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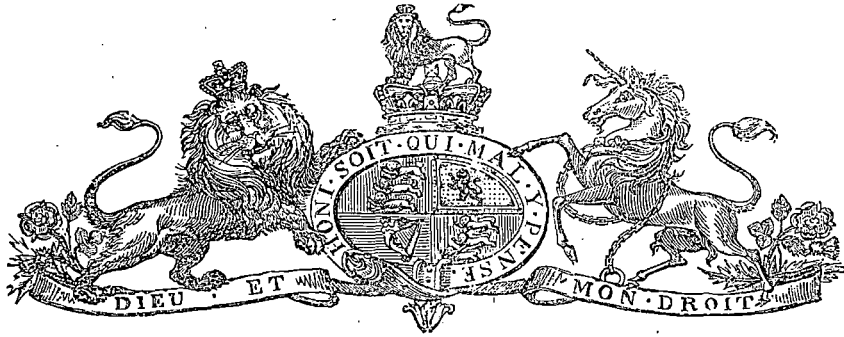
1886.

PARLIAMENT OF TASMANIA.

PUBLIC WORKS CONTRACTS:

REPORT FROM THE SELECT COMMITTEE, WITH MINUTES OF
THE PROCEEDINGS AND EVIDENCE.

Brought up by Mr. Braddon, and ordered by the House of Assembly to be
printed, November 26, 1886.)



SELECT COMMITTEE appointed, on Thursday, the 7th October, to enquire into and report upon the Practice of the Public Works Department in regard to Contracts for Works, with power to send for persons and papers.

MEMBERS OF THE COMMITTEE.

MR. PLLINGER.
MR. LYNE.
MR. CONWAY.
MR. MINISTER OF LANDS.

MR. LEWIS.
MR. GRAY.
MR. BRADDON. (*Mover.*)

DAYS OF MEETING.

Friday, 8th October; Tuesday, 12th October; Tuesday, 19th October; Wednesday, 20th October; Thursday, 21st October; Tuesday, 26th October; Wednesday, 27th October; Thursday, 28th October; Friday, 2nd November; Wednesday, 3rd November; Friday, 5th November; Tuesday, 16th November; Wednesday, 17th November; Wednesday, 24th November; Thursday, 25th November; Friday, 26th November.

WITNESSES EXAMINED.

Mr. J. Fincham, Engineer-in-Chief; Mr. C. B. M. Fenton, M.H.A.; the Hon. N. J. Brown, M.H.A., Minister of Lands and Works; Mr. J. M. Dooley, M.H.A.; Mr. W. C. Grubb, Contractor; Mr. W. H. Cheverton, Contractor; Mr. James Andrews, Contractor; Mr. W. Duffy, Engineer of Roads; Mr. W. Smith, Chief Clerk Public Works Department.

R E P O R T.

YOUR Committee have the honor to report to your Honorable House that they have held 16 sittings, and examined nine witnesses and a considerable mass of records.

The evidence establishes the fact that delay in execution of works has arisen from the existing method of obtaining the consent of Road Trusts to accept the responsibility of maintaining branch roads. In the instance of the Pine Road (Section 4) delay in dealing with the tenders is ascribed by the Engineer of Roads to the inaction of the Leven Road Trust (Q. 494). But the evidence before the Committee shows that this delay cannot be explained away in this manner, inasmuch as the Leven Road Trust submitted their formal consent on the 21st December, 1885, while the date of dealing with tenders was the 27th January, and acceptance was only notified to the contractor in the middle of March.

Your Committee are of opinion that the consent of Road Trusts in this particular should be sought as soon as the Ministerial scheme of Public Works shall have been finally adopted, whereby two advantages would result—(1) that the roads could be taken in hand in a better season of the year, and (2) that in the event of a Road Trust refusing to maintain a road, the Minister would be saved from passing a useless vote through Parliament.

Your Committee are unable to arrive at a unanimous decision in regard to the unexceptional superiority of lump sum road and bridge contracts over contracts let on schedule of prices; nor is the evidence on this subject by any means convincing. They would recommend that wherever practicable, *i.e.*, wherever the quantities can be ascertained beforehand with accuracy, the contracts for roads and bridges be let for lump sums.

Your Committee would recommend, as a binding departmental rule, that no contract for public works of a value exceeding £10 shall be let by private arrangement. They note that this excellent principle was departed from in the case of the removal of the Forth Bridge (Q. 548), as it was also in regard to the Mersey dredge.

Your Committee are of opinion that greater care might be advantageously bestowed upon the preparation of specifications, and that improvement is required in regard to the punctual issue of them. Several of the District Inspectors speak of instances (if not frequent instances) of specifications being delayed.

Your Committee are of opinion that where, as in the case of the Arundel road contract, tenderers are required to remodel their tenders by striking out or reducing certain specified items, they should not be permitted to alter their original tenders in respect of other than the items specially named. (*See Messrs. Grubb's letter.*)

Your Committee believe that there has recently been an improvement in respect of payment of contractors and repayment of deposits; but complaints are still made, and they would strongly urge the necessity of departmental enquiry and action in this direction.

The evidence of the Engineer of Roads (Q. 603) shows that the manner of dealing with District Inspectors' and other officers' travelling allowances requires systematising. Your Committee would advise that departmental regulations upon this point may be issued for the guidance of officers.

V

In the Report of the Select Committee on Public Works of 1881 it was strongly urged that the Engineer-in-Chief should be relieved from office work so as to be enabled to visit works in progress throughout the Colony with greater frequency. Your Committee would now urge this as strongly in regard to the Engineer of Roads, who was specially appointed for the purpose of supervision, and who, according to his own statement (Qs. 577 and 580) is kept in office to transact nine-tenths of the clerical work of the Department.

E. N. C. BRADDON, *Chairman.*

Committee Room, 26th November, 1886.

MINUTES OF PROCEEDINGS.

FRIDAY, OCTOBER 8, 1886.

The Committee met at 11 A.M.

Present—Mr. Braddon, Mr. Lewis, Mr. Pillinger, Mr. Minister of Lands, Mr. Gray, Mr. Conway.

Mr. Braddon was voted to the Chair.

Resolved, That Mr. J. Fincham, Engineer-in-Chief, and Mr. C. B. M. Fenton, M.H.A., be summoned to attend and give evidence before the Committee on Tuesday, the 12th October, at 11 A.M.

The Committee adjourned till Tuesday, 12th instant, at 11 A.M.

TUESDAY, OCTOBER 12, 1886.

The Committee met at 11 A.M.

Present—Messrs. Braddon (Chairman), Conway, Gray, Lyne, and Lewis.

Mr. J. Fincham was called and examined, and tabled articles of agreement for buildings and roads, also conditions of contract.

The Committee adjourned at 1.5 P.M. till 2.30 P.M.

The Committee resumed at 2.30 P.M.

Mr. Fincham was recalled and examined.

Mr. Fincham withdrew.

The Committee adjourned at 3.45 P.M. till 11 A.M. on Tuesday, 19th October.

TUESDAY, OCTOBER 19, 1886.

The Committee met at 11 A.M.

Present—Messrs. Braddon (Chairman), Lewis, Gray, Pillinger, and Lyne.

The Minutes of last meeting were read and confirmed.

Mr. C. B. M. Fenton, M.H.A., was called and examined.

Mr. Fenton withdrew.

The Committee adjourned at 12.50 P.M. till 11 A.M. on Wednesday, October 20.

WEDNESDAY, OCTOBER 20, 1886.

Present—Messrs. Braddon (Chairman), Lewis, Lyne.

The Minutes of the last meeting were read and confirmed.

The Hon. Minister of Lands was called and examined.

The Minister withdrew.

The Committee adjourned till 11 A.M. on Thursday, October 21.

Mr. Andrews to be summoned for 11 A.M.

THURSDAY, OCTOBER 21, 1886.

Present—Messrs. Braddon (Chairman), Pillinger, Lewis, and Gray.

The Minutes of previous meeting were read and confirmed.

Mr. J. M. Dooley, M.H.A., was examined.

Mr. Dooley withdrew.

At 12.30 the Committee adjourned till 11 A.M. on Tuesday, 25th inst., when Mr. W. C. Grubb will be examined.

TUESDAY, OCTOBER 26, 1886.

The Committee met at 11 A.M.

Present—Messrs. Braddon (Chairman), Lewis, Gray, Lyne, Conway, and the Hon. Minister of Lands.

The Minutes of the previous meeting were read and confirmed.

Mr. W. C. Grubb was called and examined.

Mr. Grubb withdrew.

The Committee adjourned at 12.30 till 3 P.M. on Wednesday, 27th inst.

WEDNESDAY, OCTOBER 27, 1886.

The Committee met at 3 P.M.

Present—Messrs. Braddon (Chairman), Lewis, Lyne, and the Hon. N. J. Brown.

The Minutes of previous meeting were read and confirmed.

Hon. N. J. Brown was examined.

It was resolved that Mr. W. Smith, Chief Clerk of the Public Works Department, be summoned for Thursday, 28th inst.

At 4 P.M. the Committee adjourned till 2:30 P.M. on Thursday, 28th inst.

THURSDAY, OCTOBER 28, 1886.

The Committee met at 3:30 P.M.

Present—Messrs. Braddon (Chairman), Lyne, Gray, and Hon. N. J. Brown.

The Minutes of previous meeting were read and confirmed.

The Committee adjourned at 4 P.M. till 2:30 P.M. on Friday, 29th inst.

TUESDAY, NOVEMBER 2, 1886.

The Committee met at 12 (noon.)

Present—Messrs. Braddon (Chairman), Lewis, Gray, and Lyne.

The Minutes of the last meeting were read and confirmed.

Mr. William Smith, Chief Clerk in the Public Works Office, was called in and examined.

Mr. Smith produced papers and correspondence relating to the Arundel Road contract.

Resolved to call for the following papers and documents:—Board of Tenders Minute Book, Schedule Form of Tenders, Deposit Account Book, and Tender Book made up from schedules.

Resolved, To summon Mr. Cheverton and Mr. Andrews for 11 o'clock next day.

The Committee adjourned at 12:55 till 11 o'clock next day.

WEDNESDAY, NOVEMBER 3, 1886.

The Committee met at 12:40 P.M.

Present—Messrs. Braddon (Chairman), Pillinger, and Lewis.

The Minutes of the last meeting were read and confirmed.

Mr. Wm. Henry Cheverton, Contractor, was called in and examined.

Mr. Cheverton withdrew.

Mr. Wm. Andrews, Contractor, was called in and examined.

Mr. Andrews withdrew.

The Committee deliberated on Mr. Andrews' non-attendance in response to summons, and having heard Mr. Andrews' explanation decided to accept it as satisfactory.

The Committee adjourned at 1 o'clock *sine die*.

FRIDAY, NOVEMBER 5, 1886.

The Committee met at 12:20 P.M.

Present—Messrs. Braddon (Chairman), Pillinger, and Lewis.

The Minutes of the last meeting were read and confirmed.

The Chairman tabled a letter from James Haywood to H. Conway, M.H.A., containing certain charges against J. Graham.

Resolved, That Mr. Graham be written to, informing him that certain charges had been made against him, and forwarding him questions for his reply.

A letter was received from Mr. W. C. Grubb, *re* the non-acceptance of his tender, with enclosure.—(*Vide* Appendix.)

TUESDAY, NOVEMBER 16, 1886.

The Committee met at 11 A.M.

Present—Messrs. Braddon (Chairman), Gray, Lyne, Lewis, and Hon. Minister of Lands.

The minutes of the last meeting were read and confirmed.

Mr. W. Duffy was called and examined.

Mr. Duffy tabled original contracts for work at Frankford, in relation to Mr. Haywood's complaint against Mr. Graham, District Inspector.

The Chairman was requested to write to the Chairman of the Frankford Road Trust, asking if the work of Mr. Maley in that district had been carried out according to specifications.

At 1:5 P.M. the Committee adjourned till 11 A.M. next day.

WEDNESDAY, NOVEMBER 17, 1886.

The Committee met at 11 A.M.

Present—Messrs. Lyne, Gray, and Conway.

Mr. Lyne, in the absence of Mr. Braddon, took the chair.

Mr. Braddon resumed the chair.

The minutes of the last meeting were read and confirmed.

Mr. W. Duffy was recalled and examined, and tabled a statement showing causes why delay had arisen in issuing contracts for Kindred and Pine Roads (sections 4) and Moreville Road.

At 1.10 P.M. the Committee adjourned till 11 A.M. on Friday, 19th inst.

WEDNESDAY, NOVEMBER 24, 1886.

The Committee met at 11 A.M.

Present—Messrs. Braddon (Chairman), Gray, Lewis, Lyne, and Hon. Minister of Lands.

The Minutes of the last meeting were read and confirmed.

Mr. Wm. Smith was recalled and examined. He also tabled the contracts of Messrs. Grubb, Duffy, and Cheverton, for the Arundel Road.

Mr. Smith withdrew.

The Chairman was requested to telegraph to the Chairman of the Forth Road Trust in reference to the delay on section 4 of the Kindred Road, and to the Chairman of the Leven Road Trust relative to delay on section 4 of the Pine Road.

Mr. J. Graham (District Surveyor) replied to certain questions, and his answers having been read, the Committee deliberated thereupon, and arrived at the conclusion that the answers were satisfactory, and further investigation unnecessary.

At 1.5 P.M. the Committee adjourned till 11 A.M. on Thursday, 25th inst.

THURSDAY, NOVEMBER 25, 1886.

Present—Messrs. Braddon (Chairman), Lyne, Conway, and Gray.

The Minutes of previous meeting were read and confirmed.

Mr. W. Smith was recalled and examined, and tabled certain papers asked for by the Committee, including the complaint of Messrs. Grubb Bros.

Mr. Smith withdrew.

The Committee adjourned at 1.5 P.M. till 11 A.M. on Friday, November 26.

FRIDAY, NOVEMBER 26, 1886.

Present—Minister of Lands and Works, Messrs. Pillinger, Lewis, Braddon (Chairman).

The Minutes of last meeting were confirmed.

Committee deliberated upon headings of Report.

The Committee adjourned till 3.30 P.M.

The Committee being re-assembled, the Hon. N. J. Brown, Mr. Pillinger, Mr. Conway, and Mr. Braddon (Chairman.)

The Draft Report was submitted and adopted.

The Committee adjourned *sine die*.

EVIDENCE.

TUESDAY, OCTOBER 12, 1886.

