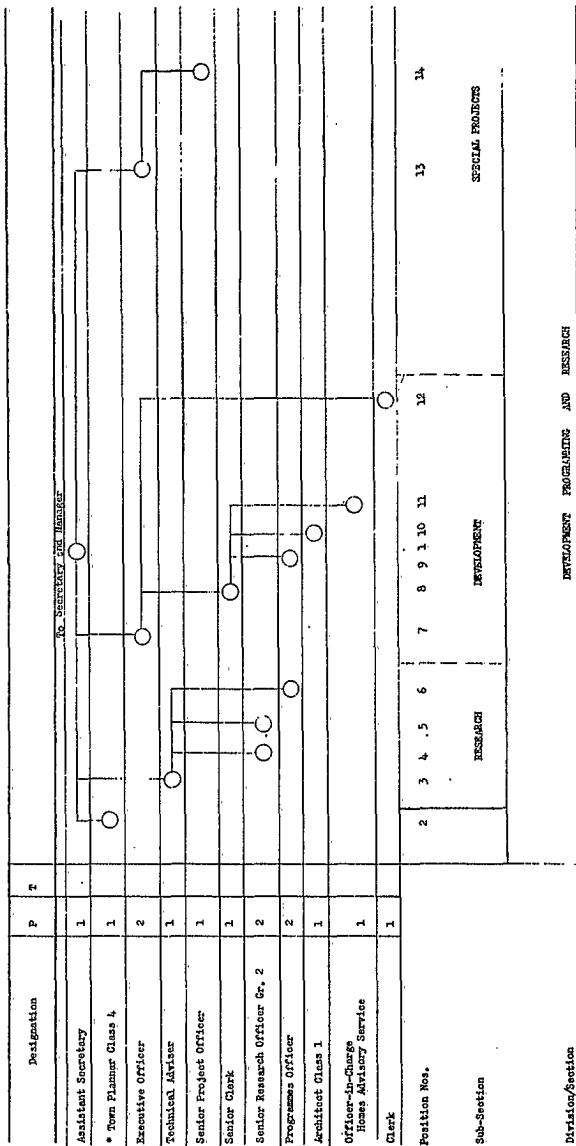
Designation	P	T	To Secretary and Manager						
Chief Landscape Architect	1								
Architect (Landscape) Class 4	1								
Senior Landscape Architect	1								
Senior Technical Officer Gr.1	1								
Senior Drafting Officer Gr. 1	1								
Divisional Clerk	1								
Landscape Architect Gr. 3	1								

Position Nos.

2 3 5 1 6 7 4

NATIONAL CAPITAL DEVELOPMENT COMMISSION

ORGANIZATION CHART - DEVELOPMENT PROGRAMMING AND RESEARCH SECTION



NATIONAL CAPITAL DEVELOPMENT COMMISSION
ANNUAL STATEMENTS OF RECEIPTS AND PAYMENTS, 1958-59 to 1964-65
ADMINISTRATIVE EXPENSES

	1958-59 ₹	1959-60 ₹	1960-61 ₹	1961-62 ₹	1962-63 ₹	1963-64 ₹	1964-65 ₹
RECEIPTS							
Cash balance brought forward	3,048	714	249	18	-	-	-
Parliamentary Appropriation	350,000	457,000	535,000	570,000	724,000	818,800	888,000
Miscellaneous Receipts	656	920	11,222	17,124	12,150	9,590	14,344
	353,704	458,634	546,471	587,142	736,150	828,490	902,344
PAYMENTS							
Salaries and Extra Duty Pay	192,335	301,005	343,691	395,010	489,067	556,944	645,166
General Expenses	153,221	149,902	198,913	186,181	260,996	266,319	249,069
National Capital Planning Committee	7,434	7,478	3,849	5,951	6,187	5,227	8,109
Cash Balance carried forward	714	249	18	-	-	-	-
	353,704	458,634	546,471	587,142	736,150	828,490	902,344

