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# REPORT

of the

## ROYAL COMMISSION

on the

# State Housing Commission

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*Presented to both Houses of Parliament by His Excellency's Command.*

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[SECOND SESSION OF THE NINETEENTH PARLIAMENT.]

No. 13.

APPROXIMATE COST OF PAPER :  
Printing (450 Copies) £40.

PERTH

BY AUTHORITY: WILLIAM H. WYATT, GOVERNMENT PRINTER.

1948

16837/5/48.



# Royal Commission on the Housing Commission

## REPORT OF THE COMMISSIONER

*To His Excellency Sir James Mitchell, G.C.M.G., Lieutenant-Governor in and over the State of Western Australia and its Dependencies in the Commonwealth of Australia.*

MAY IT PLEASE YOUR EXCELLENCY :

On the 7th day of November, 1947, I received Your Excellency's Commission to inquire into and report upon the following, namely :—

1. Whether the system and procedure of the State Housing Commission with reference to permits to build houses or other buildings, or to make extensions, additions or alterations to existing buildings, or with reference to the allocation of houses built by the Commission for rental, have been and are adequate for the purpose of meeting the respective needs and claims of applicants, and what changes (if any) could be made to improve such system and procedure.
2. With reference to any cases that may be brought before you, whether or not the Commission, on the evidence before it, has assessed adequately the claims and needs of the applicants or granted any preference or priority not reasonably warranted, having regard to the building situation and the position of the applicant.
3. Whether the Commission has granted an unjustifiable preference to any of its officers by granting to them the occupancy of certain rental houses built by the Commission or by granting to them permits to build.
4. Whether, having due regard to the staff available for the purpose, the Commission has shown insufficient diligence and zeal in investigating the truth of statements made in applications for permits to build or to make extensions, additions and alterations to buildings, or in applications for the allocation of rental houses built by the Commission.
5. Whether, having due regard to the staff available for the purpose, the Commission has shown insufficient diligence and zeal in detecting offences against the provisions of the Building Operations and Building Materials Control Act, 1945-1946, and the regulations made thereunder, or in instituting prosecutions for such offences.
6. Whether officers or employees of the Commission have engaged in private work during time which should be devoted to the service of the Commission.
7. Whether any officers or employees of the Commission have accepted any bribe or any illicit benefit or reward of any kind as a consideration for or as an inducement to such officer or employee doing any act or omitting to do any act in the discharge or purported discharge of his duties as such officer or employee of the Commission.
8. Whether any of the officers of the Commission has been subject to wrong influences and, if so, to what extent (if any) the decisions and administration of any such officer have been affected by such influences.

The inquiry was opened on the 24th November, 1947, and the taking of evidence continued until the 13th February, 1948.

The Terms of Reference are sufficiently comprehensive to justify—even, perhaps, to call for—a report of some length. An endeavour will be made, however, to make as brief as possible my observations on the various aspects of housing which come within the compass of the Terms of Reference.

Although in those Terms the expression "State Housing Commission" is used to designate the organisation whose operations are now under review, it is necessary, for the purpose of this report, that I should take as a starting point of my investigation, a date prior to the inception of the State Housing Commission.

The Commission came into being as recently as January, 1947, on the passing of the State Housing Act (No. 51 of 1946), but the circumstances which were mentioned during a subsequent debate in Parliament, of which debate this Royal Commission is the outcome, relate in many instances to a period prior to the actual constitution of the State Housing Commission. It follows that in this report I shall deal with certain activities of the Workers' Homes Board which, from the date of the State Housing Act, came to be known as the State Housing Commission.

From the time when in 1942 the Commonwealth Government, by National Security (Building Operations) Regulation, prevented any form of private building, the Government of Western Australia, although the Workers' Homes Board was in existence, conducted practically no building operations. This was by agreement between the Prime Minister and the Premier of the State. This condition of affairs continued until August, 1944, when the Commonwealth-State Housing Agreement was entered into.

It is proposed to adopt that date (August, 1944) as the appropriate date from which the housing problem as dealt with in the Terms of Reference should be considered.

What then were the responsibilities of the State Housing Commission in August, 1944 ?

The chief responsibility, if the volume of work undertaken may be regarded as a standard, would appear to have been under the Commonwealth-State Housing Agreement, which provided for the erection of houses for rental or for sale.

The Commission was also the responsible authority for the building of houses under the State Housing Act, under which Act houses were also built both for rental and for sale. The Commission also had power under the last-mentioned Act to lend money by way of mortgage to eligible persons for the purpose of enabling them to build their own houses.

Again, the Commission acted as agent for the Commonwealth for the building of War Service Homes, in which case the conditions of rental and sale both applied.

Further, the Commission provided machinery for building houses for the Trustees of the McNess Housing Trust for the housing of indigent people. The operations under the McNess Housing Scheme, and also under the State Housing Act, will call for little comment. Under neither scheme were the operations at all extensive.

Lastly, the Commission was charged with the administration of the Building Operations and Materials Control Act, 1945-1946, under which Act permits may be granted to applicants to build houses or make alterations or extensions at their own cost.

Because of the negligible activities under the McNess Housing Scheme and the State Housing Act, this report will be confined almost entirely to the activities of the Commission under the Commonwealth-State Agreement, its operations as agent for the building of war service homes, and the carrying out of its functions under the Building Operations and Materials Control Act.

In this introduction to my report it may not be out of place to refer to the constitution of the Commission.

In August, 1944, as already remarked, the operations with which this report deals, were carried out by the Workers' Homes Board. That Board comprised Mr. A. J. Reid (Under Treasurer) as Chairman, Mr. A. E. Clare (Principal Architect), and Mr. H. J. Harler (Assistant Manager of the Wyndham Meat Works). With the passing of the State Housing Act, these three gentlemen became, with two additional appointees, the State Housing Commission, the full Commission being composed as follows :—

Messrs. Reid, Clare, and Harler, with Mr. J. Coram representing the industrial unions, and Mr. W. L. Brine, a person of experience in the building industry (*see* ss. 8 and 9 of the State Housing Act). As qualification for membership of the Commission is prescribed by the Act (Sec. 9), one must accept the position, and indeed there is no need to criticise the qualifications as being inappropriate to membership of such a Commission.

The first matter which occurs to me regarding the members constituting the State Housing Commission is that, without exception, they are all carrying out their duties as such members in a part-time capacity. Although part-time appointments in very large undertakings may have objectionable features, I am not going to suggest that it is necessary to have on this Commission five individuals occupied in no other way than as members of the Commission. There is perhaps some analogy between the present organisation and the directorate of a large industrial concern in which the affairs are controlled by directors who meet at intervals—although it must be remembered that, apart from questions of policy, the business of such a concern, if it is to be successful, is invariably conducted by executive officers of wide experience and intimate knowledge of the industry and of their particular duties. And if on the State Housing Commission staff there were to be found a sufficient proportion of the executive officers of proved ability and having wide experience, then I should say that the present system might well continue. But unfortunately, in my opinion, it is not so and it does seem to me in these circumstances and considering the extent and importance of the Commission's operations that unless one may expect in the near future a staff more adequately equipped to perform its functions, the Commission is entitled to the services of a full-time Chairman. In suggesting this I am not for the moment criticising the work of the present Commission, which has been performed under great difficulties to which I shall refer later. I am merely stating, as my considered opinion, that as matters are at present, the work calls for and is entitled to the permanent services of a Chairman of great experience in the problems of housing. His co-directors (if I may use the term) could meet at intervals with him to decide questions of policy and also, if the occasion should arise, deal with matters of individual applications referred by the staff to the Commission for decision. Under the present system of weekly meetings, at which are discussed, in addition to questions of policy, matters of individual applications referred as above, the members of the Commission are dependent on files produced to them and information gained from an officer who has made a recommendation to the best of his ability but the value of whose recommendation in many cases I feel is lessened by lack of experience. A permanent full-time Chairman of the type previously mentioned would, it is felt, produce results less open to criticism. It seems to me that, considering the multitude of activities in which the present part-time Chairman is involved, each one of those activities must to an extent suffer. It may be that with a chief executive officer confining his attention to questions of importance in the carrying out of the Commission's policy and refraining from interfering in matters of detail, the present part-time Commission would be sufficient, but as matters are at present the situation is far from satisfactory.