MR. J. FINCHAM, *called and examined.*

1. *By the Chairman.*—What position do you occupy? Engineer-in-Chief.
2. Will you briefly describe the manner in which works for public works are let? Tenders are first called in newspapers, and when received they are opened by the Board of Tenders, each tender with the amount of deposit being initialed; they are then passed over to the chief clerk, who hands over the deposits to the accountant, then the tenders are checked and examined, and the details are scheduled on a form kept for that purpose. I then send them to the engineer of roads and architect respectively for their remarks and recommendations, and check against the departmental estimates for the works. The tenders are then dealt with by the Board of Tenders, and one is selected for recommendation to and for the Minister's approval. The tenders are invited upon plans and specifications prepared for each work.
3. When are the plans and specifications prepared? Immediately prior to the calling of tenders. Where the work is to be done directly under the Public Works department, as in the case of road construction, the successful tenderer is notified immediately—generally on the same day upon which the Minister's approval is received—and very often by wire, the formal notification and contract documents following afterwards. Where the Public Works department call tenders for works in which other departments are interested, as in the case of school erection or other work, it is usual for the Minister to forward the schedule of tender with his approval to the department concerned, and if they are satisfied the notification goes to the contractor. That is, I think, all the practice up to the time of the contract being accepted.
4. Who compose the Board of Tenders? Myself, the Inspector of Customs, and the Commissioner of Real Estates Duty, with the Treasurer as Chairman.
5. How often does the board sit? On every day on which tenders are due at the public works department. They meet at any time when tenders are due, generally at noon on Wednesday.
6. Are works ever let without tenders being called? No, I do not know of any, speaking generally. Even for small works, of value as low as £10 and even £5, tenders are called. When the cost of advertising would be pretty nearly as much as that of the work, we then call for local tenders for the work.
7. Were tenders called for the Mersey dredge? No.
8. Was there any reason why that tender was not called? If the matter had been referred to me, I would have said it was useless to call for public tenders in the colony, as I only know of one firm capable of doing the work.
9. Then these matters are not invariably referred to you? That is one exception I know of. The matter had been mentioned to me by the Minister some time previous to the final arrangement being made.
10. What will be the cost of that work? I cannot give the exact figures from memory, but I will obtain the information for the Committee.
11. Are you aware that the work of removing the old Forth bridge was let without tender? No; I do not recollect that.
12. You are still responsible for roads construction, I presume? Not for executive details; I only now act in connection with roads and buildings so far as I am the consulting officer, in the event of the Minister requiring advice, and that the notification of acceptance of tenders pass through me as heretofore; otherwise I have given up all work in connection with roads and buildings.
13. How long has this been the case? It has been a gradual work. It necessarily took the Engineer of Roads some 12 or 18 months after he was appointed to become as familiar as I was with the scattered work all over the country, but he has now relieved me of that work completely.
14. Can you now exactly define the degree of control that you exercise over the Engineer of Roads and his work? I have already done so in my previous answer. I act only as consulting engineer upon any question on which the Minister requires advice during the last few months, and since the report of the late Royal Commission was dealt with the Minister has arranged that I should be relieved from signing the whole of the accounts for the roads and buildings branch, a duty which I performed until within the last two or three months. Now I am practically relieved thoroughly of everything but the control of the railway branch and the works connected with harbour or river improvements.
15. Has this been laid down by a written office regulation? Yes; I believe there are written instructions of the Minister to the effect that I should be relieved fully of all work connected with roads and bridges.
16. Will you put in those written instructions? Yes, I will furnish them. I believe I am right in saying there are such instructions.
17. What is your procedure with tenders after being called for any particular work, but no contract is let owing to the tenders being too high? The course then taken varies. Sometimes it has been considered by the Minister advisable to postpone the work till more favourable weather, with a view to testing whether lower tenders could not be obtained. Sometimes the work is re-tendered for, and there are cases where this has been done two or three times over. In other cases where the work has been urgent, or called for in a locality where for years past there has been a difficulty in obtaining tenders, the work has been done directly by the department.
18. Are arrangements ever made with one of the tenderers without publicly calling for tenders again? I do not know of any such case. Circumstances have occurred where, after the tenders have been called, residents in the district have asked for alterations or suggested a different material, and then we have asked the tenderers to submit fresh prices; but I should not care to do this too often, because tenderers get to know the amounts of one another's original tenders.
19. What is the average cost of advertising tenders? I cannot tell from memory, but I will supply the information asked. The Minister made an alteration some year or two ago to economise the cost of advertising, and ever since then tenders have been called in the form which is now observed.

20. Is not the cost of tendering very often a very heavy item in the work? No; it is only heavy where we have to advertise the work several times over, and the work is very small.

21. Can you suggest any means of further economising in this direction? No, and I would not advise that being done. I think the more publicity, speaking in reason, given in such matters the better.

22. Are you aware of any instances of considerable delay in intimating to tenderers the result of their tenders? There may have been one or two instances during the last few years, but I know, allowing for all the work which is to be gone through, the average time is at the outside not more than 10 or 12 days; and considering the work that is to be done, and the way the work of the department is interfered with by extra work, I do not think that is excessive. There is one case where there was considerable delay, but the department was not to blame for that. It was the case of the Moreville road at Emu Bay, where tenders had been called, and the work blocked by the exorbitant demands made by the landowner through whose land part of the new road was to pass. No difficulty was anticipated when the work was tendered for, but very considerable difficulties were made by this owner before the contractor was allowed to go on. I dare say one or two instances might be found in connection with schools where after tenders were received we found the amount ran above the limit authorised, and could not be undertaken without reference to Parliament, our departmental estimates being within that amount. That would cause delay; and I dare say that in many of the scores of contracts depending upon the consent of the road trusts as to maintenance there may have been one or perhaps two cases of delay, but these are quite outside the control of the Public Works Department. Speaking fairly and generally, I can assure the Committee that there has not been undue delay, but every effort made to assist contractors. When tenders are scheduled, and even before they are submitted to the Board of Tenders, it is my practice to order the return of deposits to all contractors but the lowest, or sometimes two lowest. I am quite sure the contractors as a whole have no fault to find or cause for complaint, for only such time is occupied as is necessary properly to protect the interests of the colony.

23. Do you know any instances within the last two years of tenders being delayed for 12 or 13 weeks between the date of closing tenders and intimating the result to the tenderer? I cannot recollect such an instance, but it may have occurred in connection with schools or obtaining the consent of road trusts; but it is impossible for me to recollect instances of that kind. They can, however, be looked up if existing, and the information given, if the Committee require it.

24. Apart from any delay on the part of road trusts, are you aware that delay to that extent has occurred? No. I think there must have been something very exceptional in the case you mention.

25. Or cases? Or cases, if you will.

26. Is it your practice to call for tenders before you get consent from the road trusts to maintain the road? No, it is not; but there may have been a case where we thought the consent had been obtained, and in that way the delay might have occurred.

27. That would not explain the delay in other than very exceptional instances? No. I say emphatically that the delays compared with the hundreds of contracts put out are very exceptional; that the average time occupied in the necessary examination is very limited indeed, and is as little as it could be.

28. Have any complaints reached you of these delays in dealing with tenders? It is quite possible there may have been one or two complaints.

29. Assuming that delays of 12 or 13 weeks arise in dealing with tenders, would that not be calculated to injure would-be contractors to some extent, and thereby cause loss to the country in the long run? If they took place to any extent it might prejudicially affect the obtaining of tenders by the department at satisfactory prices, but no such delay has taken place without full explanation being given to the contractor. A case might occur where such delay would be necessary, but it would always be explained to the contractor. If such a practice had existed to any extent it would militate against the department getting tenders; but generally we have several contractors tendering for the different works.

30. Suppose a contractor tendered for several works at once, and did not get a reply to any of them for a long time, what would be the effect? It would militate very considerably against the department getting tenders: but you are supposing a case that does not exist.

31. Have complaints been made as to delays in payment? Yes, but not always with any grounds. I find contractors occasionally appeal to me on the ground of non-payment, and on reference to the responsible overseer it is very common to find that the contractor has over-estimated the amount that could be paid to him. The error was made in his over-measuring the quantity of work done.

32. Would it stimulate your memory if I mentioned the name of a contractor alluded to? No, it would be impossible for me to remember individual cases out of the hundreds of contracts passing through the department; but I will get any information required from the department.

33. Did you notice the evidence of the road inspectors before the Royal Commission, where it is stated that more expedition in payment for work would result more satisfactorily? I did not read that evidence at all—the evidence on railways was quite sufficient for me; but I know what you allude to in my evidence. I referred then to small jobs, and men on piecework and day labourers, where the delay is very considerable, and militates against small works being done economically by the department.

34. Mr. Brown, Road Inspector at the Leven, in his evidence said the Government regulations were rather obstructive, and the system of payment might be simplified; that a system of earlier payments to contractors and workmen would save a great deal of money: do you think the system could be altered? I do not think we could alter the system with advantage, unless we could commission the local inspectors to make payments, and that would never do.

35. Is there delay about progress payments? Not that I am aware of. The work to be gone through to preserve a proper check upon the expenditure of Government funds takes necessarily a certain amount of time. In the first instance the District Inspector sends in an account of the work with a certificate for the amount actually done. After being received by the Engineer of Roads it is worked out in the accountant's office, where the progress reports for the whole colony are checked and dealt with. It is worked out according to the contract prices, and the contractor then signs a voucher for the payment. That is checked in the Accountant's room, and finally checked by the Engineer of Roads, and then goes to the Minister for the final approval before being sent to the Treasury. Whether there is any delay or not at the Treasury I cannot say, but I am quite sure that the Public Works Department spare no pains in doing their utmost to give confidence to contractors by the utmost possible promptness in the payments.

36. Are any complaints made as to the delay of final payments? Speaking from my experience, when I had to do with the executive works of the roads there were complaints, and there were delays, but not from the fault of the department, nor beyond what was necessary for the proper completion and maintenance of the work. An inspector has, perhaps, refused to give his final certificate unless the contractor leaves his work in a proper state of maintenance according to his contract. I have known such cases, but the number is very small compared with the number of contracts.

37. Is there any delay in contractors getting their money when the receipt is signed? I do not know of any instance. The chief clerk or accountant might know of such; I do not.

38. Do you think the final payment system might be improved? The final payment is practically the last progress payment. I do not think it could be altered without changing the whole system.

39. Are you aware of any small contractors having been ruined in consequence of delay in payment? No, I certainly do not know of any.

40. Do you think it would be an improvement to substitute large district road boards for the present small ones, and trust the expenditure of moneys voted for public works to that board? If constituted under a certain amount of Government supervision, certainly. It is a scheme I have often advocated in connection with the revision of our system of main road boards. I would like to see some such scheme as that of South Australia introduced here.

41. Is sufficient consideration shown to contractors for the extent of the contract?—do you not very often allow the same time for a small work that you do for one of ten times that magnitude? Yes, and very properly so. In cases of small works of clearing for roads under the Waste Lands Act, I see no objection to allowing the settlers, who carry on the work at the same time as they do their farming work, as much time as would be demanded from a contractor on a larger scale, who would be forming and metalling roads in a portion of the district much used by the public.

42. Have complaints reached you as to the severe conditions of contracts? No.

43. Are those conditions generally enforced? Not with harshness, but, wherever the necessity of the case demands it, they are.

44. Is it not generally known that those conditions are a dead letter? The Commissioners made me say that in my evidence, but they are really not a dead letter. Our contractors, as a whole, are little above working men, and if we were to take any other course than we do of leaving the decision with the Director of Public Works, which means the responsible officers, I am afraid it would not be of advantage to the country. If the small contractors had the right of arbitration in every instance of small dispute it would be simply ruinous to the Department, for the shopkeepers, who are generally at the back of small contractors, would make it very hard indeed for the Department.

45. But is it not a fact that the conditions are regarded by many contractors as a dead letter? No; and I can give you instances where contractors have been made to feel that they are not a dead letter by any means; but there should be no harshness on the part of the Director of Public Works, because he acts on the advice and recommendations of two or three officers who have all fairly examined into the case. We have, during the last two years, fined nine or ten contractors. In such cases where a man refuses to take up a tender because he discovers he has put in an amount too low, he is made to forfeit his deposit, and during the last two years the Director of Public Works has cancelled no less than 34 contracts, and 19 during the present year. My desire has always been to exercise the utmost leniency possible to contractors in keeping with my proper duty to the Minister.

46. On what grounds were those 19 contracts cancelled? For various causes. Some for not doing the work properly, and some for not proceeding with the work for months after the time the contractors agreed to take it up; but the Committee can have details of each case if they require it.

47. Would it incur great trouble? No.

48. What is your form of contract? I produce forms of contract for buildings and roads; also, conditions of contract and specification.

49. Suppose those conditions were a dead letter, would not the knowledge of that give a contractor an advantage over one who did not know they were a dead letter? Of course it would, but I have given instances to show they are not a dead letter.

50. Are not the penalties prescribed heavy? No.

51. Are they enforced? Yes, where it is considered that the circumstances of the case require it; and where they are not enforced the contractor has to make a written application, which is sent to the local inspector for such information as he can give, who justifies such application or otherwise, and then it is sent to me or the Minister, and then, if deemed strictly necessary, the application is granted. Inclement weather, bad state of roads for carting over, and difficulty of obtaining proper material, are frequent causes of non-enforcement of the penalties.

52. Were the penalties enforced against Messrs. Fergus and Blair, on the Fingal Railway, or any part of them? No, they were not.

53. Was it ever proposed to enforce them? Not that I am aware of. The amount of the penalty to which they were liable was given in Parliament once in answer to a question put by a member.

54. No penalty was imposed? No.

55. Why? The principal reason was that we could not give them possession of the land required at the time we were bound to, owing to difficulties with landowners.

56. Why do you regard the provision for arbitration with such dissatisfaction? I regard it with very considerable dissatisfaction, because many men would be found to go into these contracts as a purely speculative matter, and the Government would be bound to come off second best in the generality of cases arbitrated. A perfect trade would be made of it, much to the detriment of the Department.

57. Does it necessarily follow that every decision of the arbitrators would be dishonest? I would not say that for an instant; but I will say that in all cases of arbitration between the Government and private individuals or contractors, the sympathies of arbitrators are generally with the contractors.

58. Is that because the Government is generally wrong? I cannot say, but should not think so.

59. You think there would be no end of arbitration? Yes; men would take contracts at low prices just for the sake of going to arbitration.

60. How would that pay them? They would get enough out of the arbitration to pay them. They would dispute every item in the work just for the sake of going to arbitration.