NATIONAL CAPITAL DEVELOPMENT COMMISSION

ANNUAL STATEMENTS OF RECEIPTS AND EXPENDITURE

TRUST ACCOUNT

RECEIPTS	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65
Cash Balance 1st July	Nil	6,694	86,125	19,224	13,100	21,780	1,929
Deposits on Tenders, Tender Documents, etc.	11,703	144,415	128,064	191,397	184,303	172,986	141,736
Miscellaneous Receipts	1,914	164,568	152,116	32,287	170,742	3,079	60,646
TOTAL	13,617	315,677	366,305	242,908	368,145	197,845	204,311
EXPENDITURE							
Refunds of Deposits on Tenders etc.	6,563	128,420	127,238	188,436	166,958	193,190	111,102
Miscellaneous Payments	360	101,132	219,843	41,572	179,407	2,266	38,163
Balance of Cash 30th June	6,694	86,125	19,224	13,100	21,780	1,929	55,046
TOTAL	13,617	315,677	366,305	242,908	368,145	197,845	204,311

NATIONAL CAPITAL DEVELOPMENT COMMISSION

ANNUAL STATEMENT OF RECEIPTS AND PAYMENTS, 1958-59 to 1964-65
CONSTRUCTION PROGRAMME

	1958-59	1959-60	1960-61	1961-62	1962-63*	1963-64	1964-65
RECEIPTS	\$	\$	\$	\$	\$	\$	\$
Department of Works		35,918					
Adjustment of Advance	20,000,000	22,000,000	21,900,000	22,000,000	24,300,000	27,840,000	30,800,000
Parliamentary Appropriation	176	56,958	75,296	22,406	66,806	66,398	61,462
Miscellaneous receipts							
	20,000,176	22,092,876	21,975,296	22,022,406	24,366,806	27,906,398	30,861,462
PAYMENTS							
Housing and Flats	11,672,166	9,233,654	6,853,358	6,495,302			
Education	1,269,448	-2,072,531	3,001,608	2,206,866			
Commonwealth Administration	1,055,109	1,476,242	2,782,437	2,238,148			
Other Architectural Projects	432,722	1,353,468	932,729	916,864			
Engineering Services	3,904,690	6,100,486	6,624,529	8,175,682			
Minor Works, Furniture and Fittings	339,849	394,094	509,369	529,346	501,041	506,674	440,603
Fees and Charges	1,290,274	1,462,401	1,271,266	1,460,198			
Balance of Advance due from Department of Works	35,918						
National Works							
Commonwealth Offices							
Territory Works							
City Works							
Land Development							
Fees and Charges							
	20,000,176	22,092,876	21,975,296	22,022,406	24,366,806	27,906,398	30,861,462

* Alteration in account headings

NATIONAL CAPITAL DEVELOPMENT COMMISSION
ANNUAL STATEMENTS OF RECEIPTS AND EXPENDITURE
CONSTRUCTION PROGRAMME - OTHER ORGANISATIONS

RECEIPTS	1961/62	1962/63	1963/64	1964/65
	\$	\$	\$	\$
Cash Balance 1st July	Nil	377,940	69,005	109,448
Advance by: Australian National University	1,107,566	1,338,195	1,514,300	1,260,000
Prime Minister's Department		101,874	16,420	
Depts. of Air and Defence		320,544		
Department of Defence			18,050	78,019
Department of Navy			17,000	126,219
Department of Army				388,552
Department of Air			297,152	304,000
TOTAL	1,707,566	2,138,553	1,931,927	2,266,208
EXPENDITURE				
Payments on behalf of:				
Australian National University	729,626	1,647,356	1,510,863	1,257,584
Prime Minister's Department		101,874	12,441	3,617
Depts. of Air and Defence	600,000	330,318	226	
Department of Defence			6,605	96,069
Department of Navy				136,614
Department of Army				378,921
Department of Air			292,374	308,778
Sub-Total	1,329,626	2,069,548	1,822,509	2,181,583
Balance of Cash 30th June	377,940	69,005	109,418	84,625
TOTAL	1,707,566	2,138,553	1,931,927	2,266,208

NATIONAL CAPITAL DEVELOPMENT COMMISSION

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH AND OTHER BALANCES AS AT 30TH JUNE