Now, to refer shortly to the personnel of the Commission :

The three public servants have all had lengthy experience as members of the Workers' Homes Board. Mr. Coram is no doubt as good a representative of the industrial unions as could be selected. The appointment of Mr. Brine, in my view, calls for some comment.

The Act requires the appointment of "a person with a wide knowledge of and experience in the building industry who is registered or qualified to be registered as a builder under the Builders Registration Act, 1939-1945."

Mr. Brine certainly has all those qualifications and from those aspects I do not intend to write one word of objection to his appointment. It was supported by the Master Builders' Association and the Builders' Guild, and no doubt from the point of view of those bodies it is a very acceptable appointment.

But I do desire to express my strong doubt as to the wisdom of any member of the Commission—Mr. Brine or any other—entering into any contract to do work for that Commission, and it would appear that Mr. Brine has been a very extensive contractor with the Commission. In a little over three years his contracts have numbered 290 and are second only in number to those of Plunketts' Building Company. In the case of a councillor of a municipality or a member of a road board, contracts of that nature are prohibited by statute and I think members of the State Housing Commission should not be in a different position. Mr. Brine himself has said that at times he finds his position on the Commission embarrassing, and I find no difficulty in believing him; and, apart altogether from Mr. Brine's own statement, the evidence has shown that on more than one occasion a position of some difficulty has been created as a result of technical members of the staff criticising work done on premises for the building of which Mr. Brine had a contract with the Commission. No doubt Mr. Brine, after his years in the building industry, does not take kindly to criticism coming from one whom he quite likely regards as a person of less experience than himself. I feel that Mr. Brine's irritation would have been less if he had not had a very personal interest in the subject matter of the criticism.

And in dealing with Mr. Brine's dislike of criticism, particular reference should be made to what is known as the Welshpool project—a scheme for speeding up the house building rate by pre-cutting timber for wooden framed houses. The proposal was submitted to the Commission by Mr. Brine and sent to the Architect-in-charge (Mr. Nish) for his comments. The architect having dealt at length with the proposed scheme, Mr. Brine replied to his comments in these terms—

"I can hardly imagine a more severe condemnation of the scheme or a comment more calculated to damn the whole proposal, particularly so with the possibility of the report presented being placed in the file and left open to Parliamentary or other perusal."

These and other remarks show clearly Mr. Brine's resentment, and at the same time his fear that the architect's criticism might be agreed in by someone in authority.

It seems, from the evidence regarding Mr. Brine's appointment, that long before that appointment was made the Workers' Homes Board had received the benefit of his advice, and it is a fact that in 1943 he was a member of an advisory committee set up to inform the State Government as to the requirements which would have to be met under the Commonwealth-State scheme to provide houses. If, as has been hinted, Mr. Brine has been allowed to contract for the building of houses for the Commission as some form of recompense for his services previously given to the Commission, that, in my opinion, does not justify the procedure. If Mr. Brine's fees as a member of the Commission are not sufficiently generous let them be increased, but I say that it is wrong for any member of the State Housing Commission to enter into contracts to do work for which that Commission is responsible.

To deal now with the staff:

The present numerical strength is 167. Of this number no fewer than 112 are temporary officers. In August, 1944, when operations began there were 63 officers comprising 42 permanent and 21 temporary. It will be seen that the proportion of temporary to permanent officers has increased greatly. This is bad. But the number of changes in the staff due to resignations is even more disturbing. There have been 130 resignations since August, 1944.

With so many changes, involving the introduction of new officers having, it may be assumed, in many cases inadequate appropriate experience, it is impossible to expect that degree of efficiency which is so necessary to the satisfactory working of an office. The object of resigning in most instances has probably been to accept more lucrative employment elsewhere, and that position of affairs may be expected in any Government department carrying such a large number of temporary employees. Nothing much can be done about it and it is mentioned only as one of the difficulties the Commission has had to face.

But I am not satisfied that sufficient endeavour was made at the inception to set up a staff more adequately equipped to give the Commission a good start.

In his first communication by letter dated the 6th January, 1944, to the State Government on the subject of post-war housing, the Prime Minister referred to the magnitude of the proposed programme and intimated that the subject would be included in the agenda for a forthcoming Premiers' Conference. He submitted a tentative agenda, one item of which dealt with the needs of each State. In the Premier's reply of the 12th January, 1944, he stressed the need for manpower and materials, but I take his reference to manpower to apply rather to labour necessary for building purposes than to the organisation of an office staff. At all events, I can find no further reference to the subject and it seems clear that the only office staff available at the beginning of the Commonwealth-State activities was that already in existence; the staff which had previously dealt with the operations of the Workers' Homes Board. That Board, as already stated, had done practically nothing for two years, and at the most it had been accustomed to build no more than one hundred houses a year; yet it suddenly undertook the responsibility of building five thousand houses a year, this number being the considered estimate of requirements given by the advisory committee of 1943 (of which, as previously mentioned, Mr. Brine was a member).

I have been assured by some of the witnesses on behalf of the Commission that during the months which followed the Prime Minister's initial letter a great amount of preliminary work was accomplished before the rush of applications began to come in. No doubt much was done, but no-one seems to have been very much impressed with the necessity, as I see it, of having a competent staff to deal with the very large number of applications which was to be expected. The difficulties of the times are still remembered; the war was not yet over; it is generally known that often when the release of service personnel for important civil work was sought the reply was given that it could not be arranged, and it is possible that any approach by the State Housing Commission might have met with a similar response, but the State was called upon to undertake highly important work on behalf of the Commonwealth, the Prime Minister had provided an opportunity for the State to submit its requirements and one of the chief requirements, as it appears to me, viz., an efficient and numerically adequate office staff, was not mentioned. The Prime Minister was obviously anxious for the State to co-operate in his scheme and had an approach been made to him it might have led to the release of some trained staff for the purpose of assisting in a programme of house building; a matter of the utmost importance to servicemen as well as to civilians.

So it would seem that one of the Commission's difficulties at its inception might, with a little forethought, followed up by prompt action, have been reduced considerably. But although the Commission cannot be absolved from blame in the matter, it remains a fact that the organisation was inadequate to the demands made upon it, and conditions were chaotic from the beginning. It has been stressed at this inquiry that the organisation has suffered from lack of accommodation. With the increase in the staff which has taken place more recently that is obvious, and it is encouraging to know that new offices are being erected in which to house the Commission. I am not at all satisfied, however, that in 1944 the work of the Commission was in any way hampered by lack of accommodation. The staff as it was then was sufficiently provided for, and if, as would seem to be the case, additional staff was necessary to cope with the great increase of work which was obviously to be expected, it is difficult to understand why urgent and insistent requests were not made for the release of persons from the services who were suitable for the work to be undertaken. Either steps to that end should have been taken, or the Commonwealth Government informed that until suitable staff was available, the State could not with efficiency proceed with the task of providing homes for the people.

The organisation of the staff into sections, each having its own leader seems sound in principle. In four of the five non-technical sections—Accounts, Records, Permits, Tenancy and Materials Supply—a permanent officer is in charge. The one exception is the Materials Supply Section. That section also should be controlled by a permanent officer of experience.

All these officers are responsible to the Secretary (Mr. Bond), who has an assistant secretary to relieve him of some of his duties. Mr. Bond as the chief executive officer occupies a very important position. He is, or should be, responsible for the administration of the whole office. I am sure that no-one more conscientious or hard-working than Mr. Bond could be found. That he has been hampered by a staff largely temporary and constantly changing is evident. This has resulted in Mr. Bond undertaking too much detail work, as a result of which the administration has suffered. For one thing, he should not be so accessible to the public. The appropriate section leaders, or even properly trained counter clerks, should be able to deal with those members of the public who desire interviews. I cannot help feeling that Mr. Bond has been over-anxious to please by a too ready reception of people who always desire to see the head of the concern. He cannot possibly see them all, and the discrimination which he has been compelled to show has caused discontent amongst those who have been unsuccessful in their endeavours to see him. And I say this with a full understanding of the necessity to give to members of the public a service designed to send them away satisfied. I have endeavoured to point out how that can be achieved without encroaching unduly on the Secretary's time.