61. Have you any usual system for the preparation of plans and specifications? Yes. The Engineer of Roads would tell you about that; but we have standard printed forms for open drains, culverts, etc., with special drawings for small bridges, which no type drawings would serve.

62. Are those prepared in the central office or by local surveyors? In the central office, from rough drawings sent by the district inspectors.

63. Is that the invariable practice? Yes.

64. One district inspector said he prepared the plans for his district: is that so? He might prepare the drafts, but the contract specifications and plans would be prepared from them. In the case of Mr. Brown, Inspector of the

Leven district, he is a thoroughly competent engineer. He would prepare rough plans, and they would be sent to the central office, where the contract plans would be prepared. Put shortly, the local inspectors give all the requisite information for all the works in their district, whether for culverts, small bridges, or road work, and the plans are prepared in the central office.

65. Would it not be possible to prepare these plans and specifications, or to have the information necessary, before the votes are submitted to Parliament? Yes, if you settled your Public Works scheme twelve months in advance.

66. Is it not very desirable that this should be done, so that directly Parliament rises the department might be in a position to call for tenders? No, it would only give partial relief, for the Royal consent is not given to the different works in the public works scheme till the fine weather has well advanced. Contractors would practically only have half the summer to work in. Of course there are many works that can be gone on with in winter time without detriment to the contractor or public, but, as a rule, contracts should be let only in the winter time, and carried out as you suggest.

67. Under the present system does it not occur that work might be set out two or three times? I know it was so on a railway, where the cost to the Government was a great deal more. People wilfully destroy stakes for a mile or a mile and a half at a stretch.

68. Can you speak of the roads? No; I would rather refer you to the Engineer of Roads for that information.

69. What are the capabilities of your staff of district inspectors? I think they are efficient men, and quite fit for the work. Most of them are men that I had selected, and of whom I had personal knowledge.

70. How many of them understand the use of the theodolite and level? I should think about half of them. Mr. Brown is, perhaps, the only one that could use the theodolite well, but the others could use the level.

71. How many of them? About three or four.

72. How many inspectors are there? Twelve or fourteen. They do not want to use the theodolite and level any more than ordinary overseers.

73. Have not serious difficulties arisen by the selection of roads with bad grades? In the early days of the public works scheme no doubt mistakes were made.

74. Have mistakes occurred in later days? No, I do not think so; there is too much check upon them now.

75. Generally speaking, do you find the district inspectors sufficiently competent men for road-making? Yes. I selected them as good practical road overseers rather than as engineers. It would have been perfectly hopeless for me to ever think salaries would be allowed for engineers for these different districts when these roads were started. They are good practical men; and under the professional guidance of the Engineer of Roads, and assistance from time to time of a surveyor when required, I do not think they could be much improved upon.

76. Have you heard any complaints made against Mr. Atkinson, District Inspector at Wellington? There was a complaint about the grade of a road near Table Cape. There was a very steep grade, and when I spoke about it he admitted it was a mistake.

77. Do you know of any of his work being objected to by the road trust, and the trustees' view being confirmed by the Engineer of Roads? No. That would be of more recent date, and the dispute would not come under my knowledge.

78. Do you think the Engineer of Roads thoroughly understands the subject of road-making in this colony? Certainly. I recommended him for his appointment. He held a very responsible position in South Australia in connection with roads.

79. Would not the ideas of road-making in South Australia differ very much from those in Tasmania? They would differ certainly so far as bush work goes, but they would not differ with regard to the general construction of main roads.

80. Do you consider that 2½ miles of roads in the Richmond district, which Mr. Duffy made at a cost of over £4000, was economically done? I think the work was too good for the district. The work could have been done more cheaply if he had followed the system adopted by the road trust of following more to the surface instead of cutting to get a good grade, which he obtained. But Mr. Duffy was not responsible for the whole of that cost. When I saw the road I saw there was considerable duplication at the Jerusalem end, but I found it was due to the road trust. That was a palpable mistake; but I found it was arranged with the road trust by the district inspector before Mr. Duffy had charge of the road, or, I think, before he came to the colony.

81. Have any complaints been made against the Engineer of Roads as to his manner of dealing with contractors? I do not think I should be asked to answer a question like that.

82. It is a question affecting the Public Service, is it not? Certainly no official complaints have been made.

83. *By Mr. Gray.*—Have there been any complaints by contractors against Mr. Duffy? No official complaints.

84. *By Mr. Braddon.*—Are you aware that when the Forth bridge was all but built Mr. Duffy wired to the contractor threatening to cancel the contract? No, I do not know it. All the executive work has been out of my hands for some time past.

85. Have you still general supervision? I had supervision up to within about two months ago, but since then I act only as consulting engineer.

86. Do you consider the Leven bridge a good work? Yes. I think it is an excellent bridge for timber, and it will be an easy matter when the piles are destroyed by the worm to set it on a concrete or masonry base.

87. Was it built when you saw it? It was nearly built; the contractor was working at it putting down the last of the decking.

88. And you were satisfied with it? Yes.

89. Would any one be justified in saying it was a botched job? No, he would not.

90. Or that it was let to a botch, and was a botched job? No, I would not think so, although the contractor was not a tradesman, and had not the experience of the men who generally take the contracts for timber bridges. Shipbuilders are the best men for timber bridges.

91. Are you aware that is what Mr. Duffy said of it? Yes, I believe so.

92. In his evidence the Engineer says he made a reduction in the amount of the contract on account of short-comings, but the contractor got a Member of Parliament to represent, and the contractor got paid for work he had cut out of the contract, the result being obtained by political pressure—is that a fact? I do not know anything about political pressure or influence in the matter, and there was none that I am aware of. The whole case is very simple, and if the Committee like I will briefly state it.

93. Will you do so? When the contractor had completed his contract for the approaches and bridge it was completed with an alteration in the approaches in order to keep the funds available as much as possible within the vote. The contractor and the Engineer of Roads were not able to come to any final settlement as to prices to be paid for the former. The dispute was long and rather bitter, and ended in the contractor complaining to the Minister, and threatening an action in the Supreme Court. The Minister took considerable personal trouble in trying to adjust the matter between them, and at last referred them to my decision. I spent the whole of one day with the contractor and the Engineer of Roads in the office going through the matters in dispute, and on the following morning saw the contractor and gave him the decision that I was willing to make with regard to the matters in dispute. After some demur he accepted the decision, and the items in the claim were marked off one by one as either altered, allowed, or disallowed by me, and the contractor took his final payment upon that decision and was satisfied. I can only understand the assertion of the Engineer of Roads as to payment for work not done to refer to the item in his claim on account of earthworks in part of the new bridge which the contractor did not do, but which I allowed, and justly so, as a set-off against the inconvenience I consider the contractor had to suffer in having to carry on his work over part of the new bridge, and whilst he was constantly hindered by the traffic instead of working in perfectly free possession. I gave the decision to the best of my ability, and in the desire to do justice to all, as any umpire might have done.

94. What about the Member of Parliament? I only know the Member of Parliament by inference, as his name was never mentioned.

95. Was there any of the political pressure spoken about in the evidence? I know nothing of it.

96. You would have heard of it, I suppose? I never hear much of politics.

97. Was any political influence used on you? Certainly not. The only influence used was the very proper one of a Member of Parliament bringing before the Minister the case of one of his constituents.

98. Did the influence extend beyond bringing the matter before the Minister? No.

99. *By Mr. Conway.*—On what ground is your opinion based that there is only one firm in the colony competent to construct the Mersey dredger, or would tender for it? I only know of one firm that has a slip, and practical experience as iron ship-builders.

100. You are virtually head of the department as Consulting Engineer to Ministers in all cases where such advice is needed? Yes.

101. How do you account for the great delay after tenders are received until acceptance? I have informed the Committee that the delay does not exist; there are exceptional cases, the circumstances connected with which can be explained.

102. Have you never received any complaints of some of your inspectors of insolence and want of courtesy when asked questions regarding the way works should be carried out? Not that I am aware of—it never came under my notice.

103. What instructions are given to inspectors to give works, without tendering, to contractors being employed on schedule prices for works that should be tendered for? Inspectors are not allowed to give out any work. Public tenders are advertised for works, or, where the work is too small, local tenders are called.

104. You have no recollection of any complaints in reference to it? No, I have not.

105. Do you know why there is so great difficulty in getting tenders for public works, and why tenders can only be got from one or two tenderers in Launceston? No, I do not.

106. Would schedule prices for road work not be more satisfactory than lump sum contracts, so as to pay only for actual work performed? Tenders are now invariably called for schedule work.

107. Is not public tendering the best and fairest way of dealing with all public works, alike in the colony and elsewhere, so as to get a fair value for work required? Yes, certainly.

108. Could not a better system of selecting tenders be adopted than that now obtaining—could not a more simple method be got? I do not think so, consistent with a proper check.

109. Are some road inspectors allowed to accept tenders, as complaints are made in various parts of the colony as to unfavourable descriptions given to some favourites, and obstacles to others not resident in the inspector's residence district? I do not know of that; if I did, I would consider it my duty to administer a reprimand to the inspector.

110. How are your inspectors selected, and is any qualification required other than strong recommendation of powerful influence? The inspectors as a whole have been selected either from my previous personal knowledge of them, or after careful enquiries made.

111. What reason is there for the delays in returning contractor's deposits, and could not payments be made to contractors with more diligence than at present? There is no delay in returning contractor's deposits except in special cases; for instance—where there is doubt of the lowest tenderer having understood his tender, or doubt as to his ability to carry out the contract, and then we may keep the next tender. Almost on the day of the tenders being dealt with, or they day after, if they have no chance of being accepted, they have their tenders and deposits returned at once without the cheque going into the Treasury. I am continually corresponding with contractors on that question.

112. Could not arrangements be made for measurements being made after the 15th of the month, payment not being made until the 4th of the next month? When you have scores of contracts, and they have to be checked in the office, I do not think the time taken is too long, and as long as the contractor knows his money will be received by the 4th of the month, having only about a fortnight to wait, I do not think there is much to complain of.

113. Why is there so much tendency to make the estimates presented to Parliament so much lower than their actual value? There is no such tendency.

114. Why, then, are the prices asked too high? Simply because of the high prices asked by contractors. The tenders for the Scottsdale Railway, for instance, ranged from £228,000 to £345,000, and the same applies to other works.

115. Why are there only one or two contractors who tender for public works in Launceston? I cannot say; but I know that for small public works at Launceston the competition is limited.

116. Can you not give the reason? Not directly; only from hearsay.

117. Have you received complaints from contractors as to treatment by your inspectors in the northern part of the island? There were complaints of the building inspector in the north made by a contractor. It was the contract for the Launceston hospital; but after enquiry the contract was cancelled. There were difficulties between the inspector and this contractor as to the way the work was carried out. The Minister authorised the architect to go and examine the work and report on it. On that report the recommendation was made to cancel the contract, and that was carried out; but we allowed the contractor repayment of certain fittings ordered from England.

118. Would it be better if the Engineer-in-Chief was placed more as private practitioners are, in enabling the payment to be made direct on his certificate? That is a matter for the Treasurer to decide. Already a certain amount of payment is made on my certificate where the accounts are paid from the Engineer-in-Chief's suspense account.

119. Would it not be of greater advantage to the country if greater latitude were given you for certificates for payment? There is no difficulty in the way of my giving certificates for payment, but I do not think it would be well for an officer in my position to be virtually Under-Treasurer in Public Works expenditure. A certain amount of further check is exercised in the Treasury. Were your suggestions adopted it would be very easy for me to exceed the votes granted without attention being called to it. The Treasury now exercises a proper check in that respect.

120. *By Mr. Gray.*—You say that the Engineer of Roads was recommended by yourself? Yes.

121. From amongst several applicants? Yes.

122. Do you know if he is a civil engineer? Yes, I believe so. I believe he is connected with the Institute.

123. Do you think him a thoroughly competent officer? Yes.

124. You also consider your road inspectors competent men? Yes, good practical overseers, and one is a competent civil engineer. There are men among them whom it would be difficult to replace.

125. What do you think the most essential and most important principle of road-making? The first and most essential principle is to get a good alignment, the next is to keep your work open to the sun and drained well.

126. In cutting the catch-drains, what distance should they be from the table drains? That depends on the nature of the ground and the slope.

127. Would you place catch-drains within two feet of the table drains? No. As a rule, I think our standard is five or six feet.

128. Would you consider it good engineering or good road-making to fill in and form a road from the mud and clay taken from the table drains and thrown in the middle of the road? If done in summer there would be no objection, but I would not throw in silt.

129. As an engineer, would you think that a road so formed should have spald metal put on before two inches of small metal? Yes, that is our practice.

130. Then, if one of your officers made and constructed a road so that it would become a perfect quagmire, not only in winter but partly in summer, would that be practical road-making? Certainly not.

131. Do you know the road between Taranna and Carnarvon? No.

132. From information given before the Royal Commission I learn that "the road from Coppington to Dunally was impassable, although scarcely twelve months made. The roads as a rule are formed with material taken from them in forming, and which is principally clay, and covered over with so-called gravel taken from the adjacent surface; no rubbing over metal, consequently no foundation only in a few cases; the consequence is the first traffic after rain the roads are all but impassable." Would you think the officer who carried out that work competent to perform his work—would you make a road that way? It would all depend on the traffic on the road whether it was to be light or heavy. A road for light traffic might be formed that way. I do not mean a state of mud, but if it was gritty loam or gravel it would carry light traffic sufficiently well.

133. *By Mr. Braddon.*—Would that apply to the roads throughout the colony? Certainly not. Heavy bush requires very different roads to those of open country, and good draining also.

134. *By Mr. Gray.*—If heavy grades are made, and drays are bogged to the axletrees, would that be a proper state for it to be handed over to the trust? Certainly not, neither would I describe such traffic as light.

135. Before you would hand roads over to the trust they should be in a perfect state? In common justice to the local boards the roads should be perfectly constructed according to contract, and the contractor's maintenance clause should be carried out.

136. You would consider that in any form of roads there should be a proper crown? Yes, certainly.

137. If your officers made a road almost flat, whereby scours from drains would flow upon it, would you consider it good or bad road-making? Bad road-making, certainly, and at variance with our standard, which shows a crown on all roads.

138. Are catch and table-drains essential to good road-making? Certainly; the first thing is to keep your formation dry.

139. Do you approve of a road when metalled being covered with a couple of inches of the nearest stuff you could get out of side-drains? If it is of gritty or loamy material, not clayey material.