PART I - ADMINISTRATION	1959	1960	1961	1962	1963	1964	1965
	\$	\$	\$	\$	\$	\$	\$
Assets							
Cash at Bank and on Hand	754	290	68	60	82	192	20
Sundry Debtors	1,850	5,040	26	256	1,546	830	60
Office Furn. & Equipmt & Library (at cost)	30,770	50,112	75,926	89,602	99,834	105,964	129,670
Stocks of saleable plans, sketches & reports (at cost)	68	1,754	788	298	746	284	90
Postage Stamps	130	2	62	166	118	180	88
	33,572	57,198	76,870	90,382	102,326	107,450	129,928
Liabilities							
Accounts Received but Unpaid	-	28	622	1,064	122	92	398

NATIONAL CAPITAL DEVELOPMENT COMMISSION
ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH AND OTHER BALANCES AS AT 30TH JUNE

PART II - CONSTRUCTION		1959	1960	1961	1962	1963	1964	1965
Assets								
Cash Deposits at Bank		5,400	46,412	-	-	-	-	-
Sundry Debtors		35,918	-	15,138	8,130	-	15,454	13,414
Stores (at Cost)		-	-	44,840	36,350	20,850	-	-
		41,318	46,412	59,978	44,480	20,850	15,454	13,414
Liabilities								
Accounts Received but Unpaid		646	303,196	1,217,468	281,290	391,984	445,746	1,658,870
Project Accounts								
(a) Construction								
Total Expenditure		20,000,176	22,092,876	21,975,296	22,022,406	24,366,806	27,906,398	30,861,462
Less Fees and Charges		1,326,192	1,462,402	1,271,266	1,460,198	1,925,132	1,374,158	1,206,926
Project Expenditure		18,673,984	20,630,474	20,704,030	20,562,208	22,441,674	26,532,240	29,654,536
Add Balance 1st July		-	17,351,690	24,932,408	30,044,592	32,656,422	38,468,336	40,216,716
Less Completed Works		18,673,984	37,982,164	45,636,438	50,606,900	55,098,096	65,000,576	69,871,252
Work in Progress 30th June		1,322,294	13,049,756	15,591,746	17,950,478	16,629,760	24,783,860	17,082,662
		17,351,690	24,932,408	30,044,592	32,656,422	38,468,336	40,216,716	52,788,590
(b) Fees and Charges								
Expenditure		1,290,274	1,462,402	1,271,266	1,460,198	1,925,132	1,374,158	1,206,926
Add Balance 1st July		-	1,238,258	2,043,430	2,352,568	2,783,012	3,613,312	2,904,026
Less Completed Works		1,290,274	2,700,660	3,314,696	3,812,766	4,708,144	4,981,470	4,110,922
Fees & Charges in Progress 30th June		52,016	657,230	962,128	1,029,754	1,094,832	2,083,444	690,190
		1,238,258	2,043,430	2,352,568	2,783,012	3,613,312	2,904,026	3,420,762
Total Work & Fees in Progress 30th June		18,589,948	26,975,838	32,397,260	35,439,434	42,081,648	43,120,742	56,209,352
Balance of Liability under current contracts		11,097,112	17,708,910	18,749,322	20,029,442	27,584,924	29,546,640	28,396,504
PART III - TRUST ACCOUNT								
Assets								
Cash and Deposits at Bank		6,694	86,124	141,268	136,842	82,902	61,930	55,046

NATIONAL CAPITAL DEVELOPMENT COMMISSION

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH AND OTHER BALANCES AS AT 30TH JUNE