I have been told by the Chairman of the Commission that a change is proposed, as a result of which Mr. Bond will be relieved of his secretarial duties and will assume the duties of a director or manager. I am not quite clear as to what he means. Personally, it seems to me to matter very little how the position is designated so long as the occupant of the position, whether he be director, manager or secretary, is relieved of all routine duties and exercises an executive control over the whole of the Commission's operations, having as his first responsibility the duty of ensuring that the various sections carry out the policy from time to time laid down by the Commission. But to do that successfully it will, I feel sure, be necessary to have a greater proportion of permanent officers than at present; officers who have had the experience which will enable them to do a satisfactory job, at all events more satisfactory than can reasonably be expected from constantly changing temporary officials.

#### TERM No. 1.

*Whether the system and procedure of the State Housing Commission with reference to permits to build houses or other buildings, or to make extensions, additions or alterations to existing buildings, or with reference to the allocation of houses built by the Commission for rental, have been and are adequate for the purpose of meeting the respective needs and claims of applicants, and what changes (if any) could be made to improve such system and procedure.*

On an application being submitted to the Commission, whether it be for a permit to build or to make alterations, or for the allocation of a rental home to be built by the Commission, the first step of importance is the inspection by the Commission's officers of the living conditions of the applicant. In both cases the purpose of the inspection is the same, namely to ascertain whether the need of the applicant is sufficient to justify approval.

Before discussing inspections I should refer shortly to the application itself.

Applications are either presented personally at the office of the Commission or are sent in by post. When one realises the large number of applicants who are people of limited education it is not surprising that the form of application is sometimes deficient in the particulars required. The form, particularly in the case of tenancy houses, is not complicated, but there are some who even in these days when "forms" are so prevalent, will find difficulty in completing any kind of form no matter how simple it may be. When the applicant lodges the form personally, defects can immediately be rectified by a sympathetic and helpful counter clerk. If lodged by post delay is occasioned. Time taken up in this way might be saved if all applicants were required to have the particulars verified by some person of standing in the community, much in the same way as claims for old age and invalid pensions are verified by similar persons to whom the applicants are known. This procedure would tend to ensure complete particulars being given, and at the same time provide the Commission with some evidence that the applicant's position is as stated in the form of application. In the form in use at present, applicants are requested to furnish the names of two referees. The names are inserted by the applicant, no doubt in many cases without the consent of the suggested referees. The referee would have no knowledge of what the applicant had stated in support of his claim, so that it may be said that his assistance is of no value whatever, except as a certificate of the applicant's good character. The procedure I have suggested would, I feel, effect an improvement.

As far as permits to build are concerned, initial inspections are made more promptly than inspections where a tenancy house is required. Why this is so is not clear. It may be because generally speaking it is easier for the Commission to release materials for private building than it is for the Commission to provide houses for rental. I think there is little to complain of regarding delay in inspecting in cases of permits to build; but very great delay, and in many cases, it seems to me, inexcusable delay, takes place in the case of applications for tenancy houses.

Applications for tenancy houses are received at the rate of 300 to 400 per month, or let us say, 15 to 20 a day. There are two inspectors for tenancy houses. One of them (Mr. Martin), has said he can do from 15 to 17 inspections a day. If that is so, two inspectors should be able to keep them up to date. At some time apparently they have fallen behind, possibly during the period when there was only one inspector, but at present, tenancy inspections take at least three months unless the application is listed for early inspection. That happens when the application on the face of it discloses unusually bad circumstances in the opinion of the tenancy officer.

It should be noted, however, that an application in the case of a two or three-unit family is not listed for inspection at all, unless to the tenancy officer it appears urgent from a medical angle. Apart altogether from the medical angle, one can without difficulty imagine cases of desperate hardship in small families as well as in large ones. This discrimination seems quite unjustified. The limitation imposed on two-unit families applies equally in cases of applications for permits to build and has led to cases of gross hardship being refused a permit. It is difficult to understand this limitation. The Chairman of the Housing Commission himself describes it as a "rough and ready" decision. I think the description is a good one, and I cannot help wondering why it is still of application three years after the Commission began its operations.

The case of E. E. A. Johnson is very much in point and deserves special reference. (Transcript p. 368).

A husband and a wife after leaving a condemned house lived on their own block of 80 acres in the Forestdale district, having reconstructed an old fowlhouse for their habitation. The material was so unsuitable that in the winter months it was necessary for them to have a canopy of sacking over their bed to protect them from the rain. The journey from the bed to the stove for the purpose of cooking had to be accomplished on duckboards because the mud floor was under water. The husband had an affection of the lungs. There they lived for twelve months saving what money they could in order to build a four-roomed jarrah and asbestos house. At the end of that period, in July, 1947, they applied for a permit. An inspector visited their "house." The couple were away getting wood on their location. The inspector made some inquiries at the post office. He reported that the living conditions were more like those of an aboriginal native's camp. The responsible officer of the Commission decided—on what evidence is not clear—that the couple were "nomadic" in their habits, and in any event, he added, there were only two to be considered, and the permit was refused. The file was permanently "put away," and would no doubt have so remained had it not been for this inquiry. When the evidence in this case had been heard it was stated by the Commission's representative, that an immediate permit would issue.

That case provides an instance, in my view, of a complete disregard of extreme hardship because of some policy laid down by the Commission which was construed as a hard and fast rule that no two-unit applications would be considered. It may be that had the case been considered by someone more capable of adjudicating on the claim it would have been considered as a special case and a permit would have issued. As it was, the system in this case was most certainly not adequate to meet the undoubted need of the applicants. Acute as the housing position may be, it can scarcely be imagined that there would be many cases showing such a degree of hardship. On the other hand there may be and this Commission has not heard of them. My point is that all is not well with a procedure which allows even one case of that kind to happen.

So far as inspections are concerned, I consider that tenancy applications should receive just as early attention as permit applications. Because they have not in the past received that early attention there is now a large accumulation awaiting inspection and applicants are dissatisfied because of the consequent delay. It is irritating to wait for many months after making application before anything is done. I have said that the present strength of inspectors should be sufficient to keep inspections up to date. If they are unable to deal with all the outstanding cases, then more inspectors should be appointed. No very special training or qualifications are necessary. A comprehension of what "hardship" means, and an ability to write an accurate report are all that is required; a report not based on idle gossip, or on the inspector's imagination, as has been exemplified before this Commission, but on the inspector's own observations.

These remarks apply only to inspectors of tenancy applications. With regard to permits to build, qualifications of a different nature are required in the inspectors, because in addition to the initial inspection, which would deal solely with the conditions of hardship, these inspectors are called upon—or should be called upon—to inspect the building from time to time during its construction in order to ensure that the building permit is not exceeded.

Another case which points strongly to a faulty system of administration is that of W. P. McAllister (p. 1552). He applied for a permit to build in October, 1945. He had a wife and four sons. An inspection was made within one week and approval deferred. A further inspection because of an increase in the number to be accommodated met with the same result; approval was again deferred on two occasions. Nine months later, because of continuous pressure by the applicant, a further inspection was made. Evidence as to this final inspection was given by the permit officer (Mr. Irvine) who had made the inspection and who had himself made the first recommendation for deferment.

He said—

“When I saw his living conditions I was really appalled and felt that we could not repair the wrong quickly enough.”

Again I say the procedure was not adequate to meet the needs of this applicant. It was inadequate and faulty because two obviously inefficient inspections were only discovered by reason of the tenacity of the applicant.

By way of comparison, the case of C. M. Tulloh may be mentioned. He had a wife and one child. He applied for a permit to build on the 2nd May, 1946. He was placed on the priority list in the following month and received his permit in November, 1946. Here, in view of McAllister's case, and no doubt many others, quite an unfair discrimination was exercised in these two cases and it would seem possible an unjustified preference was shown to Tulloh.

Yet a further case may be mentioned, that of H. V. Cooper, an applicant for a tenancy house. The inspector had reported that the applicant was in urgent need, but no relief was given to him. Seven members of a family were, and so far as I am aware still are, living on a back verandah at Victoria Park. When that fact is stated it would seem that little more need be said; it may be mentioned that the verandah is quite exposed to the weather and not divided in any way. Such a substitute for a house should not have been permitted. Nevertheless this applicant had been passed over in favour of many others comparatively well situated.