140. Do you approve of light clay or ferny virgin land as blinding? I would not object to a thin coating of loam.

141. Would you object to it being two inches thick? I should think that too much.

142. Would you not recommend your roads having a heavy roller used on the metal instead of putting mud as gravel? By all means, where a roller is available, and rolling is provided for in the contracts, but it is sometimes omitted because the money runs short.

143. Do you believe in Sir John Burgoyne's theory of road-making, especially in providing a good crown? Yes, I believe if you err in that respect it should be on the side of curvature.

144. If a road were flat, and it was impossible for the water to get off, would you consider it good engineering? No, certainly not.

145. Are you not of opinion that a road should not be regarded as completed until the metal is thoroughly rolled? No, I would not go so far as that, but it should not be given over as completed until all the work provided in the contract had been properly carried out, but contracts do not always provide for rolling.

146. Do you approve of work being done under schedule prices, instead of the work being defined fully in specifications or plans showing the different sections of the road: do you prefer the schedule prices to the specifications defining the entire work to be performed, such as grubbing, clearing, embankments, metalling &c.? I prefer the schedule prices as we have them, and defined quantities referred to fixed points either by specifications or marks: I believe there is nothing like schedule prices for anything like big work. The system of schedule of prices was my introduction. Our contractors virtually give in lump sums on what are bills of quantities. The advantage of such a system is that if we require to extend a work we can do so without any dispute. There is a price given in the contract, and the work can be done if necessary to a larger extent. The want of such system led to disputes of old where it was found necessary to extend work.

147. Would it not affect the contract if the contractor made a low price for what there was not much of, and a high price for what there was a large quantity of? It would affect the work were not the quantities marked off on the ground. On all the schedule of rates tendered we have a lump sum giving the total of the work. The contractor will very often put down a lump sum that will not agree with the schedule, and we call on him to fix the schedule rate with the lump sum. If he does not do that we alter it for him.

148. Have you had any of your non-professional officers long in the public service? Most of them have been in the public service for seven or eight years, and some for nine years.

149. Would you prefer skilled professional men to men who have been stonemasons and stone-cutters for supervising your work? Not for the particular work they have to do. It would not do to confine the inspection to skilled engineers, who would necessarily want men of the present stamp we have under them. I fixed the present small districts of a size that a man can ride frequently over the whole district without leaving any part of the district long without his supervision. If the whole main road system of the colony were altered, and instead of 30 or 40 boards they were put into about nine boards, and composed of the Chairmen of the present local boards, with such large districts, with their own stone-crusher and roller, you could then have skilled engineers, and it would be a great improvement. These boards could then arrange for distribution of votes of money for works under Government supervision.

150. In making or constructing a road would it not be desirable to take a road from one point to its terminus, and the whole amount necessary for that road placed before Parliament, and certain proportions voted annually until the road was completed, instead of coming to Parliament for the occasional sums now asked for by Ministers, that Parliament should know the entire probable cost of the work, instead of taking a provisional vote year by year to complete the work? That could be done in some cases where the immediate requirements are known, but you might be led very much astray. For instance, when the Lisle diggings were in full swing you would have passed the full instalment of that road, and much more money would be spent than is now required. I think the best plan would be to have some arrangement by which the money should be distributed in bulk to different local bodies, then I could see no objection to the votes coming down for the final plan.

151. Would you have any Government control? Yes; not necessarily of a harassing nature, but just sufficient to see that the money is properly spent before the final payment.

152. What percentage do you pay on progress account? On ordinary road making 10 per cent., bridges 20 per cent., and buildings 25 per cent.

153. When you find contractors are not carrying out their work according to contract and plans, do you impose fines? We refuse to pass the certificate until the wrong work has been put right.

154. Would you think a man a competent officer who furnishes you with estimates and afterwards appeals have to be made to Parliament by Ministers for sums of money to complete the work? The estimates for work submitted to Parliament are generally revised by the Engineer of Roads.

155. I am speaking of jetties? Jetties would be in his department.

156. Do you consider that a road inspector, in giving his estimate for a jetty and preparing his plans for the work, would be competent and efficient when that work has to be extended and Ministers have to ask Parliament once or twice for money to complete that work to deep water? There are cases where the inspector might be responsible for that, and then, I should think, he is not competent; but, I may say, that as far as I know of the case you allude to, he consulted the masters of little crafts on the matter. Down the coast the jetties were designed for small crafts of light draught of water; then large steamers go down and find there is not sufficient water, and there is a great outcry for the extension of the jetty. I believe there was a complaint made about the height of some jetties; but when the department is blamed about these jetties, you must remember they are dealing with two distinct and antagonistic interests,—sailing and steam crafts. It commenced with the Swansea jetty, and I find it all over the colony.

157. *By Mr. Lewis.*—What salaries do the district inspectors get? Fifteen shillings per day; there are two, I think, who get only 13s. 4d. a day; but they generally have 15s., and there are other temporary inspectors under them.

158. Do they get travelling expenses? Yes, when away from home. I prepared a scale of prices for beds and prices per meal which are allowed. In some places this pays them well enough, but in mining districts it does not pay their expenses.

159. Have you any rule that officers are required to show distance in road-making instead of efficient work? Certainly not; substantial work is required.

160. And not to show mileage? Certainly not.

161. If an officer said that, would it be correct? If he did that on his own responsibility it would be worse for him.

162. You have some difficulty with contractors? Yes, with some; many of them are perfectly inexperienced and want teaching. I therefore get good practical mechanics in selecting inspectors; they can soon acquire a knowledge of the work of road-making.

163. Do you approve of the system of daywork instead of contract, even for small work? In certain cases I do. I believe if we could get men of the right stamp, such as we have a few of now, we could do the work more economically and speedily than by contract; but I do not think it would be a safe practice.

164. What time do you think it better to do the work? In summer generally, but there is plenty of work that can be done in winter.

165. Would you not have work prepared so that it could be undertaken when farm work is slack? As far as possible, but that would clash with my former arrangements that the work should be done in fine weather. The Minister has repeatedly put off work so that it might be done in fine weather, where he thought it should be done in fine weather.

166. *By Mr. Braddon.*—Does it not impair the efficiency of your staff that it is only temporarily employed? Certainly not, as regards the performance of their duties. It prevents them relying too much on the permanence of their positions; but it militates against the Department in the important railway works. It is very difficult to get good engineers to offer their services on the mere promise of temporary employment. All the good men are taken up in the other colonies, and those who would come here for the sake of the climate are precluded from doing so on account of the temporary nature of the employment.

167. Have you a diary showing the work of the inspectors? Yes, every inspector on a road or railway has to keep a diary.

168. And show it to you? I do not know what arrangements Mr. Duffy has made since he took charge.

169. Would it be part of their duties to attend sales? Not unless he did so to see a man whom he could not see otherwise. They are always supposed to attend to their work, and not to leave the district without permission.

170. If an inspector were in the habit of doing that, would you consider it a grave offence? Certainly.

171. What is your opinion of steam-rollers for roads? The districts are too small. It would be difficult to get them to work in small districts, where the interests are divided, but if you had large districts you could manage it. If you had a system like the South Australian boards, only let it include the present little boards, it would be of great advantage. There they get up a regular scheme of works and submit it to the Government to be carried out; but you would want a hold on the final certificate.

172. *By Mr. Gray.*—Are you aware that section 6 of the contract regulations has been in existence upwards of 20 years? I should imagine so; it was in existence when I entered the department.

173. And that it was imposed owing to the difficulty of getting contracts carried out? It would be very dangerous to do away with it. If the Director of Public Works were arbitrary there is always Parliament to appeal to.

174. *By Mr. Conway.*—Is it permitted in any branch of your department for private practice to be carried on by a public servant: is there any regulation to prevent it? The temporary staff, although not legally amenable to the Civil Service Regulations, are made to be amenable to them, and any man of it who wishes to employ his private time must get permission of the Minister.

175. *By Mr. Gray.*—Do you think it right that your professional officers should come into competition with outside individuals in outside work? I see no objection to it if they get permission of the Governor in Council.

176. Would it not militate against the performance of their duties by overworking them? It is quite possible it might to a certain extent if they had a great deal of work to do.

177. Would you make a strict rule about it? I would make a strict rule if you would pay them well.

178. *By Mr. Lyne.*—In constructing roads are not your inspectors to a certain extent confined to use what material they can find in the neighbourhood? Certainly, to a certain extent, and if a limited supply of money is only available, but that does not bind them to put on bad material for blinding. If good material cannot be got they had better leave the metal unblinded.

179. Are you not bound down to the amount of money you have for making roads? We are bound down to the amount voted by Parliament.

180. Where that will not hold out for a first-class road you have to make it second class? No, we decide the kind of road by the requirements of the district, then if the money will not complete all that is necessary on a particular road we do what is most necessary, such as draining, making culverts, and metalling small portions.

181. Do you not think that unnecessary expenses are incurred by having the land for road purposes legally conveyed to the Government in lieu of accepting the owner's letter of gift and signed by the road trust through which it passes? No; I think, even at the cost of legal conveyance, it should be done. That is the proper course. Only within the last few days a difficulty has occurred in connection with the old system. An application was made to the Lands Titles Office, and it was described as fronting on a certain road. The Lands Office had no record of the road, and I found it was a road that was made in the old days by the Public Works Department when they took these roads by letter of gift, and from their want of system of accounts it was lost, and the difficulty I have mentioned occurred.

182. Could not a road trust board by law take land where required, and merely secure it by proclamation without any further deed? I am not sure, but I believe you are right. The conveyance of the land has another advantage, and enables (by the necessary survey) the Lands Office to record these roads, and the want of that has been very much felt.

183. Would it not be well to have road surveyors appointed to supervise two, three, or more road trust districts as well as main road boards? Our inspectors' duties are confined to supervising the amounts voted by Parliament.

184. Would it not be a good plan to have road inspectors work under road trusts as well as under road boards? They do not work under road boards; they only work with road boards with permission, and from our desire to assist road boards as much as possible. If you mean that a road surveyor should be road inspector for two or three road trusts, I do not think it would be desirable; it would be a case of a man serving two masters.

185. Are contractors subject to fines when they give up a contract? If they do not take up their contract they forfeit their deposit.

186. Does not the Government often suffer in arbitrations in consequence of arbitrators sympathising with parties opposed to the Government? I think that might be the case.

187. Do you not think that road inspectors should all be able to use the level? It is an advantage certainly, where they could do it, but it is not so much wanted if the department can supply them with men who can.

188. Are they not furnished with pocket levels? No; the department does not furnish them.

189. *By Mr. Conway.*—Do not most of them understand levelling? Yes; most of them understand ordinary levelling.

190. *By the Chairman.*—In your opinion is Mr. Duffy competent to hold an entirely independent position as Engineer of Roads? I do not see why he should not be.

191. *By Mr. Gray.*—What would you think of Mr. Duffy's competency if he passed a road such as I have described? If it is as you have described—made of slush and with cart ruts down to the axle—I would not consider him competent.

TUESDAY, OCTOBER 19, 1886.

MR. C. B. M. FENTON, *M.H.A.*, called and examined.

193. *By Mr. Braddon.*—Where do you reside? Table Cape.

194. Have you had considerable experience as a contractor for public works? Yes, for 20 years, and have perhaps done more Government contracts than any other man in the colony.

195. Speaking from your experience, what are the defects in the existing system in respect to contracts? The principal defect in letting contracts has been the season at which they were let; and, under the system existing now and for the last 12 months, they name a time in which the contract shall be completed; and, as the contracts vary in amounts from £20 to £2000 and £3000, it is manifestly absurd to say they shall be completed in 3 months—the same time being named for small contracts as for large. Another fault I find is the system of letting contracts; and this has only been in existence the last year or two. They cut up contracts into too many small sections. In some cases it may be advantageous to cut up a contract into two or three portions, to give small contractors a chance of tendering; it must be a loss in others, as tenders are called for, say, a mile of metalling in three sections, and as a stone-crusher is required to economically carry out this work, a contractor only having a third of a mile to do could not go to the expense of getting a stone-crusher, and all have to break the metal by hand.

196. Do you consider the conditions of contract are satisfactory in every respect? Some of the conditions are so stringent that they can never be carried out, but they never affected me in any way. I consider the present system of making a contractor maintain work for 3 months after completion is very objectionable,—a considerable loss to the contractor, and no saving to the country, for this reason:—A contractor may have work a long distance from where he resides, and when he finishes it and takes away his plant it costs him perhaps more than the work is worth to go back and do a few pounds worth of work, and he has to put in his contract price accordingly, although if it was done by the district inspector it would cost very much less than it costs the contractor, owing to the distance he has to travel to get to the work. It has been said that it causes the contractor to do his work in a more substantial manner, knowing he has to maintain it for 3 months. I think it is absurd to think he would do his work more substantially for that reason than he would otherwise, considering he is working under an inspector all the time.

197. Will you mention which conditions you think are harsh? Any clause I did not think equitable I did not take any notice of. Clause 8 and the form of tender should be altered. Clause 3 I also think objectionable. In a case where the contract specifies 9 inches of metal, and you have to run a roller over it, I consider it unfair to expect the metal to measure 9 inches after it has been rolled; and it is not considered complete until that is done. The other clauses may be stringent, but I suppose they are necessary for the department, and are really never acted on.

198. Do you think that a desirable clause where the department have the power to take over the work and finish it themselves? Yes, I think so.

199. You say those clauses are stringent and are very rarely acted on: does it act fairly on all that there should be clauses which some contractors know will not be operated on and some do not know? I think the clauses are necessary for the safety of the department, and I imagine that every contractor would know that they should not be operated on except so far as they agreed with equity. Of course although the decision of the Director of Public Works is final, if it were unjust the Supreme Court or Court of Equity would upset his decision.

200. As to the letting of contracts, have you observed any delay in dealing with tenders? Yes, very considerable, and apparently unnecessary delay.

201. Can you say whether you have noticed that frequently and lately? Yes, during the early part of 1886 tenders were called for works from the latter end of December to the end of March, and a great many of them were not accepted till after the latter time.

202. *By Mr. Lewis.*—You mean works to be performed in that time? Yes, tenders were called in one case on January 19th, and was not accepted till May 18th. Nearly all the tenders that were called for during the early part of this year were two months at least before being accepted, and summer was passing away meantime.

203. Was it early in this year that tenders were held for about three months? The case I mentioned was nearly four months.

204. Do you know of any other cases? I could not name any one, but I am sure the *Gazette* will show about that period that tenders were held about that time, whilst the contractors were lying idle waiting to see what work they would get, and they were writing and sending telegrams almost daily to know when the contracts would be accepted; all the deposits are meanwhile locked up. In my case I tendered for a great number of different works, and from the time I sent in my first deposit till I got any back had amounted to £97 from my contracts. It is quite possible it would prevent a contractor tendering for other work, as he could only undertake a certain amount of work and as much as he could pay the deposit on.