	1959	1960	1961	1962	1963	1964	1965
PART IV - CONSTRUCTION - OTHER ORGANISATIONS							
<u>Assets</u>	\$	\$	\$	\$	\$	\$	\$
Cash at Bank				377,940	69,004	109,418	84,624
Sundry Debtors				-	-	-	-
				377,940	69,004	109,418	84,624
<u>Liabilities</u>							
Accounts Received but Unpaid				9,296	20	16,822	-
<u>Project Accounts</u>							
(a) <u>Construction</u>							
Total Expenditure				1,329,626	2,069,518	1,822,510	2,181,582
Less Fees and Charges				145,130	171,514	153,764	164,760
Project Expenditure				1,184,496	1,898,034	1,668,746	2,016,822
Add Balance 1st July				-	1,184,496	2,521,138	2,294,832
Less Completed Works				1,184,496	3,082,530	4,189,884	4,311,654
Work in Progress 30th June				-	561,292	1,895,092	877,290
				1,184,496	2,521,138	2,294,832	3,474,064
(b) <u>Fees and Charges</u>							
Expenditure				145,130	171,514	153,764	164,760
Add Balance 1st July				-	145,130	251,184	294,802
Less Completed Works				145,130	316,644	405,248	459,562
Fees & Charges in Progress 30th June				-	65,160	110,446	22,228
Total Work & Fees in Progress 30th June				145,130	251,484	294,802	437,234
Balance of Liability under Current Contracts				1,329,626	2,772,622	2,589,634	3,911,298
				1,729,184	1,231,140	1,111,268	1,884,400

COPY

COMMONWEALTH TREASURY,
CANBERRA, A.C.T.

5th May, 1966.

The Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA. A.C.T.

Enquiry into the National Capital
Development Commission

During the public hearings on 25th March, the Chairman asked that Treasury provide, by memorandum, comments on the principles involved in the question raised by Committee members, and commented upon by Mr. Lansdown, that the National Capital Development Commission's total expenditure from its bank account in respect of the construction programme (e.g., the amount of £11,040,438 for 1959-60 shown on page 18 of Statement No. 1 submitted by the Commission) exceeded the amount appropriated for payment from the Consolidated Revenue Fund to the Commission for capital works and services (e.g., the amount of £11,000,000 for 1959-60 shown on page 11 of the Commission's Statement No. 1).

2. In practice, there are two main ways in which the Commission's expenditure might, in any year, exceed the amount paid to it from the parliamentary appropriations, and these would apply equally to its Administrative Expenses Account and its Construction Programme Account. One would be by a running down of the balances in its bank accounts (i.e., the balance at 30th June in that year would be less than the balance at 30th of the previous year). The balance in the Administrative Expenses Account, for example, was £1,523.18. 6 at 30th June, 1958 and was run down to £356.16. 4 at 30th June, 1959. For the past four completed financial years, however, the 30th June balance in the Administrative Expenses Account has been nil; further, the balance in the Construction Account at 30th June has, in every year of the Commission's operations, been nil. This leaves the paying into its accounts of miscellaneous receipts as the other method by which the Commission has been enabled to spend from its Administrative Expenses and Construction Programme bank accounts more than has been paid into those accounts from the parliamentary appropriations.

3. As the question raised by the Committee involved an opinion of the law, the Treasury deemed it appropriate to seek advice from the Attorney-General's Department for the Committee's information. A copy of that Department's advice is attached. It confirms that there is no legal requirement that

2.

expenditure by the Commission should be restricted to amounts appropriated by the Parliament and that moneys received by the Commission are "moneys of the Commission".

4. At the same time, of course, the Commission's statutory powers do not appear to envisage that the Commission might engage in revenue-raising activities of any significant kind. Sub-sections 14(2.) (b) and 14(3.) of the Act indicate the Parliament's intention to be that the Commission's function is not to lease land and that the control of land, when developed, can only be surrendered to the Commonwealth.

5. In discussing with the Commission the amount which might be provided from the Commonwealth's Budget for payment to the Commission, the Treasury is aware that the Commission will, in the normal course of business, take some miscellaneous receipts to its accounts (the Commission's particulars of administrative expenditure do, in fact, include an estimate of receipts and recoveries - the appropriation sought being net of this amount; no such estimate is available to the Treasury in the particulars of construction expenditure). Whilst these amounts have remained relatively small (the ratio of total miscellaneous receipts to total amounts appropriated for the last seven completed financial years has been 1.5 per cent in respect of administrative expenses and 0.2 per cent in respect of capital works and services) the Treasury has not sought, in a formal way, to bring estimates of receipts into discussions on the Commission's construction account. If the receipts were to assume more substantial proportions, Treasury would need to examine closely their significance in relation to the Commission's cash "bid" for the following year, in the framework of its pre-Budget discussions with the Commission.

(Sgd) (A. HARRIS)
First Assistant Secretary