I do not intend to question a decision which might perhaps amount to no more than an error of judgment, nor do I propose to comment on any case merely because I would not have come to a similar decision. The case of the Coopers is such that I say no reasonable man could have done otherwise than treat the application as one of the greatest urgency.

As a means of improving the present position and avoiding criticism of allocations made and permits granted, I feel that the publication in the press at, perhaps, monthly intervals of a list of all permits to build, or make alterations or additions, issued, and tenancy houses allocated during the preceding month would do much to allay in the minds of the public any feeling of suspicion that unfair discrimination is being shown by the Commission. At the same time it would act as an incentive to the officers responsible to see to it that they adopt the fairest possible means of arriving at their decisions. The particulars given should of course be sufficient to inform the public shortly as to the circumstances of each case.

Regarding applications for extensions, alterations and additions to buildings, no case has been presented to this Commission to suggest that the system has been inadequate to meet any such requirements. On the other hand, cases have been discussed which strongly suggest that certain applications of this kind have been approved for persons already comfortably, even luxuriously, housed, while many people (applicants for rental houses) are still waiting for the bare necessities of accommodation. Further reference will be made to these cases of preferential treatment later.

One other matter of procedure should be mentioned.

After the application has been lodged and the inspection made, it is then for the tenancy officer to consider the inspector's report. He then decides whether the case is worthy of relief and if so it is put into the category of No. 1 priority. If it is not worthy of inclusion in that class it is rejected. As houses are available for occupation in any particular locality, the applications of all those who desire to live in that locality, or who have expressed no desire for any specific locality, are considered according to their respective degrees of hardship and houses are allotted on that basis up to the number available. The present tenancy officer has given me a detailed description of the method he adopts and it may be said that at least it is very thorough. It involves him in a consideration of any number up to 200 cases, which he examines from every angle that constitutes hardship. I cannot think of any fairer system, and provided it is carried out by a painstaking officer of reasonably good judgment, the result should be satisfactory. Certainly I prefer it to a system of balloting such as I have been told has been adopted in one of the Eastern States. Quite possibly, with their predilection for gambling, many people would be quite satisfied with such a system, but to achieve an equitable result, and given the right type of person responsible, I think the present system should be retained. Notwithstanding the tenancy officer's apparent objection to my proposition, I cannot help feeling that if a card system were instituted in the tenancy section each card bearing the necessary details of each case under review, his task, at present very complicated, would be made easier of accomplishment. Indeed, while on this subject of cards, I consider the whole record system of the Commission should be revised by the introduction of a comprehensive card index system, which would make unnecessary the constant reference to files which at present takes place,

To demonstrate that something is lacking in the present record system, a request was made by me on 28th November, 1947, for a statement showing permits to build issued from 1st October, 1946, to 30th November, 1947, in order of issue. On 11th February, 1948, two and a half months after the request was made, a return was submitted to me of permits issued between 1st July, and 30th November, 1947. At the same time, it was stated that the task of preparing a more complete return was entirely beyond the staff. It seems to me that with a proper card index system the whole return should have been prepared in a very short time.

My conclusion on this Term is that although the system prescribed for dealing with applications to build or for tenancy houses is in theory good, the procedure adopted in carrying that system out has on occasion proved faulty. I shall later summarise my recommendations, which it is hoped will bring about improvement.

#### TERM No. 2.

*With reference to any cases that may be brought before you, whether or not the Commission, on the evidence before it, has assessed adequately the claims and needs of the applicants or granted any preference or priority not reasonably warranted, having regard to the building situation and the position of the applicant.*

During this inquiry a large number of complaints has been investigated in which those giving evidence in support of the complaints have felt that they had been victims of unfair discrimination at the hands of the Housing Commission. Some of these complaints are considered by me to have been well founded: many, however, were the result of misapprehension on the part of those complaining in confusing the principles which have been applied by the Housing Commission in dealing respectively with war service homes applications and applications for tenancy houses.

In the case of war service homes the policy has been to deal with applications in accordance with the date on which they have been lodged. This principle was established by the Commonwealth, for whom the State Housing Commission acts as agent. Tenancy applications, on the other hand, have been dealt with according to the degree of hardship involved. Not understanding this difference in policy an applicant for a tenancy house who is still waiting has felt aggrieved on seeing a habitation being erected in the vicinity for someone whose position from the point of view of hardship is less grievous than his own. In these circumstances it had to be explained that the house under construction was a war service home and dealt with on a different principle.

I have been told that the system at present in force for war service homes is about to be brought into line with that governing tenancy houses and that both forms of application will in future be dealt with according to the degree of hardship established. I feel that the revised method will in every way be better. For equitable allocation I think the deciding factor must always be that of hardship, and in addition, by bringing the two systems into line a duplication of applications may well be avoided. There have been many cases where people have lodged applications for both war service homes and tenancy houses in a desire, naively expressed by the Chairman of the Housing Commission, "to pick a winner somewhere."

A case which seems appropriate for comment under this Term of Reference is that of W. F. Wardell-Johnson, orchardist, of Maddington (p. 823.)

Application for a permit to build was made on the 1st June, 1946. It was refused immediately on the ground that there were only two persons to be housed. The applicant had described himself in his form of application as an orchardist, so that, as he followed that calling the size of his family should not have affected his application, it being the Commission's policy to impose no such restriction on primary producers. They were to be treated as special cases. But in the case of this applicant the policy was completely ignored, and, although living in a dilapidated house described as "collapsing," his application was refused, without any inspection having been made, because there were only two people in the family—a point which in the circumstances as stated above, should never have been considered.

The Commission's representative when giving evidence as to this case said that the applicant had not stated his occupation, and only retracted from that when shown the application form which stated clearly "ORCHARDIST" in block letters. His only reply to that was "I missed that point." Unfortunately he had missed the only point of any importance.

In contradistinction is the case of G. E. Mignon (p. 703) who arrived from the Eastern States with, as stated in his application, an income of £7,000 per annum from a business in New South Wales. His desire was to embark on a fruit-growing enterprise in this State, and for that purpose he desired a permit to build a house for himself near Kelmscott. Without delay he was issued with a permit to build to the extent of £3,000, while the struggling local orchardist was refused permission.

In justice to Mr. Bond and his staff I should mention that an attempt was made by certain persons to attach some significance to hospitality shown by Mr. Mignon to the Secretary of the Housing Commission and some of the staff while they were in Melbourne. It may be said that Mr. Bond and his companions admit having been (among many others) guests of Mr. Mignon, who I am told is an old personal friend of Mr. Bond's family. The entertainment occurred before Mr. Mignon had made any application to the Housing Commission and I feel sure that the approval subsequently given to Mignon's application had no relation whatever to the hospitality shown by him to the Housing Commission officers.

To refer to another case of a different nature, that of Mrs. M. Newnham (p. 79), who desired a tenancy house—she applied for one in October, 1944, and no inspection was made until May, 1947, although she had received notification from the local authority of its intention to condemn the building in which she was then living. The delay of two and a half years was explained by the Secretary of the Commission as being due to the applicant's not having made "any further move in the meantime." She was obviously, from her application, in urgent need, yet no action was taken even to inspect the circumstances of her living. The file was "put away."

Another case which may be included under this Term has already been mentioned under the preceding Term of Reference—the case of McAllister. That case, in my view, discloses both faulty procedure and an inadequate assessment of the apparent need.

Under this heading it is appropriate to consider the much discussed case of Eddy Brothers, who were granted a permit to extend garage premises at Canning Bridge. There has been considerable criticism of the project chiefly because of the size of the building erected. It certainly is of great size, and one has cause to wonder why a building of such proportions was necessary while three service stations are in reasonably close proximity. The explanation advanced by the Housing Commission is that Eddy Brothers' application was sponsored by the Service Stations' Association and the Ministry of Post War Reconstruction. Eddy Brothers were ex-servicemen and proposed to employ two or three other ex-servicemen. It may be that they were deserving of consideration of some kind, but it seems doubtful to me that it was in any way necessary to allow a building of such dimensions to be erected. The number of bricks used was 74,000—almost sufficient to build four homes, and yet I am told the project would not interfere with housing. I do not understand it.