205. Would it be an explanation in the case you refer to, that the delay had arisen from the refusal or hesitation of road trusts to take over the maintenance of the work? Certainly not, in that case, but it might in some. In some of them, however, there has been considerable delay on main roads where the road trusts are not asked to take them over.

206. Have you observed any room for improvement in the matter of payment of contractors, either progress or final payment? Yes; the system in force some years ago was preferable to the one now in force. The contractor then got a certificate from the district inspector for any amount of money due to him at any time he applied for it, and that suited the contractor very well. Now the inspector has to send in a report of the work done on the 15th of the month, and the payment is not made until the 4th of the next month, and very often not then. I think if they paid the progress payment on the certificate of the district inspector any time the contractor wanted the money, it would be better. I never heard any complaints against that system, because a contractor could use his own money as far as it went, and he got a progress payment for what he wanted.

207. Do you mean that the contractor should receive money more than once a month? Certainly; there would be no objection if he had the work done. A contractor is expected to pay his men once a fortnight, and is supposed to have paid them up when he gets his payment. A contractor may start work on the 1st and have very little work done until the 15th, and he would have no chance of getting any money until six or seven weeks. Under the old system he could get the money when it was required.

208. *By Mr. Pillinger.*—Would it not be better to have a regular system in these payments? In case the contractor wants the money, and it could make no possible difference to the Government, I think he should have the money when most convenient to himself.

209. *By Mr. Braddon.*—Have you known any instance in which small contractors have been seriously injured by delay in payment of their money? No, I cannot say I do. It affects their men more than it does the contractors in most cases.

210. Has there been any delay as to final payment or in the manner of payment generally when payment was decided upon? I do not think there has been much delay in final payment. There has been a good deal of delay at times, but it was always been attributed to the non-completion of the work. That is such a simple way of getting out of the difficulty.

211. Where a difficulty has arisen between the contractor and inspector? Just so.

212. Have you known any delay in the return of deposits? Yes, there has been frequently very considerable delay in returning deposit money.

213. Recently? Yes, during the present year. Of course that delay has been attributed to the tenders not being decided; they say that delay in accepting tenders delays returning the deposits.

214. Have you known any delay from other causes—simply from office neglect? I do not remember any particular case.

215. Do you think that the present system of making final payments by contractors signing receipts and then sending them back to the department, then forward them to the Treasurer, who issues a cheque and so forth, could be improved on? No, I think not. It is necessary for the department to be in possession of the receipt, and otherwise they might not get it if they sent the money first, and as there is no possible risk of the contractor losing his money, I think it very desirable to have the provision.

216. Could not a branch of some local agency be established by which the contractor could get his money by putting in a receipt? It could be done, but I think it would be more difficult than the present system.

217. Do you know any delay between the time of a man signing his receipt and getting his money? There is always the delay in sending the receipt to a man and getting it back.

218. In your experience has the supervision by the officers of the department been always conducted satisfactorily? I hardly know how to answer that question, it opens up such a wide field. Generally speaking it has been satisfactory, but I have heard exceptions.

219. In what manner have you noticed it to fail, or the supervision to be unsatisfactory? In some cases through the incompetency of the district inspectors.

220. Have you known any recent instances of this? Yes, I know of some recent instances.

221. Have you known any instances in which the officers of the department have dealt unnecessarily harshly to the contractors? There have been cases where I have thought at the time that they were dealing harshly with the contractors.

222. Is that of recent date? Yes, comparatively recent.

223. Would not the effect of this failure in respect of supervision, more especially when arising from unnecessarily harsh treatment of contractors, tend to increase the cost of the works of the country? Yes.

224. You have no doubt whatever of that? None whatever; because if contractors are afraid of being harshly treated they will naturally charge more for the risk they run. I do not wish it to be inferred that I know of many cases of harsh treatment.

225. *By Mr. Lewis.*—Has the delay between calling for tenders and letting contracts been peculiar to this year, or has it existed for some considerable time? It has existed for some considerable time; but it has been worse this year than ever; I mean the delay has been greater.

226. Would you say that the conditions are considered by the contractors as a dead letter? Yes; in any case where they cannot be considered to be fairly equitable, they are.

227. Not generally? No.

228. From your experience of district inspectors, have you found that they understand the use of instruments? No, they do not.

229. *By Mr. Gray.*—You are thoroughly conversant with the principles of road construction? Yes, I think so.

230. Would you put table and catch-drains in close proximity? It would depend on the nature of the ground. In very wet swampy ground you would perhaps have to.

231. Would they put them within 2 feet of each other? Yes, in some cases I would.

232. Where they are so put, would not the suckage from the catch-drain cut through and fill your table-drain? No, it could not, because the catch drain should be at a great deal lower level than the table-drain.

233. With your knowledge of the true principles of road-making, is not drainage and forming the road one of the first essentials? Most certainly.

234. Where your catch and table-drains were in soft soil, would you take the material from the drains and throw it into the road, and form your road of material of that kind? It would depend, of course, on the material.

235. Where better material can be obtained, you would not throw, as a rule, what must be looked upon as mud or peety stuff into the centre for forming a road? Certainly not.

236. You would form your road with a crown, I assume? Yes.

237. Would you put spald stone on if you had so formed it before coating it with 2-inch metal? I would, to same expense.

238. And to properly construct your road? Yes.

239. Would you consider a road without foundation of spald stone and metal as a proper road? That depends upon the natural surface; if it was gravel I would.

240. If it was clay, would you? I would not.

241. Where roads are to be handed over to a trust, would you consider them completed if not properly metalled or gravelled? That would again depend on the nature of the material, and also on the traffic.

242. Have you known road trusts refuse to take over any roads passed and completed by the inspectors? Yes, one case in particular, mentioned in the Royal Commissioners' report, at Stanley, is a case in point.

243. Have you heard of any other cases? I have heard there are other cases.

244. For reasons already stated, do you consider cutting up a three miles tender into three sections an unsatisfactory practice? Yes, in some cases.

245. And costs the Government more by having to pay a higher price to the contractor? Yes.

246. Would you consider a road properly made and constructed unless properly drained? Certainly not.

247. And formed with a crown? Yes.

248. So that the water could be carried off with side or table-drains? Yes.
249. *By Mr. Pillinger.*—What height should the crown be? Half an inch to the foot in width.
250. Have you heard or know of your own knowledge of contractors complaining of the arbitrary conduct of the Engineer of Roads? I never had any cause to complain myself, but I have heard contractors complain.
251. *By the Chairman.*—Did you hear of any complaints last year, and since the Engineer of Roads was appointed? Yes.
252. Did you experience any harshness as regards the East Castra road? Yes; but I attribute that more to the action of the people in the neighbourhood than to the Department.
253. Do you mean the people in the neighbourhood having requisitioned the Minister? Yes, and generally sending in groundless complaints, and forcing the Department to work against the contractor.
254. *By Mr. Pillinger.*—You have some experience of the labour market of the Colony? Yes.
255. What do you think would be the effect on the agricultural labour market of letting all the contracts in the summer months? I think it would probably increase the rates of wages in the agricultural districts; but at the same time it would be better for the Government to do the work in summer, and, if necessary, provide the work for agriculturists for nothing, rather than carry out public works in winter.
256. What do you imagine would be the result of the labouring population having to discontinue all public works in winter. I do not think it would be disastrous. There are some of the Government works that can go on in winter as well as in summer, and Government only want to use discretion as to what work should be kept back till summer. Such works as grubbing and clearing, cutting tracks, building jetties and bridges, and road construction on barren sandy soil, could go on in winter, but macadamising roads and construction where there is traffic should be kept back till summer.
257. Do you base your opinion on what has to be done for the money, or the character of the work? For the amount of work done, rather than the character of work.
258. Would not that apply to bridges and grubbing in winter? No, because you can work between showers; but in carting over roads you put them up. I have known two miles of road to be cut up in making one mile of road in winter. All construction of roads should be done in summer, especially in rich soil.
259. Would you recommend that in works which can be done in winter as well as in summer there should be a cessation of those works during summer to relieve the agricultural labour market? Yes, those works should be kept back for the winter, and that would equalise the labour market; but the cases where they can keep back work are quite exceptional.
260. *By the Chairman.*—Is there anything further you can add? I very much disapprove of the schedule contract principle for road contracts. The department give a schedule which the contractor has to fill up, and upon that schedule he is paid for his work. Grubbing and clearing comes first, and whatever price he puts upon it per chain is paid during the first progress payment. Thus a contractor might by putting a high rate on this make his first payment his best, and has a chance of making it his last by leaving the contract as soon as he gets it.
261. *By Mr. Lyne.*—Do you mean, throw up his contract? Yes; he gets 90 per cent. on the work done. The section in the conditions that stipulates metalling the road, to include blinding with approved material, should be left out, or the particular material to be allowed to be used mentioned. I have known where a road inspector would take red soil from alongside the road for blinding, and another road inspector would put the contractor to the cost of £2 per chain for what he considers proper material.
262. *By Mr. Pillinger.*—Would it not be necessary to provide for the material? It would be better to mention the locality where the material would come from. It often seems absurd to me in carrying out contracts in two parts of the island to see the different material we were using. Schedule prices should not be used at all for roads; the system is not at all suitable.
263. *By Mr. Gray.*—You would prefer that the specifications under the different heads should provide the class of work to be done, the length of the road to be shown, and the specifications to be adhered to? Yes, under the lump sum system.
264. Is there anything to prevent a competent officer describing by specification the whole of the work to be performed on a certain section of road without adverting to schedule prices? Certainly not.
265. And by specification so frame a contract to show the total work he had to do, and the amount he would receive for the work when completed? Yes. At present the inspectors have power to cut out the best items of the contract, or to give large additions to the best or worst prices. They do not measure up the cuttings every month, nor the work done, so that they are not used as a check for the work done. I think if the engineer of roads were to visit the contracts throughout the colony, and have more time to generally look into the working of contracts, it would be a great advantage to the country, and afford a check to district inspectors in the carrying out of the work by more personal supervision.

WEDNESDAY, OCTOBER 20, 1886.

THE HON. N. J. BROWN, M.H.A., examined.

266. *By the Chairmen.*—Your name is Nicholas John Brown, and you are Minister of Lands and Works? Yes.
267. When votes for works are proposed in the House, how far is the department advanced towards calling for tenders for those works? In the majority of cases only to the extent of possessing measurements of length of road to be improved.
268. On votes being passed, what steps are taken? Instructions are given to the proper officer to proceed with obtaining necessary particulars and specifications to permit of tenders being called for.
269. Is it not practicable to obtain necessary information at the time when votes are proposed? Not unless a lump sum were voted in one year to permit of necessary information being obtained in advance, and even then it would hardly be wise to incur the expense of obtaining necessary detailed information before the department was assured that the votes would pass.
270. Do you think that the execution of public works could be hastened in any way? As far as my duties are concerned, I am unaware that anything further could be done in this direction. This question should be more properly put to the Engineer of Roads. With the utmost desire on the part of the department to get work done as rapidly as possible, delays must inevitably occur arising from various causes for which the department is not responsible, such as bad weather, &c.

271. Is immediate action taken upon votes being passed to obtain particulars of works? That would be utterly impossible for all works simultaneously. There is also a cause for delay, such as occurred last year, in the fact that the money for these works is not available for many months after the votes have been passed by the Legislature. No money voted for works last year was legally available at the Treasury till after August this year.

272. But is it not possible to obtain, in many instances, particulars of works through the district inspectors, more particularly road works? This is done, and specifications are prepared in the office by the district inspectors. On reference to the books of the department I could inform the Committee of cases in which after all particulars are prepared and specifications ready the department has been requested by local bodies or by deputations to withhold the works from tender for a few months to avoid interference with the labour supply of the district.

273. What is the procedure when tenders are invited for works? They are advertised in the usual form, and when tenders are received they are first dealt with by the proper officer of the department, and with his recommendation submitted to the tender board, having first been opened, initialled, and registered by that board. They are then submitted to the Minister with board's recommendation for approval or final order.

274. How is the deposit on tenders graduated? By percentage approximately on the estimated value of the work to be done.

275. Have instances occurred where plans and specifications of works advertised to be seen at certain places have not been at the places noted? I am not aware of any instance, save that one which engaged the attention of the Royal Commission for a considerable time, and as to which a very simple explanation was given, showing that no officer of the department was to blame for the occurrence; the explanation being that the postmistress in whose charge they were had, contrary to her instructions, allowed them to be removed from her office.

276. Is there a register in your office of all tenders for works? I believe so. The schedule of tenders themselves would form a register.

277. You cannot say if there is any register in tabulated form kept? No; the chief clerk would be able to supply that information.

278. Have complaints been made as to delay in notifying acceptance or otherwise of tenders? Yes, occasionally. I have inquired into particulars of all cases that have come under my observation. In the great majority of cases—I may say in almost all cases—the delay has arisen from difficulty in securing the consent of local bodies in accordance with provisions of the Cross Roads Maintenance Act, or from necessary inquiries having to be made by the department before being finally committed to the contractor.

279. Are tenders called for before the consent of road trusts to accept responsibility of maintenance has been obtained? Yes; it being hoped that before time for closing with tenderers the necessary consent will have been received.

280. Would it not be preferable to obtain consent of local bodies beforehand—even before votes for works were proposed? The same objection applies to that as to obtaining particulars—that is, the uncertainty whether votes would be sanctioned by Parliament.

281. Are you aware of delay, to the extent of 12 or 13 weeks, having occurred in the instance of one contractor? No, I am not. I should be glad to know the name of the contractor, in order that I might make inquiry.

282. Have any complaints reached you as to delay in supplying contractors with necessary particulars of works? A few have reached me, and I have seen others referred to in newspapers; and in consequence of my attention being called to these complaints, I instructed the Engineer of Roads to send a circular to each of the district inspectors requesting a report, giving instances of delay in receipt of the necessary specifications by the contractor and by the inspector himself. I will place at the disposal of the Committee, for perusal, replies received to date.

283. Do you consider the conditions of contract too severe in any respect? No complaint has been made, as far as I am aware, except as to fines for overtime.

284. Are these conditions regarded by any contractor or by the department as more or less a dead letter? Some of the contractors have good reason to know that they are not so. They are certainly not so regarded by the department.

285. Are not the instances in which the penalties are imposed exceptional? I can hardly say without reference to documents; but in the nature of things they would be exceptional, because the cases of unjustifiable or wilful delay are exceptional.

286. Would it not be better in your opinion to have milder conditions, which should be more generally enforced? No, I think not, because I take exception to the inference that they are not generally enforced, whereas this is done whenever they can be reasonably enforced.

287. Is not complaint made sometimes as to delay in returning deposits on tenders, and as to progress and final payments for works? The reports of district inspectors, to which I have before referred, deal with the complaints of delay in returning deposits. As to complaints about progress payments, I cannot recall any particular case of delay; some have undoubtedly been brought under my notice, and I have found it necessary to give instructions that greater attention to this part of their duty shall be given by some officers of the department. The cases to which I refer are not of recent date.

288. Can you suggest any mode by which these payments could be more promptly made? I consider they are made with all reasonable promptitude now.

289. Is it not practicable to put the contractor in the way of obtaining his cheque (through the local post office or otherwise) on his presenting the formal receipt? I think that might be arranged by the Treasury, but the Public Works Department has not the power of dealing with that matter. I would like to add, as to delay in payment, that this often arises from the refusal of the contractor to comply with the orders of the inspector as to some detail connected with the work when cheques have been ready for payment. The department has often been requested by the inspector to withhold payment pending settlement of some dispute.

290. Do you consider your inspecting staff generally efficient? I think they are fairly competent. Some of them have had to learn their work to a great extent, and the staff is certainly very much more efficient than it was three or four years ago.

291. Would it tend to improve the service if the members were permanently employed and paid fixed salaries, as in the case of other civil servants, instead of being employed temporarily, and paid out of vote? I think it would be advantageous in some respects to adopt this course, and if the permanence of the provision by Parliament for public works becomes more assured it might be desirable to consider the advisableness of a change in this respect. The objection to it hitherto has been that in the event of a cessation of votes for works at any time very heavy claims and serious difficulties would arise.

292. Do the penalties imposed by conditions of contract invariably bear a fixed proportion to the amount of the contract? Yes, I believe so, a certain percentage.

293. Have complaints been made to you as to the Engineer of Roads? Yes; but notwithstanding these complaints I regard him as a most valuable officer.

294. Of what nature were the complaints? Generally, I may say always, they have arisen out of the determination of the Engineer of Roads not to permit any work to be scamped if he can prevent it.

295. Do you think the Engineer of Roads errs in excess of zeal? I think he may have done so on some occasions; but I regard that as a much more venial fault than excess of leniency.

MR. J. M. DOOLEY, *M.H.A., called and examined.*

296. *By the Chairman.*—Have you had considerable experience in regard to the public works system of the colony? Yes.

297. Including the system of contracts? Yes.

298. Can you point out any defects that have come under your notice in the contract system? Yes, I have found fault with the system in many instances. First of all, I consider that the contracts ought to be got ready for issue in the winter season. As for the system of introduction of votes, it is a wholesale system of bribery. We are led to believe that information has been furnished the Minister, enabling him to prepare plans and specifications, but they are scarcely ever correct, generally only verbal statements.

299. To what is that due? I have made enquiries and have been told by the local superintendent of works that they are called upon from time to time to furnish estimates and requirements of the various roads in the districts. I have no doubt it has been done recently; but such has not been done until the last year or two.

300. Is there any delay in obtaining the sanction of road trusts to maintain roads, or is that sanction applied for at the wrong time? I cannot say; the road trusts never complain. When they get the first intimation they never complain whether it is timely or not, but they frequently demur that the road is not located where they wish it, and from this arises the differences of opinion between the Minister of Lands and road trusts. The Minister of Lands, acting upon the information he has, I presume, insists upon his own location of the road. I am alluding to two or three instances I am aware of.

301. Can you point out any defects in the system after the votes are passed? Yes. I think when the votes are passed the estimates ought to be made out in a fairly accurate manner, that would be a guide to the parties tendering, in some respects similar to railway estimates, which has not been done hitherto. In other words, I think there ought to be a longitudinal section of road, which ought to be laid out, and not have it left to the whim of the local inspector or engineer to determine the grade of the road.

302. Is proper care taken in the selection of routes before construction, such as surveys, or otherwise? No, I think not. I complained in reference to that fact in one instance in the case of a road in East Devon. It was an extension to South Castra or up to Smith's Plains. I repeatedly insisted on obtaining a perfect survey, and, after a good deal of trouble, succeeded, but not until after there had been considerable expenditure prospecting for tracks, which was unnecessary, for the track was there before. By my interference, I believe, a survey was made, which will be much more advantageous, as a good route has been obtained. This is a great improvement on the system that obtained before.

303. Is the existing practice as to road construction satisfactory in all particulars, as to perfect formation, &c.? It is much improved to what it has been in our district. It is now very fairly attended to by an intelligent district inspector. Prior to his appointment it was not so.

304. You have no fault to find now with the manner in which the work is constructed? No; but they take a good deal of his time by sending him out to prospect for roads or survey for the extension of roads, a work that he does not desire, and he is not quite competent to do the engineering and survey with instruments; he has not the time, and it is a great loss to send him out, as he generally has three or four works on hand. The work in question takes him days, and he must be absent from the working parties. Instance the road from Tarleton through North Barrington to the Don. He has been sent there on several occasions to lay out the road, and could not pay the necessary attention to the work, and the road has not been laid out or surveyed yet.

305. Are would-be tenderers put in a position to enable them to obtain sufficient specifications for the work? I do not consider the specifications are sufficient. I think they are all one side. The contractor is not secured by guarantee on his side, and the other side takes numerous and repeated securities over the contractor.

306. Are the terms of specifications and contract intelligible? They are completely unintelligible to the contractor, for this reason—the contractor does not know how much work he has to do; it may be £100 or £1000 worth. The Government have the liberty of withdrawing at pleasure any portion of the contract, and of instructing the contractor to proceed with any portion of it, and to alter the mode of contract and estimate at any time or place they deem necessary. Thus it happens, on some occasions, a man takes a contract for metalling a road, one end of the road is in close proximity to abundance of metal, and the other end far removed from any metal. They may force the contractor to do the end far from the metal, which is twice as expensive as the nearer end, which they withdraw from the contractor, and which he could have done for about half the price of the other end. This system obtained up to a very recent date; whether it is so now or not I do not know.

307. Have you always found those plans and specifications placed within the reach of those who might be desirous of tendering for works? No, not always. I had on one occasion to write to the Minister of Lands indicating where the information should be placed, and he at once replied, furnishing it, and expressed regret at the omission. They are usually placed at the post and police office doors, and two copies at least ought to be furnished, for where there is only one copy it is posted up, and the intending contractor takes it down and it seldom finds its way back, whereas if there was one for copying it would be an improvement.

308. Have instances of delay in dealing with tenders come under your notice? Yes, there have been many complaints by letters from outside parties. I have been informed of them very frequently, and requested to interfere in cases of delay. The complaints are loud, but generally are in reference to the time at which tenders are issued. It is generally midsummer or autumn, and before contractors can get well started with the work the winter is on. The roads are then interfered with and cut up, and rendered useless to the inhabitants, whilst the expense of the contractor is materially increased by his having to carry on work in wet or bad weather.

309. Have you heard any complaints as to delays in payments to contractors? Yes, it has been a never-ending complaint up to within the last twelve months; but, from personal enquiries made, I learn that this state of things has been remedied, if it has not entirely disappeared. Within fourteen days after the receipt of any certificate for work I was informed the money would be available; and since I came to Hobart I have made further enquiries, and found that this promise had been given effect to. The Engineer of Roads assured me that he had done the

utmost in his power, but I still hear complaints of delays. In one or two instances I went to the Engineer of Roads, and he assigned justifiable reasons for the delays over 14 days—reasons which I could not object to. I think the system in that respect has improved materially.

310. Might not a system of payment be arranged by which the contractor could get his money from the local postmaster or mistress immediately upon his signing and presenting the Government receipt? I do not think it would be safe to leave it to the inspector. When the receipt comes from head-quarters it should be immediately available, but the payment should be made from head-quarters.

311. Could not the cheque be sent to the postmaster at the same time as the receipt is sent to the contractor, who, on signing the receipt, could get the cheque from the post office,—the cheque itself being always proof that the money had been paid, the receipt being merely a formal matter to permit audit? It ought to be payable at his bank, not at the post office. I have known great complications arise from paying it elsewhere.

312. *By Mr. Lyne.*—Are not vouchers given signed previous to receiving money in all Government contracts? Yes, always; perhaps a month before you get the money.

313. Would there not be probable difficulty in keeping the Treasury books square if the cheques were out before the receipts were returned? It would not do at all under the present system.

314. Do you know any method of improving it? Not without altering the whole system.

315. *By the Chairman.*—Are the conditions of contract too severe, in your opinion? No, I do not think they are; but they are too much on one side. If similar guarantees were offered the contractor, I think they would be very fair.

316. Do you think the supervision or inspection of roads is satisfactory? I think it is satisfactory: it is with us, at all events, because we have a competent man as inspector. He is also attentive, and, in fact, everything that could be desired; and our contractors are also good practical men. We have no difficulty on that score in our locality, but I believe there have been many incompetent men appointed hitherto.

317. Have you heard any complaints made against Mr. Duffy, for harshness and otherwise, by contractors? Yes, I have; but they have been of that general character always that they had no substance that I could lay hold of, and I conclude they were very similar to that I had incurred myself personally with him.

318. *By Mr. Lyne.*—What was that? In visiting his office 12 months ago he wanted to be very high-handed; but I just let him go the full length of his tether, and then told him I just wanted a fair answer to my questions. He had brought in two other officials, but I said I hoped no one else would interfere. He immediately gave in, and I never had occasion to complain since. He made an apparently good excuse for bringing in the other two. It is his high-handed manner that is complained of, and he is very dogmatic in his opinions. I have had reason to test his judgment, but I always found him sound. One case was, I had heard very queer remarks reflecting on him for propping up the Forth bridge; but I am fully convinced that Mr. Duffy acted wisely on that occasion, and with great skill and judgment; the work was carried out cheaply and well. The work done was to maintain the old bridge till the new one was completed.

319. Are not his intentions honestly to carry out his duties? I believe he is sincerely honest, and believes he is contending for honesty.

320. *By the Chairman.*—Is there anything you would like to add? I think the Minister of Lands, on the recommendation of the local inspectors, should have power to suspend works in harvest time. Frequent complaints have been made to me by farmers on this score, and I promised if I ever had an opportunity I would press it on the notice of the Minister of Lands. The reason why I would leave the power in his hands is because it would not be necessary to stop works on all occasions. Some works would be quite as indispensable as harvest.

321. *By Mr. Pillinger.*—You would recommend that all works that can be equally as well done in winter should be suspended in summer? Yes, certainly; and there are works that can be done quite as well in winter, and they should be suspended during harvest.

322. *By Mr. Lyne.*—You would not advise that all the works should be shut up? No, they should be suspended by the Minister of Lands, on the recommendation, of the local inspector.

323. Without reference to the contractors? It should be expressed in the contract, and extension of time allowed for suspension.

324. Do you think it advisable that many works now put forth in summer could be done in winter, and thus relieve the agriculturists? Yes; give the Minister of Lands power to suspend works actually let. He has the further power at present not to issue work. Full provision could be made in the contract.

325. *By the Chairman.*—Could road construction be carried out with advantage in Devon in winter? In very few places that I know of. I would let contracts in September, and they should have till the end of the summer to complete the contract, however small, unless it is a work of emergency. By giving six months instead of one to complete it they can be done much cheaper, and the neighbourhood would be benefited, because more work would be done for the money. If only a short time is given, the contractor has to obtain labour at any cost, and the tenders are much higher according to the shortness of the time and the season. A contractor would do far more for £500 in four or six months than he would do in two months. My attention has frequently been called to the shortness of time allowed for contracts.

326. *By Mr. Lyne.*—You mean that a contractor may not get men at a fair price when harvesting and sheepshearing is competing with him? Yes; and they have a certain amount of labour of their own, and if they have to hire men at a high rate of wages they must get more money for the contract.

327. If you have anything further will you add it in writing? I will.

TUESDAY, OCTOBER 26, 1886.

MR. W. C. GRUBB, *called and examined.*

328. *By the Chairmen.*—Have you had much experience in public works in Tasmania? I have had contracts for the last 20 years in all parts of Tasmania.

329. In your experience as a contractor for public works, have you at any time come into collision with the Public Works Department? Of course there have been disputes at times, and we thought we had to make our claims. Things were always settled without difficulty; and, till Mr. Duffy came, we considered we were justly and fairly dealt with, but since he came I cannot say the same; and as proof of that, we have done very little work for the Government since.

330. What fault have you to find with Mr. Duffy? I am here to speak the truth, and will do so. He has nothing of the gentleman in him when speaking to anyone. It is something dreadful the way he goes on to contractors.

331. You have to complain of his rough manner? Yes. Everything will go on all right so long as you let him say what he likes, but if you differ from him he loses his temper, and there is no reasoning with him.

332. Does he use bad language? He can do a little swearing, but you cannot reason with him. My brothers have said to me, "We are here to do the best we can, and what is fair and right; but if this is the sort of treatment we are to have from this man the less we have to do for the Government the better," and we have not had many contracts of late.

333. As a fact, you have dropped out of Government contracts to some extent, in consequence of Mr. Duffy's want of consideration? Yes, in consequence of his unreasonableness, and owing to his want of fairness in making deductions.

334. Have you found Mr. Duffy an efficient man? I do not think so—that is my opinion.

335. From your practical experience as a public works contractor, do you consider you are qualified to judge as to Mr. Duffy's efficiency? In a practical way, I do think so—that is, in carrying out the work. There are many men who can draw plans, but if you put them to carry out the work in practice, they are nowhere. I speak from practical experience.

336. Have you noticed any want of his efficiency as an engineer? With regard to bridge-building, I consider he is out of proportion in many things. The top part of the structure is overloaded, and where it requires strength it is overlooked. The piers and walings are too small for the heavy top he puts on. We had one bridge on 12×12 piers, and on each side of the bridge we had 10×4 walings, 12×6 girders, and 12×12 curbing on top of the planking.

337. What was the span? About 30ft., with a plank decking of 6×4.

338. Was it asphalted? No, this one was not; but others are asphalted with 6in. asphalt—that is a tremendous weight. There is a bridge, for example, near Rumney's Hut, Jericho.

339. When was that erected? About 2 years ago.

340. Is it one of several instances that have come under your notice? Yes; there are several others, but I cannot mention them from memory. The Jordan bridge at Brighton was one, with 12×12 curbing.