Before leaving this Term of Reference, something should I think be said regarding "key personnel" because that expression has been used more than once by officers of the Commission to justify a priority given to certain persons. Mr. Clare, one of the members of the Commission, defined "key personnel" as being those on whom the employment of others might depend. So far I do not join issue with him. But Mr. Clare went on to extend his definition in these words—"He might be a civil servant going to the country, where he would be the sole representative of the Government in that particular area where his presence was essential for the people to carry on their business."

If indeed a person were the sole representative of the Government, or one whose presence was essential to enable the people to carry on their business, I would still take no exception to the definition. But can it be said that a Fisheries Inspector comes within the category of persons whose presence is essential to enable the people to carry on their business? I rather think his presence is sometimes necessary to prevent certain people from carrying on their business. And yet a Fisheries Inspector (Mr. Munro) was granted a house within three months because he was considered to be "key personnel."

And again, the provision of houses for officers of the State Electricity Commission, which was mentioned by Mr. Clare, seems to have come about as a result of two different policies—firstly, the policy of providing houses for persons inadequately accommodated; and secondly, the policy of establishing industry. Both are of course important matters but surely from the point of view of the Housing Commission the urgency of the first is greater than that of the second.

While on this subject, it seems strange that the "key personnel" priority should have been extended to Mr. A. W. Hardwicke, an employee of Mr. Brine, a member of the Commission. The identity of Hardwicke's employer would not be deserving of comment if the position occupied by him was beyond argument one to which the term "key personnel" could be applied. The most that can be said of Mr. Hardwicke—to use Mr. Reid's own words—is that—

"If Mr. Brine could secure the services of Mr. Hardwicke it would be a help in employing his building team."

I should much have preferred a statement that Hardwicke was the only man available for the particular work required.

It cannot be said that the Commission has in every case assessed adequately the needs of the applicant, and in my opinion unreasonable preference has been shown.

### TERM No. 3.

*Whether the Commission has granted an unjustifiable preference to any of its officers by granting to them the occupancy of certain rental houses built by the Commission or by granting to them permits to build.*

A return was called for by me setting out the names of those officers of the Commission who had been granted houses under the Commonwealth-State Housing Scheme, or permits to build. That return shows that seven applications for tenancy houses under the Commonwealth-State Scheme were approved and two permits to build. It will be seen that the operations were not extensive.

It was stated in evidence by the Secretary to the Housing Commission that members of the staff were to be given houses if in the opinion of the Commission a sufficient degree of hardship existed. It is to be noted that here there was no question of comparing conditions with those of applicants outside the Commission in order to judge relative degrees of hardship. The Commission was merely to be satisfied that a sufficient hardship existed. That at once paved the way for unfair discrimination. The policy was elaborated a little later in the Secretary's evidence. He agreed that the decision rested on the proposition that an officer of the Housing Commission could not be expected to perform his duties properly if he did not have a decent house. That seems to me to be a very dangerous proposition and one calculated to lead to unjustifiable preference being shown. I fail entirely to see any equitable principle in singling out any one section—may I say more particularly the Commission's own officers—for special advantage of that kind.

In any case it would seem that the policy (such as it is) was not strictly observed, because in the case of one, Sackville, (p. 495) an employee who was absent on service, special consideration was shown to his wife and family who were "living under difficult conditions." There was no suggestion that their degree of hardship was greater than that of other applicants for tenancy houses, and it must be noted that a period of ten days only elapsed between the Sackville application and the allocation of a house at Claremont—something of a record.

The case of R. W. Nish (p. 1241) perhaps calls for some comment. He is at present the Architect-in-charge of the Commonwealth-State Housing Scheme, and has been so employed since October, 1946. Prior to that he had been an officer of the Commonwealth Directorate of Works, employed as Area Officer for South Australia and Western Australia, with his headquarters in Adelaide, where he had his own home. At the expiration of each month in Adelaide he spent two weeks in this State. In March, 1946, his headquarters were transferred from Adelaide to Perth, so that he had lived in this State for seven months before joining the Housing Commission. During these seven months he and his family lived at an hotel. It was during that period because of a feeling that he could be of greater assistance in dealing with the housing position if employed on construction work, that he approached the Housing Commission and sought employment. It appears from the evidence of the Secretary that at the same time the Commission was busy in trying to get his services so that there was an anxiety on both sides that he should be appointed to the staff of the Commission.

The Chairman has said that the only condition on which Mr. Nish's services could be obtained was that he should be provided with a rental house. On the other hand Mr. Nish has said that the provision of a house was not a condition of his acceptance of employment. It seems certain that there had been a discussion about a house for him because the Secretary said in evidence that he had sent Mr. Nish a telegram on the 22nd March, 1946: "Pleased to advise house allotted as discussed." The date of that telegram is important because it shows clearly that the question of a house for Mr. Nish had been settled seven months before he became an officer of the Commission, before even he contemplated doing so and before he was transferred from Adelaide to Perth as a Commonwealth officer. The Chairman's statement that the house was a condition of Mr. Nish's employment is entirely misleading; indeed, from the evidence it would appear to be untrue.

So here is a case of a Commonwealth servant being given preference, and in those circumstances one would have expected the explanation to be that the State had been asked by the Commonwealth to provide him with a home, but apparently that was not so and I can only assume that the provision of a house for Mr. Nish was to strengthen the Commission's hands later in obtaining his services.

To complete the story it should be mentioned that there is no evidence of any attempt having been made to obtain an architect for the Commission either by advertisement or by any other means, and in all the circumstances it seems to me that the preference shown to Mr. Nish was unreasonable and unjust.

The preference shown to Mr. Peden, another Commission architect (p. 762) was due to the applicant having had notice to leave the premises in which he and his dependents were living. A notice to quit in ordinary cases carries the highest priority and no exception can be taken to that. Although in other cases where notice to quit had been given it can be said that some hardship of one kind or another existed, no attempt has been made to show an outstanding degree of hardship in any of the cases, and indeed it is obvious that, according to the policy laid down regarding cases of notice to quit, proof of any other form of hardship has not been necessary. It is sufficient that notice to quit has been given. So in the case of Mr. Peden, at all events, it cannot be said that there was a preferential policy applying only to an officer of the State Housing Commission.

But, as I have endeavoured to show by reference to the cases of Sackville and Nish, an unfair discrimination in my view was made merely because in Sackville's case he was an employee and in Nish's case because it was hoped he would be one.

If any further evidence is required of preferential treatment having been shown to members of the staff it is to be found in the case of one D. Herne, a draftsman in the State Housing Commission (p. 1761), whose name was not included in the return sent to me as his case occurred subsequently to that date.

This was an approval given to an application for a permit to build and the note of the Commission's decision of 9th December, 1947, explains the position and makes further comment unnecessary:—

"Approved solely on account of the fact that the Commission cannot afford to lose this man."

If the policy enunciated in that note by the Commission is to be followed then it must automatically result in preferential treatment being shown.

It will be seen that in my opinion unjustifiable preference has been shown to officers of the Commission.

#### TERM No. 4.

*Whether, having due regard to the staff available for the purpose, the Commission has shown insufficient diligence and zeal in investigating the truth of statements made in applications for permits to build or to make extensions, additions and alterations to buildings, or in applications for the allocation of rental houses built by the Commission.*

Earlier in this report I suggested the advisability of requiring an applicant's statements to be verified by some person of standing to whom the applicant is known. Up to the present time the Commission has been content to accept the applicant's own statement, supported certainly in some cases by a report from its own inspector. In many cases, as I have pointed out, the application is rejected without any inspection at all. This applies to all two or three-unit families, except in those instances where the Commission is prepared to accept an applicant's own statement that extravagant conditions of hardship exist.