341. Have you any fault to find with the departmental system in regard to contracts? At times there are things which do not seem right.

342. Are the specifications always what they ought to be? There is one clause which I consider cannot possibly be carried out. It is the clause which states there shall be no appeal from the opinion or decision of the Minister of Lands if any dispute should arise. I think the Minister is a party to the dispute, and it could not possibly be settled without a third party if a serious dispute arose. We have always signed it, but it would not hold good; and I have told Mr. Fincham I would test it in the Supreme Court if necessity ever arose.

343. Are they intelligible? Yes, they are pretty good in that respect. There are times when I cannot clearly understand them, and they might mean one thing while they seem to point out another. In that case, before I take a contract I always go to the office and get an explanation. That has occurred several times.

344. Could they not be made clearer, and that difficulty avoided? I think so.

345. As to conditions of contract, are you satisfied with them as to facilities for Government taking over the work from contractors and completing it? I have nothing to complain of. We have always completed our contracts to time. We have never been behind time.

346. Have you had any reason to complain of delay in dealing with your tenders? Yes, in numerous instances. Sometimes this delay has extended to three weeks, and that involves loss to the tenderer, because he is kept in ignorance of what he has to do, and cannot tender for other works.

347. Has such delay extended over three weeks? I do not recollect that it has. It may have done so, but I do not see why it should be long. There are so many tenders in, and tenderers could know within a few days whether they are likely to get the work or not; but until the tender is absolutely decided, you cannot get any information at all. If you were informed that there was not much probability of your tender being accepted, it might be some guide.

348. Has this delay been generally explained by the fact that the road trusts have made difficulties about taking charge of the roads? We do not get any explanation as to the delays that occur from time to time.

349. Have you had any reason to complain of delays in respect to payments, whether progress or final? Not very often. One reason for that is because I live handy to the office, but if I had to come in from the country it would be another matter. As I live in town it does not take any time to go to the Department, but if I had to come in from the country it would mean a considerable loss and expense.

350. You have to interview the department in order to get your money? Yes.

351. Have you experienced any delay at the Treasury? No; if I go to the Treasury and ask if there is an account for me and they say no, then I expect it is not there.

352. *By Mr. Gray.*—You were a contractor in Mr. Falconer's time and my time? Yes.

353. How did you get on with the Department then? We always got on very well then, and I think better than we do with the schedule prices.

354. That is, that the work was fully set forth in the specifications, and shown in the plans, and the tender taken for a lump sum? Yes, and you took your quantities.

355. Such work as table-draining, clearing and forming the road, was all shown in the contract? Yes.

356. And you tendered for it as a whole? Yes.

357. And you had no difficulty in getting your instalments as you do now? No. After that the plan was to give a plan and specification of the quantity of work to be done, and then you could tender for a lump sum. That was very often a saving to the contractor so long as he could rely on the quantities, as it would save him taking out the quantities. That was much the best way, and we got on very much better.

358. *By the Chairman.*—That system would not work unless the quantities were accurately given? We never had much to complain of about them. We had differences sometimes, but when they were pointed out the matter was always amicably settled.

359. *By Mr. Gray.*—Did you find the old officers willing to accord every facility to contractors in carrying out their work? Yes. We never had anything to complain of—quite the reverse.

360. Would not a contractor have a greater advantage under this system by putting in a low price—say, for grubbing and clearing at per chain, and a high price for where there was little work to do? If you put in a low price where the work was little it would not alter the lump sum much.

361. With the schedule quantities system is it not possible for a sharp contractor to obtain acceptance of his tender by putting down very low prices for smaller items of the contract, while making his profit out of an excessive price for the bulk of the work? They first give the quantities, and, although it is at schedule prices, the tender is a lump sum. If there was a small quantity of anything, and you gave a high or low price for it the total would not be altered much. But suppose a contractor goes over the work, and can measure up as well as the officers of the department, and finds their estimate is considerably under for certain work, he will put in a high price for that item, and as it is put down as a small quantity in the schedule it will not much affect the total; but if it is found that there is ten times the scheduled quantity to do, it affects the total tremendously. There is a considerable amount of risk and unfairness that can exist under this system. The contractor who does not take the trouble, or is not able to see that the quantities are nearly right, may make a great mistake. A man may not be particular about the price for a small quantity of a few hundred yards, but if it actually comes to 10,000 yards it will make a very great difference to him.

362. Is that a satisfactory system? No. We found in the Oatlands railway contract that instead of 1000 yards, as scheduled, the actual quantity was 3000 yards, and if we had not been near the mark with it we would have lost considerably, but we are always careful to look over the work before undertaking it. It is not so satisfactory as it would be if the quantities were given and you asked for a lump sum to do the work. Then the tenders could be settled in a few minutes; the successful one would be accepted and the other released, enabling them to tender for something else.

363. *By Mr. Gray.*—Have you had considerable experience in road-making?

364. Do you consider drainage an essential? Yes; it is very essential.

365. Would you put catch or side-drains near the table-drains? I would keep them as far away as possible where the road will permit it.

366. By keeping them a distance apart the soakage from the catch-drain will not percolate into the table-drain? No.

367. Would you consider a road properly made, or showing good engineering, if clay and soft boggy material was thrown into the road for its formation, that is, what was taken from the drains? If it was clay I would not consider it at all a good bottom.

368. If you had to form a road, what would you recommend as material? I believe in rubble and metal; and the depth of rubble must be varied according to the bottom you have to deal with. If it is clay it will want more rubble than if the bottom is sand. It should be from 5 inches to 9 inches deep.

369. And metal? Yes, not less than 4 inches of metal.

370. What was your mode of construction in the road from Cambridge to Sorell? 5 inches of rubble and 4½ inches of metal.

371. Was it rolled? I believe so.

372. Do you approve of blinding which is taken from the side-drains, and is of a clayey or boggy substance? No. In any case I do not believe in much blinding. I would only have just sufficient to blind it, and then roll the metal.

373. Do you object to a heavy coating of blinding, as where it is not first-class material it becomes mud in winter and dust in summer? Yes, certainly.

374. *By Mr. Laine.*—You say that some of the bridges built by Mr. Duffy are top-heavy—that the piles and works below are unfitted to carry the weight? Yes, they are out of proportion.

375. Is he not furnished with specifications from the head office, and from which he cannot depart? That I cannot say. We get our specifications and instructions from the inspector appointed by Mr. Duffy.

376. Cannot he get the plans from the office? The plans are, I believe, signed by Mr. Duffy before giving them to those under his charge. We have not done many works under Mr. Duffy's charge.

377. *By Mr. Gray.*—Have you ever found any difficulty or inconvenience with the department which is managed by the chief clerk? No, I have always been treated well by him; and if he could do anything to forward a settlement he would do it; and other contractors say the same. I would sooner act with anyone than with Mr. Duffy.

378. Did you not always find Mr. Smith a zealous officer, willing to give every information to contractors? Yes, ever since I have known, since you were in office many years ago, I have always found him the same.

379. Have you anything further to state? I think if a contractor has been many years under the department, and they have confidence in him, should he be only 12s. above a comparative stranger, the tried man should have some consideration shown him if he has proved worthy. I think the department will lose by doing as they did some little time ago, when the work was given to a stranger. The amount was £170, and we were only 12s. higher. It was £170 for a small bridge on the Richmond road, and had to be done quickly on account of the traffic; and we had a contract near it. There was another case. We had a tender accepted for jetty work in Sorell, on December 19th, 1883, and were told not to proceed with the work until further orders. We then waited until February 25th, 1884, and were then required by letter to proceed with the work. We had lost two months of the best time of the year for getting on with the contract. We were willing to proceed with the work, but considered we were entitled to something extra for being detained into stormy weather. We were then told we were released from the contract, but the department would give us nothing.

380. What was the nature of the delay? I do not know.

381. *By Mr. Gray.*—Was it not owing to the vote for a railway being passed? There was nothing in the letter to say so, but we heard there was something about that, but we knew nothing about it ourselves. We had 6 months to do the work, and it would take us into the winter.

382. *By the Minister of Lands.*—You required £50 added to the contract price as compensation for the delay? Yes, but did not get it. It was for the risk of the causeway washing away. It had washed away before in winter, and we were afraid ours would do the same. There is another matter I would like to call attention to. It was in connection with the Arundel road, from Macquarie Plains to Arundel railway station. We tendered for that road, and after our tender went in we received a letter from Mr. Duffy in a few days saying that the tenders exceeded the amount available, and that we were to take off the metalling and rubbling from our tender. This letter was signed by Mr. Duffy, and we heard that Mr. Duffy's son was also a tenderer. Of course it was on schedule prices. We would not alter our other prices on principle, although we were sure the alteration would bring Mr. Duffy's son below us, and it turned out as we expected. We merely took off the metalling and rubbling, and returned our prices for the other items.

383. What was the result? Mr. Duffy's son got it.

384. *By the Minister of Lands.*—He being the lowest? Yes. I do not know how much, but he was the lowest. I do not think anyone could tender under such circumstances.

385. Do you mean that Mr. Duffy's son should be prohibited from tendering for work? Certainly not, but Mr. Duffy should not have to deal with it.

386. Do you know as a fact that Mr. Duffy was not allowed to deal with his son's contract, and that it was placed under other supervision? I do not; I only know that the letter we received was from Mr. Duffy.

387. If Mr. Duffy gave improper information to his son, do you think he could be trusted with regard to other tenders—you imply that he gave information to his son, if so, he is not fit for his position? I did not say he did.

388. Was there anything to prevent you reducing your tender before sending it in the second time? We kept to our prices on principle, but we knew we were out of it.

WEDNESDAY, OCTOBER 27, 1886.

THE HONORABLE N. J. BROWN, *M.H.A.*, re-examined.

389. *By the Chairman.*—Have you heard any complaints against Mr. Duffy, excepting those of want of temper and using bad language to contractors? I have had no official complaints as to Mr. Duffy's demeanor to contractors, except on one occasion recently, in which Mr. Grubb had complained to me that on going to Mr. Duffy's office he had been met by that officer in a somewhat rude and unceremonious fashion.

390. In regard to the dispute that arose between Mr. Duffy and the Forth Bridge contractor, was it not, in your opinion, hasty, at any rate, on Mr. Duffy's part to threaten to cancel the contract, when, as a fact, the bridge was just being completed? I think the threat used by Mr. Duffy was unnecessarily harsh, and thought so at the time. I cannot recall the whole circumstances of the case, but my impression is that I investigated the case and expressed my disapproval of his action in the matter so far as threatening the contractor was concerned.

391. In his evidence before the Royal Commission, Mr. Duffy, speaking of the Leven Bridge, said it was let to a botch, and was a botched job: knowing the facts of the case, do you think he was justified in speaking in such strong terms of that work and contractor? I think he is justified in saying it would have been a botched job if the contractor had been left to follow his own devices, he not being used to bridge-work, and consequently had to be shown to some extent how to carry out his work according to the specifications.

392. Mr. Duffy said the contractor was a botch, and it was a botched job—is that true? I would rather not express an opinion as to whether he is justified in stating that. I am informed the contractor was not an expert in bridge building, and had to be taught to some extent how to carry out his work.

393. Speaking of what the Commissioners had said of the bridge sagging, was Mr. Duffy's language justifiable? I have not seen the work, but from the report of the Engineer-in-Chief I should say the words "botched job" do not accurately describe the work.

394. In his evidence on that same subject Mr. Duffy said, and reiterated it, that the contractor was paid for work he should not have been paid for simply because political pressure was brought to bear in his favour by a Member of Parliament: was he justified in making that statement? Certainly not.

395. Will you state what actually occurred in that case? A dispute having arisen between Mr. Duffy and the contractor, after much correspondence on the subject the member for the district came to me with the contractor requesting that I would personally investigate the matter. This is no more than has been done in many other instances by members of districts in which work is in dispute. In compliance with this very reasonable application I did investigate the matter, and agreed to refer the technical matters in dispute to the decision of the Engineer-in-Chief, and in the settlement of the dispute I approved of the recommendations of the Engineer-in-Chief.

396. Had that member anything to do with the settlement between the contractor and the Engineer-in-Chief? Nothing whatever, beyond assisting the contractor in placing his case before me and the Engineer-in-Chief.

397. Do you consider Mr. Duffy competent to exercise independent control as Engineer of Roads, technically or otherwise? I have no reason to doubt his technical knowledge, and I have already stated in evidence that I look upon him as a valuable officer in so far as he is very zealous in insisting on honest work from contractors, and work in accordance with their contracts.

398. Do you think him qualified to act in an entirely independent capacity? As regards the clerical work of the office I should not think Mr. Duffy very well qualified, but as a matter of fact he has very little to do with that branch, it being managed, for the most part, by the Chief Clerk.

399. To what extent does the Engineer-in-Chief now control or supervise the work of the Engineer of Roads? He does not ever supervise or control in the ordinary sense of the words, but he still has a certain amount of responsibility as consulting engineer in any case of difference between the Engineer of Roads and contractors, or in any case in which the Minister may require his advice and assistance in dealing with matters connected with road construction.

400. Do you think it desirable that the Engineer-in-Chief should be in any way relieved of the responsibility of this branch of public works, he being head of the department? I consider he has been entirely relieved so far as necessary at the present time, and there is no doubt that with the increased duties and responsibilities connected with railway construction the Engineer-in-Chief will have to be entirely relieved from other work. I believe if the

Engineer-in-Chief himself were questioned on the matter he would say he finds no difficulty in discharging the duties he now has to perform.

401. The Engineer-in-Chief being entirely relieved of all responsibility as to roads, would you be satisfied to leave the entire controlling charge of roads in Mr. Duffy's hands? I would like to have some further experience of Mr. Duffy's management under his increased responsibilities before expressing an opinion on that point.

402. Was the Campania deviation, which cost £4000 for 2½ miles, constructed by contract or day work? By day work.

403. Was not the cost of that work excessive? It was, because the work was unnecessarily good, the road being graded almost like a railway. I believe full value was given for the money, but it was unnecessarily expensive for the locality; and I believe, as before stated, the Engineer of Roads made a mistake in his attempt to show what he could do in making an unnecessarily good road on his first taking the position he now holds. He was not aware until the road was nearly completed that the expense was in excess of the amount available.

404. Is any register of deposits kept in the Public Works Office showing the dates of receipt and return of deposits? Yes.

405. Have not contractors frequently to come to Hobart to obtain settlement of their contract payments? They have attended personally at the office occasionally, but the cases are quite exceptional, and I think it is probable in many cases they have had other business in Hobart at the time besides that with the department.