This Term of Reference is qualified by the words "having due regard to the staff available," and I have already suggested that if inspections cannot be made promptly and kept up to date with the applications, then additional inspectors should be appointed. I most certainly feel that the circumstances of all applicants should be investigated, because in many cases it would be quite unsafe, on the bare facts submitted in writing by an applicant (often ill-equipped to state the facts fully), for the Commission, or any of its officers, to decide whether or not the case is deserving of relief; and to protect the Commission from subterfuge inspection is necessary because it may well be imagined that an applicant will describe circumstances of overcrowding which suggest urgent need of relief. In such a case more than one inspection should certainly be made in order to prevent an artificial state of overcrowding being arranged for the inspector on his initial visit. Cases have been mentioned before this Commission which show that close investigation is essential.

In November, 1945, one A. R. Barrett made application for a permit to build (p. 678). Inspection showed that only two were to be housed and the application was refused. On the applicant later informing the Commission that he intended to provide a home for his father and mother, sister and brother, his permit was granted. The house was built, and on subsequent inspection it was found that only the applicant and his wife were living in it. The others mentioned had never occupied the house. The inspector's note on the file is "This certainly looks like a put-up job." I suggest that in that case further inquiries should have been made from the other persons mentioned by the applicant, as there is a strong suspicion that there was at no time an intention on the part of any of them that they should also occupy the house.

In another case, that of L. P. Pantall (p. 552), this time for a permit to make additions to his house, it was found on inspection that the house was occupied by tenants. The application was refused because if approved it would have resulted in the eviction of the tenants. However, the owners obtained an eviction order and the permit was then granted on the applicant's statement that he was making provision for a large number of relatives. When the additions were completed an inspector found that only the applicant and his mother were in occupation, that the house had been advertised for sale, and that the applicant intended to leave during the following month for America. The circumstances strongly suggest that the alterations to the house were for the purpose of selling it. In his evidence the inspector concerned freely admitted that he had been misled by the applicant and had made a mistake in recommending the issue of a permit.

The third case to be mentioned has reference to an application for a tenancy house by one L. Young (p. 1924). Here the allocation of a house was recommended on medical grounds, the officers of the Commission being under the impression that a doctor's certificate covering the case had been submitted. The house was duly occupied by the applicant and his wife and child. Subsequent investigation disclosed that the medical certificate referred not to the applicant or his family but to another individual altogether, and should of course have had no bearing on Young's application. This can hardly be attributed to lack of diligence or zeal, but it was a careless mistake and should not have been made. Strangely enough, the officer responsible, who gave evidence before this Commission, impressed me as one of intelligence well above the average and one who, I should imagine, would make few mistakes.

In the cases referred to above, it is evident that inquiry into the circumstances was not carried far enough or sufficiently carefully made. With the actual staff available for the purpose, possibly more exhaustive investigation was not feasible, but my point is that inspection of a complete nature is so essential that further inspectors should be added to the staff, not necessarily by new appointments being made, but possibly by training some of the existing staff in those duties.

I have already said that the present number of inspectors for tenancy houses should be sufficient in that section so soon as the lag is overtaken; but where permits to build are involved, something more is required than an initial inquiry as to hardship, and permit inspectors require qualifications rather different from and higher than those of tenancy inspectors. It may be that additional permit inspectors are required. From the rather casual inspections just referred to in the cases of Barrett and Pantall, it would seem that either an increase in number is required or a different type of inspector should be appointed.

It seems to me notwithstanding the small number of inspectors available that greater care could and should have been exercised in checking the statements of applicants.

#### TERM No. 5.

*Whether, having due regard to the staff available for the purpose, the Commission has shown insufficient diligence and zeal in detecting offences against the provisions of the Building Operations and Building Materials Control Act, 1945-46, and the Regulations made thereunder, or in instituting prosecutions for such offences.*

Here again the same qualifying words have been used as in the fourth Term of Reference—"having due regard to the staff available for the purpose," and under this Term also it will be necessary to discuss the inspectors of the Commission, whose numbers I have already suggested should be augmented.

There have been many cases mentioned before this Commission where slackness has been shown in following up cases in which permits to build have been granted under the Building Operations and Building Materials Control Act.

The Term of Reference includes "regulations made thereunder," but so far as I have been able to ascertain, no such regulations have been made.

One would think that the policing of the Act would present no insuperable difficulties. Few houses are built and few alterations or additions of any extent made without the knowledge of some local authority and without permission having been first obtained from that authority. One can imagine perhaps an isolated case in which some operation of the kind might take place without any authority interested being aware

of it. It would not occur often. Section 18 of the Building Operations and Building Materials Control Act provides that the Board (*i.e.* the Workers' Homes Board or, as it is now called, the State Housing Commission) may make a written request to any local governing authority or public utility undertaking for assistance as in the section provided, and thereafter such authority or undertaking shall, with respect to any building operation in respect of which the consent of the Board is required—

- (a) refuse to make an order or to approve plans or specifications or to grant a permit until an application has been made for the consent of the Board under the Act ;
- (b) make a return to the Board setting out particulars of any application for approval of plans or specifications or for the granting of any permit ; and
- (c) make a report to the Board in any case where there is reason to believe that that building operation is being or has been carried out without the consent of the Board.

The Housing Commission, it has been stated in evidence, has made such a request to all local governing authorities, and it has been further stated that with a few exceptions the liaison is good. If it were perfect no trouble could possibly arise. Cases before me have shown that it has failed on some occasions, notably in the case of one local governing authority whose secretary informed me that he had not seen the Act of Parliament referred to. Moreover he had been in the practice of issuing his own local authority's permit and advising the applicant that a permit should also be obtained from the State Housing Commission. Such slackness in procedure would merely encourage people to begin building operations without making any approach to the Housing Commission.

It seems obvious that a close watch is necessary on buildings in respect of which a permit to build has been issued, and also in those cases where a permit has been refused. In the former category may be found instances where the amount of the permit has been exceeded : in the latter, there have been cases where the refusal to grant a permit has been entirely disregarded and building has proceeded. As an example of a case in which the amount of the permit has been exceeded, that of Lady Meagher may be considered. In this instance new materials were limited in value to £50. An inspection satisfied the Commission that that limit had been exceeded but the Commission accepted Lady Meagher's assurance that the material had been given to her. No further inquiry seems to have been made as to the source from which this new material was obtained, and although Lady Meagher was informed that she could be prevented from proceeding with the work, she was allowed to continue on her undertaking that when completed the house would be occupied by a tenant approved by the Commission. On this, Lady Meagher asked whether a relative of hers (an ex-serviceman) with his wife and child could be the tenant. This was agreed to by the Commission, provided the housing position of the relative justified it, and there the matter stands, no tenant having yet occupied the house. Everything seems to have been made very easy for Lady Meagher.

Perhaps the most glaring case is that of one J. G. T. Hanson, who, on control of housing having been taken over by the State, was found to have started building operations. He was told to discontinue. It was later found that, notwithstanding the notice, the work had been continued. Another notice to discontinue was given. Hanson applied for permission to proceed and had an interview with the assistant secretary of the Housing Commission, following which the Commission gave him permission to complete the lower portion of the house, where he is now living. So on two occasions he was allowed to disregard completely the Commission's orders and the penalty finally imposed was a permission to continue the work.

As a means of effecting a final check on the operations carried out under a permit to build, I suggest that on completion of the building a statutory declaration of the actual cost incurred supported by details of the expenditure should be submitted to the Commission by both the owner and the builder.

#### TERM No. 6.

*Whether officers or employees of the Commission have engaged in private work during time which should be devoted to the service of the Commission.*

It is clear that certain technical officers of the State Housing Commission have engaged in private work for which they have been paid, but I am not satisfied that this has been carried on to any great extent. It is perhaps unwise that it should be allowed at all. It has apparently been done with the approval of the Housing Commission, though it is not clear that the provisions of the Public Service Regulations have been complied with in that the consent of the Public Service Commissioner has been obtained. But whether or not all the formalities have been observed I think the Commission should now consider the advisability of discontinuing the practice. Apparently the system came into being as the result of the policy known as the "Private Architect" scheme, which enabled persons to whom a permit to build had been granted to employ their own architect, the chief object being, as I understand it, to relieve the pressure on the Commission's architects and draftsmen, and in that way help to accelerate the building of houses. And one can see that that result might be achieved if "private" architects were really employed. It might even be helpful from that point of view if the Commission's architects were prepared to do the extra work in their own hours, and so far as the evidence enables me to form a judgment, that is what has happened. There is certainly no evidence from which I am able to say they have done this private work in the Commission's time.

But they are, I am told, a hardworking team, these architects and draftsmen on the Commission's staff, and I think that an over indulgence in private work in their own time may adversely affect the energy and enthusiasm of the members of the staff in their obligations to the Commission. I even think their efficiency might be reduced more by overwork in their hours of relaxation than it might be increased, as I have been asked to believe, by the granting of preferential treatment to them in the matter of their housing.

To sum up my judgment on this Term, it is that no evidence has been produced to enable me to find positively that members of the staff have abused the privilege granted to them to the extent of doing their private work during hours which they should have devoted to the service of the Commission.

#### TERM No. 7.

*Whether any officers or employees of the Commission have accepted any bribe or any illicit benefit or reward of any kind as a consideration for or as an inducement to such officer or employee doing any act or omitting to do any act in the discharge or purported discharge of his duties as such officer or employee of the Commission.*

This term requires my consideration of the most serious imputations which have been made against officers of the Commission. It is satisfactory to me to be able to record without hesitation my finding that with one minor exception no evidence has been placed before me which even to the slightest extent, justifies the imputations made. That exception is in the case of a member of the staff who seems to have been known fairly generally by the soubriquet of "one per cent." He left the service of the State Housing Commission in October, 1946, because he was considered to have an unsuitable manner in dealing with members of the public. But at that time he was merely transferred to another department, possibly to a position in which he would not come in contact with the public. A few months later his service in the Government was terminated, not because any inquiry had shown him to be dishonest, but because the circumstances pointed strongly in that direction. (It may be said that he was not on the permanent staff and because of that no Public Service Inquiry was necessary). And although statements have been made to me from which almost an irresistible inference may be drawn to the discredit of this individual, there is no positive proof, and I prefer to leave the matter in that way. From one point of view it should be a matter of satisfaction to the staff of the Commission to realise that the statements made as to their dishonesty have come from one quarter only. On the other hand, it is not pleasant to contemplate that allegations so damaging in their nature and yet unsupported by even the flimsiest of evidence have been made by a member of the legislature. It may well be, although I do not know, that but for the charges of bribery and corruption made by Mr. Graham, M.L.A., no Royal Commission would have been constituted. However that may be, it remains a regrettable fact that no assistance has been given to me by Mr. Graham to enable me to investigate the truth or otherwise of these charges. He is well content to regard those who, he says, supplied him with information as persons of integrity whose word must be believed; and he obviously wishes that I shall be equally convinced of their integrity to the extent that I shall accept his hearsay evidence of what they have told him. I am afraid that I am unable to strain either the elementary rules of evidence or my own powers of credence to that extent. On the other hand, I find it more equitable to reject the whole of his evidence and to accept, as indeed in the circumstances I am bound to do, the emphatic denial given by some 63 members and ex-members of the staff of the Commission who were given the opportunity of contradicting on their own behalf the hearsay statements levelled against their number.

It is not proposed to traverse the many statements made by Mr. Graham in his desire to show the members of the Housing Commission's staff in an unfavourable light. It is sufficient to say that his charges ranged from an allegation of irregular observance of office hours and drinking in hotels during the day to charges against officers of the Commission of having accepted illicit reward for services rendered. The value to be attached to Mr. Graham's statements may, I feel, be fairly assessed by adopting his own words, which he used when giving evidence before the Royal Commission—"Frankly, I do not think my statements in Parliament are to be taken any notice of." (p. 1489).

It is a matter of regret to me that in these circumstances the question of Parliamentary privilege raised by Mr. Graham has not been made a subject for judicial decision, which would have had the effect of settling the question one way or another. As it stands, the matter remains one of opinion and opinion would seem to be divided. It should be understood, too, that the issue of Parliamentary privilege was not raised until the conclusion of a lengthy examination of Mr. Graham by Counsel assisting the Royal Commission. During that examination, when on occasions it became necessary to ask Mr. Graham the name of his informant, he pleaded not privilege but an undertaking he had given to his informant not to disclose his identity.

The attitude adopted throughout by Mr. Graham may perhaps be expressed in these words—"This is what I have been told. Now it is for this Royal Commission to find out if it is true. I cannot help in the matter because I have given an undertaking, etc."

I say without hesitation that no one—neither member of Parliament nor anyone else—is justified in giving such an undertaking to persons who make charges of dishonest practices and are themselves participants in the crime, but are not prepared to substantiate those charges on oath before an appropriate tribunal. Whether Parliament itself will support such an attitude on the part of one of its members is a matter for the consideration of Parliament and it is to be hoped that so important a question will receive the serious attention of those members—and I am sure there are many—who still have a regard for that somewhat out of date word, "ethics."

#### TERM No. 8.

*Whether any of the officers of the Commission has been subject to wrong influences and if so to what extent (if any) the decisions and administration of such officer have been affected by such influences.*

The cases with which I propose to deal under this Term of Reference might perhaps equally well have been discussed under the Second Term, which dealt with "priority not reasonably warranted," but as in these cases the question of influence seems to me so unmistakably to arise, I feel that it is in this section of my report they find their appropriate position.

Pride of place must, I consider, be given to the case of the two Byfields. These were among the first cases mentioned to me and they have received frequent comment since. Indeed they were, *inter alia*, the subject of final remarks addressed to me by the Chairman of the Housing Commission. Mr. Reid has said—“Both these cases are well known to me, because they are the sons of the Assistant Under Treasurer with whom I am in daily contact. I know the conditions under which both the cases referred to were accommodated and the difficulties experienced by their father in endeavouring to meet the housing needs of his family,”

Having expressed the opinion that the efficiency of the Assistant Under Treasurer was being affected by the overcrowded conditions in his home, Mr. Reid quotes an approval which had just been given by the Commonwealth War Service Homes Commissioner that a certain percentage of extreme hardship cases amongst applicants for war service homes might be taken out of their direct order and given preference over others. The Commission felt that Noel Byfield came within that class. I should have been more convinced of the genuineness of the Commission's feeling had there been some attempt made to compare Byfield's case with others—to demonstrate that the degree of hardship in his case was greater than in any others which were pending. No such attempt was made, and I feel sure that I should have been informed of it if any such comparison had resulted in Byfield's favour. I am entirely of the opinion that the deciding factor was that Byfield is the son of the Assistant Under Treasurer.

There was no justification either, in my view, for the preferential treatment shown to F. W. Byfield, a brother of Noel Byfield, with whose case I have just dealt. A rental house was allocated in this case, the only reason advanced by Mr. Reid being that Byfield was at that time occupying a house owned by a Government official in Kalgoorlie, who having been transferred to Perth, needed his own home. I wonder in how many cases those very circumstances have arisen and yet nothing has been done to relieve the situation. But in this case I am assured there was a difference, because the officer concerned was a Treasury Inspector and the importance of that position has been so stressed by Mr. Reid that I am convinced it was that fact which chiefly impressed him. The house was granted to Byfield without any inspection of his living conditions; it was sufficient that the Treasury Inspector needed his own home. Actually Mr. Reid was not a party to the allocation, being absent from the meeting, but he has assured me that had he been present he would have supported the decision wholeheartedly. I really need no such assurance, but at the same time I can see not the slightest reason for the selection of this case in preference to others. As for Noel Byfield's house, I cannot believe that under the new rule regarding the percentage of extreme hardship cases to be accommodated it was ever intended that the question of comparative hardship should be entirely disregarded, or in other words, that the State Housing Commission could select any case it thought fit without regard to the degree of hardship in other cases. In both of the above cases I have formed a definite conclusion that in the granting of a priority to Noel Byfield and in the allocation of a tenancy house to his brother, the members of the Commission have been greatly influenced by their friendship and close association with the Assistant Under Treasurer.

Another case which suggests strongly that the members of the Commission have been influenced in their decisions by the fact that the applicant was personally known to them is that of A. N. Rutter, Manager of the State Sawmills at Carlisle. Mr. Clare, a member of the Commission, gave evidence as to Mr. Rutter's application to the Commission for a permit to build. He said that Rutter had approached the Commission many months before his application was submitted. It was quite an unofficial approach. Nevertheless when eventually his application was received it was approved within a week without any inspection. Mr. Clare admitted that a preference had been shown to Rutter and, although he described it as a “slight” preference, it would seem in comparison with other cases to have been a very considerable preference. He admitted, further, that procedure very different from the usual had been adopted in dealing with Rutter's application.

And if one requires more than the admission of a member of the Commission that discrimination had been shown, one has only to consider the case of Mrs. D. E. Vincent who, since July, 1946, has been waiting for a permit to build and is still waiting. In the meantime information has been supplied to the Commission as to the adverse effect the locality of their house has had on the Vincent family, and although the medical evidence as to this was not as emphatic as it might have been, there was sufficient to justify further inquiries being made, especially as two of the children in the family had died. My intention is not to suggest necessarily that Mrs. Vincent was entitled to a permit. Rather do I desire by a comparison of Rutter's case with Vincent's to draw attention to the different methods of adjudication adopted in the two cases.

Yet another case comes to my mind in which the granting of a permit to build calls for an explanation. It is the case of Mr. E. A. Dunphy who in February, 1947, applied for permission to convert a “sun room” into a “sleep-out.” Two days after the application was received a note was made on the file by the Secretary. The note was addressed to Mr. Irvine, the leader of the Permit Section, and read—“It is the Chairman's desire that an early inspection be made *by you*.” The underlining on the file of the words “by you” seems significant of the Chairman's desire that Mr. Irvine should carry out the inspection himself, though ordinarily inspections of this kind did not form part of Mr. Irvine's duties. At all events, Irvine did carry out the inspection personally and four days later the Commission approved the issue of a permit. I cannot think that in this case there was the slightest urgency for the work. Certainly 500 bricks only were used; but there was a shortage of bricks, and it is wrong in principle that an approval should be given for unnecessary work while urgent cases are being deferred. My point is that the whole circumstances lead one unavoidably to the conclusion that it was because of Mr. Dunphy's position that he was granted a preference. And I think it may be reasonably said that a similar inference is to be drawn in the case of Mr. W. B. Garner of 45 Mount Street, who was granted a permit to make considerable alterations to his house when it could not possibly be said either that he was not more than comfortably housed or that his house was in urgent need of repair.

One is inclined very much to wonder why a permit was granted to the proprietor of the Mayfair Theatre for such a large and costly project. Is Perth so short of picture theatres that in times such as the present the provision of yet another is a matter of urgent necessity? On the 13th September, 1946, the

Commission must have felt some doubt about the matter because the application was deferred. The reason for the deferment as given by the State Housing Commission's representative was that the Commission considered such applications unjustified in existing conditions and if granted would arouse public criticism. And yet, a week later the Commission, having given an interview to the promoter of the scheme (one Moss) and his architect, granted approval up to £7,000 subject to a condition that pressed bricks should be used and certain materials imported from the Eastern States. The main argument at the interview, according to the evidence of the Commission's representative, was that the promoter had entered into a lease under the terms of which he was to pay the owner of the Carlton Tearooms (which were to be converted into the Mayfair Theatre) a weekly rental of £140 and that, without a permit, the building would be idle. From a perusal of the lease this statement regarding the rental to be paid is a gross exaggeration. It has, however, been denied by members of the Commission that the question of rental was in any way an influencing factor. I have failed to satisfy myself what really was the influencing factor. I have read the Chairman's final explanation of this matter and this shows that after the Commission had decided not to approve of the application, a Cabinet Minister intervened, following which the very unusual course was taken of granting an interview to the proprietor and his architect, and because he was prepared to import his materials the permit was granted.

The granting of this permit might have been more easily understood had it not been for the emphatic refusal on the part of the Commission to allow repairs and alterations to His Majesty's Theatre, a local enterprise, in which case the correspondence disclosed a position of acute embarrassment. Regarding the two cases together they suggest strongly that influence played its part in the granting of the permit for the Mayfair Theatre.

Before concluding my remarks on this final Term of Reference I should like to record my opinion that the suggestion made by a certain Society in Perth that the Catholic Church had been singled out for preferential treatment has no foundation. But the statement of the Chairman of the Housing Commission that a school at Wembley was the only one which had been approved for the Catholics would appear to be not in accordance with the facts, as from a file perused by me, it appears quite clear that the building of a school at South Perth for the same denomination was also the subject of a permit. It is difficult to see how this other project could have been overlooked by the Chairman.

Speaking generally on the subject of this Term of Reference Mr. Irvine, the Permit Section leader, has said that he can recall cases over the last two years in which intervention either by a Minister of the Crown or a member of Parliament has resulted in his decision being over-ruled by the Chairman without any additional evidence being offered to that already considered by him as Section leader. In the case of one Collins, Postmaster at Fremantle, Mr. Irvine had declined to issue a permit but "strong representations made through at least eight or nine political approaches resulted in the Commission issuing a permit."

And now I have dealt, I hope, sufficiently fully with the various terms of Reference submitted to me. I have endeavoured wherever it has been possible on the evidence to make my findings definite in one way or another.

Where in my opinion the procedure of the Commission has been faulty, I have given examples of cases which have been brought before me. There have been other cases which I could have mentioned, but my Inquiry was not instituted for the purpose of redressing individual grievances. In justice to the Commission, I must say that there have been many cases in which in my opinion the applicants have had no real grounds for complaint, and I have attempted to persuade them that this is so.

On the whole I feel that when the extensive operations of the Housing Commission are considered, it cannot justly be said that the Commission has carried out its task badly. It has, I feel, conducted its operations reasonably well in view of the difficulties it has encountered. Even in a well trained organisation, one may expect to find in the ramifications of a vast industry, some instances of procedure which may merit adverse criticism. So far as the Housing Commission is concerned, I have endeavoured to point out some means by which criticism may in future be avoided.

An inspection of the results of the actual house building operations has satisfied me, from a layman's point of view, that except for a few houses in a country district, the result does credit to the Housing Commission.

That the production of houses has been slow is undeniable, but because of the difficulties at times experienced in obtaining materials and manpower, that slow production has been unavoidable.

It has not been part of my responsibility to suggest means of accelerating the provision of houses for the home-less. Some ideas have been submitted to me and are included in the transcript of the notes of evidence, a copy of which notes has been supplied to the Housing Commission. I have not excluded the evidence as being irrelevant to the Terms of Reference as it seems to me it may be helpful to the Commission when considering future plans.

One scheme advocated has to do with the construction of blocks of flats. This scheme, which impressed me, was advanced by an architect member of the Returned Soldiers' League and will no doubt be sponsored by the representative of the returned soldiers who, since this Inquiry commenced, has been appointed to the Housing Commission.

When the members of the Commission and its staff are established in the new quarters now in process of construction, it is not unreasonable to assume that their operations will more easily be conducted and accomplished with greater satisfaction to the members of the general public who during my Inquiry have been so critically inclined. The wholly unsuitable and inadequate accommodation in which the staff of the Commission has been compelled to work provides in my view circumstances of more than ordinary extenuation.

### RECOMMENDATIONS.

1. Members of the State Housing Commission not to enter into any contracts with the Commission.
2. Appointment of full-time Chairman ; or  
Reorganisation of chief executive position and appointment to that position of one with wide administrative experience.
3. All senior officers to be permanent public servants.
4. Training and appointment of additional tenancy inspectors from present staff to overcome delay in inspections.
5. Particulars in applications submitted to be verified by someone of standing to whom the applicant is known.
6. Publication in the Press of monthly statements of Permits granted and tenancy houses allocated.
7. On completion of building for which Permit granted statutory declaration of actual cost to be made by owner and builder.
8. Revision of Record system and institution of card index system generally.
9. Abolition of private work by members of the staff.

### CONCLUSION.

I desire to express my thanks for valuable assistance given me during my Inquiry by—

Mr. O. J. Negus, who acted as Counsel assisting the Royal Commission ;

The Chief Hansard Reporter and members of his staff ;

Miss M. Godwin of the Crown Law Department for shorthand and typing assistance in the preparation of this Report ;

Mr. P. V. Smith, who acted throughout as Secretary to the Royal Commission.

I have the honour to be

Your Excellency's obedient servant,

(Sgd.) H. D. MOSELEY,  
Royal Commissioner.

25th March, 1948.