406. You only assume, I suppose, that these contractors had other business that brought them to Hobart? I assume so, because I cannot recall more than one or two cases where they informed me otherwise—where they have said they came to get their grievances attended to.

407. Have not two or three contractors come from West Devon? I have no recollection of it.

MR. WILLIAM SMITH, *examined*.

408. *By the Chairman*.—You are Chief Clerk in the Public Works Office? Yes.

409. Will you tell the Committee what your practice is in regard to keeping a record of contracts, from the beginning to the end? Yes. As soon as the drafting department is ready with the specifications and plans, intimation is given to me that tenders can be invited. The advertisement is immediately inserted in the *Gazette* and the northern and southern newspapers, and a time fixed (about 3 weeks) for the reception of tenders. When the advertisement is thus published, specifications and plans are sent out to the respective places (where they are to be seen), by the clerk in charge of that duty. When the tenders are received, the members of the Board are requested to attend on that day, and the tenders are opened by the board. A clerk is in attendance with the Board, and minutes of the tenders are made in a book kept for that purpose.

410. Have you that minute book? No, it is at the office. It is signed by the members of the Board. The tenders are then scheduled upon a form for that purpose.

411. Have you that form? I have one that has been used, here, which will serve to show the form. They are scheduled upon this form, and checked in the department. The schedule quantities are brought out, and the schedules completed in the office. This completed, they are dealt with by the Head of the Department, either the Engineer of Roads or the Architect, and subsequently by the Engineer-in-Chief. They are then again referred to the members of the Board of Tenders to join in the recommendations, or otherwise, of the Engineer-in-Chief. Then they are submitted to the Honorable the Minister for his decision. Upon the tenders being scheduled, the deposits are entered in a deposit account book and handed to the accountant, who gives a receipt for the deposits; and, upon intimation from my office that the tender is accepted or otherwise, the deposits are returned by the accountant to the unsuccessful tenderers, while that of the successful tenderer is afterwards paid into the Treasury.

412. Are the schedules kept to show all the tenders put in, or only the tender accepted? All the tenders are scheduled, and are entered in a tender book from the schedule forms, after completion.

413. Have you that book? Yes, at the office. I will bring it down.

414. The tender book is the only thing to show the result of the tender? The schedule form shows the Minister's decision; after entry they are placed in presses.

415. Are you of opinion that the system adopted could be simplified? I do not know that it could, so far as my part of the management is concerned.

416. I am referring to the whole of this method of dealing with tenders: could it be simplified? I am not aware that it could, except, perhaps, with reference to the Tender Board. We have to send out to members of the Tender Board; and very often there is a little difficulty in getting the signatures. Sometimes we do not get a majority of the Board, and that causes delay in getting a majority of the signatures of the members.

417. What is the practice of the office as regards getting the consent of road trusts to hold themselves responsible for maintenance? That consent is the first thing obtained after the passing of the vote by Parliament.

418. You do not call for tenders until you have the consent of the road trusts? No. This is the rule, but there are exceptions in order to hasten works.

419. How was it that in the case of the Moreville Road, at Emu Bay, that after the tender was called for a difficulty arose with the road trust as to maintenance? I cannot now say, but I will look it up.

420. There was a deviation through Oldaker's land? Yes, I recall it now. We did not legally acquire the land. We called for tenders to hasten the matter, but had not legally acquired possession of the land, and Oldaker raised a difficulty; hence the delay in dealing with the contractor, as we could not tell him to go on with the work until we had got possession of the land.

421. What delay was there? It must have been several months before we obtained legal possession of the land.

422. Whereby the summer was lost for this work? I cannot tell now, but will be able to look up the papers.

423. Has complaint reached you as to delay in dealing with these tenders? Yes, we have occasional complaints in that respect.

424. Can you point to any instance in which complaints have been made? I cannot call to mind any just now.

425. Will you ascertain and let the Committee know what delay occurred, and the dates, in dealing with the Kindred Road, contract No. 4; the Moreville Road, Emu Bay; Pine Road, contract No. 4,—those three at any rate? *Moreville Road to Main Road, Emu Bay*—Tenders were received 9th September, 1885, for works on Contract 3, and that of Mr. S. Turner recommended; notification was sent on 2nd October, but owing to the difficulties

referred to in connection with land, the owner of which refused to allow the contractor to come on to the ground until same had been conveyed, operations could not be commenced until February, 1886. *Pine Road, Contract 4*—Tenders were received on 27th January, and that of Mr. S. Turner recommended, but delay subsequently took place owing to the contractor stating his inability to proceed with the work in consequence of the approach of winter, and the work was deferred until after winter at his request. *Kindred Road*—Tenders were received 27th January; consent to maintenance not received until 15th March; notification was sent in on 16th.

426. Give the dates in other delayed contracts that you are aware of? *Piper's River Road*—Tenders for this road were invited in February, 1886, but the acceptance of Contract 1 (the only section for which satisfactory tenders were received) has been unavoidably deferred in consequence of the non-receipt of consent to maintenance from road trust. *Glenora to Ellendale*—Tenders were received 14th April, and a tender accepted; subsequently the recommended tenderer declined to carry out the work in consequence of an alleged mistake, and the contract was cancelled (May, 1886); the next lowest tenderer was then communicated with, and agreed to carry out the works during the spring, and has recently started operations. *Scottsdale to Bridport*—Tenders for two sections were received in January, but the accepted tenderers failed to proceed with the works in consequence of an alleged mistake, and contract was accordingly cancelled, and tenders subsequently re-invited, and another tender accepted (October, 1886). *Lisle Road*—Tenders received 6th January, but delay in acceptance occurred in consequence of non-receipt of consent to maintenance; the form was in the first instance sent to the wrong trust, and the necessary consent was not received until 11th March; the tenderer was then communicated with, but declined to carry out the work until after the winter months. Arrangements are now being made for carrying out the contract.

427. Have complaints reached you in regard to delays in payment—whether progress payment or final payment? There have been such complaints.

428. Frequently? No, I would not say frequently; occasionally complaints have been made in this respect.

429. Were the complaints reasonable? In some cases there were grounds for complaint; and in others, of course, there were none.

430. How would you explain the delay in these cases? There are many causes leading to delay in these matters. The accounts may not have been in proper form; the Regulations of the Audit Department may not have been fully complied with, necessitating their return to the contractor or the district inspector; the accounts may not have been properly signed; or there may be some further information wanted from the district inspector.

431. But to what do you attribute the delay when there were reasonable grounds of complaint? Well, when there were reasonable grounds for complaint it could only have been through some oversight on the part of the department.

432. Do you know of contractors having been obliged to come to Hobart from a considerable distance to get a settlement? I know they have come, and I have been very sorry for it.

433. Is there any recognised system in the office by which penalties and deposits are fixed? The amount of deposit is fixed by the officer preparing the specification.

434. Is there no principle? Yes, generally a percentage; but exceptions have to be made in large works. It is usually fixed upon a fair percentage. The question is more in the line of the officer preparing the specification.

435. But it would come under your observation? No, except by an examination of the tenders. There is an understanding to the effect I have referred to.

436. *By Mr. Lewis*.—Is any delay caused to your department by delay in the Law Officers of the Crown in the way of getting conveyances and that sort of thing? Yes. We are subjected to a great deal of delay in that matter in obtaining conveyance of land taken for road or railway purposes. But, upon the whole, I think the work—at any rate lately—is done much more expeditiously.

437. Is that a reason for delay in calling for tenders? In some it is not. In the case Mr. Braddon referred to—the Moreville road—we called for tenders before we arrived at that stage of the matter, and owing to not having possession of the land we could not go on with the work.

438. *By Mr. Gray*.—Are you aware that difficulties arise between the Engineer of Roads and the contractors? Yes, I am.

439. What is the nature of these difficulties or complaints? Some of the difficulties arose with reference to the payment for work which the contractor considered he was entitled to, and which the Engineer of Roads did not consider he was entitled to. In fact that is, I may say, the principal or only cause, either in dealing with contracts that may have been terminated, or for payments for works that have been completed in accordance with contracts.

440. *By the Chairman*.—Anything beyond this? Not that I can call to mind just now.

441. *By Mr. Gray*.—Do you consider the present complicated method of calling for tenders under schedules preferable to that of describing the entire work in specifications and showing it in plans, and taking a lump sum for the whole work: which do you think the most desirable mode of procedure? I think describing what has to be done, and taking a tender for the whole work in a lump sum.

442. *By the Chairman*.—Both as being less complicated and more satisfactory? More satisfactory to the contractor in tendering, more satisfactory to the department, and less complicated; involving less work, less likelihood of mistakes, and less bickering.

443. And less expenditure, probably? Yes. There is always a possibility of mistakes arising either in the department checking, or in the numerous mistakes contractors are liable to make. Contractors sometimes contend that they did not intend this or calculate that, and it has given a great deal of trouble.

444. *By Mr. Gray*.—The system you last described was the old system? Yes, it was.

445. How long have you been in the department? Twenty-four years.

446. Did you find under the old system that the same difficulties happened with contractors as have arisen during the last eight or ten years? Not to the same extent.

447. In reference to the work or the mode of payment? Well, the contracts then were very small compared with what they are now. The expenditure now is something like £400,000 or £500,000 a year.

448. Were the contractors better satisfied under the old system as compared with the new schedule system? I think they were.

449. *By the Chairman*.—Does any delay arise in the execution of these works through inefficiency of the staff throughout the colony—district inspectors and so forth? I am not aware of any. That would not come specially under my notice.

WILLIAM HENRY CHEVERTON, *examined.*

450. *By the Chairman.*—You are a contractor? Yes.
451. You have had contracts under the Public Works Department? Yes.
452. In the course of the execution of those contracts, have you had any reason to complain of the system adopted by the Public Works Department? Yes, I have.
453. Will you mention those reasons? The principal reason has been the incompetence of the Clerk of Works. This has caused considerable annoyance and delay.
- 453A. What clerk of works? I can illustrate by referring to one at Oatlands. This clerk of works has been placed over a schoolmaster's residence there, and the result has been very unsatisfactory. I don't think he ever saw a building in course of construction until he went on to this job. There has been delay through having to write to the office for information respecting the specifications, in order to get to know the meaning of the specifications. The matter stands this way—if the man appointed over the work is a competent man he is rather an assistance to the contractor than otherwise, as he can judge and decide at the time without delay.
454. Have you found that the specifications are not always intelligible? There are instances of that; but my complaint has been particularly as to the want of knowledge of the supervisor generally.
455. You have had no other cause of complaint? That has been the principal thing I have objected to.
456. Have you found the conditions of contract severe. They are too severe if there is any deviation from the contract, because the whole thing is decided without any reference. I think there should be some arbitration clause inserted to give the contractor more fair play. At present it is one-sided—all is left in the Engineer's hands to decide, and the contractor has to take his decision as final.
457. Have you any reason to complain of delay in progress payments or final payments? Well, there have been instances of several weeks' delay. After notice has been given I have had to wait.
458. Frequently? Yes, on several occasions.
459. Have you experienced any delay in dealing with your tenders? Well, there have been cases, but I think it was partly on account of the money not being voted. The department would perhaps invite tenders for a job, and afterwards get the consent of Parliament. In regard to the hospital job, I had tendered three months before my tender was accepted.
460. Is your experience confined to buildings? Not altogether—I have had contracts for roads.
461. Recently? Yes, I have recently tendered for roads. For instance, I tendered for Arundel Road, and when the tenders were given in the Government wrote and told me that they had not sufficient funds. I reduced the tender and sent in again, and there was a tender accepted for some £1700. The total amount of the contract, I have been given to understand, amounted to £4000 since, although I was led to believe that the department had not £3000 to expend when they asked me to alter my tender. That contract was done by Mr. Duffy, jun. I have not done work under Mr. Duffy, sen.
462. Is there any other contract you wish to mention? Yes, there is the Domain contract. It was first let to a party, it was advertised again, and also a second and third time. The third time the Government did the work themselves; but I believe the contract must have cost more than the amount of the tenders.
463. Generally speaking, is there anything further you would like to add in respect of the contract system of the Public Works Department?—if so, you can do so in writing.

P.S.—I would suggest that a large amount could be saved in supervision. It is necessary to have a clerk of works on jobs to see foundations being put in, or piles for bridges driven. All works after can be seen by periodical visits from the permanent staff or on completion. Discretionary power should be exercised at all times to object to any tender being accepted from any incompetent or otherwise objectionable tenderer, as my experience proves that there are some contractors who have no credit at stake, or any wish to perform their work in a satisfactory manner.—W. H. C.

WILLIAM ANDREWS, *examined.*

464. *By the Chairman.*—You are a contractor? Yes.
465. Have you had contracts under the Public Works Department? Yes, I have had road and building contracts.
466. Have you had any cause to complain of the system or practice of the Public Works Department? I have had cause to complain in one case, that Mr. Duffy did not answer me properly; but I had that matter before the Minister of Lands, and it was put right.
467. You say he did not answer you properly—do you mean he used improper language? No; he would not explain the work to me.
468. As to which you made complaint to the Minister of Lands? Yes, and the Minister heard me. Mr. Duffy made some mistake about the work I was doing, and accused me of having done something wrongfully, but he made a mistake in saying so. He made an explanation to the Minister, and I was righted.
469. Have you had reason to complain of Mr. Duffy's manner? I have had reason to complain that he was not very polite to me. He was not rough, but not as polite as he should be in giving me information.
470. Have you had reason to complain of delay in the department in the matter of dealing with your tenders? Yes, in regard to giving us an answer as to the result. It is sometimes a fortnight or three weeks before we can get to know the result.
471. Has that often happened? Not so much lately; there has been a marked improvement.
472. Have you had reason to complain of delay in progress payments? Yes; we have had a bill in days—sometimes a fortnight—before we got paid, and we have had to call several times.
473. That is, after having sent in a voucher? Yes.
474. Have you had any reason to find fault with the plans and specifications as being unintelligible? Yes, in regard to working drawings; we often applied for, and wished they would be more explicit than they are.
- 474A. Have you found the conditions of contract too severe? In dealing with overtime I have found them so. I have had to pay penalty for a few weeks' overtime.

475. The full penalty? Not exactly the full penalty. When I have been doing extra work for the Government I have appealed to Mr. Fincham that I should not be charged a penalty for exceeding time when this was caused by doing extra work for the Government which delayed me. On one occasion I had to pay a penalty when I was delayed at Dunally Jetty with extra work. Owing to the extra work I had not time to go on to a contract at the Saltwater River. The extra work delayed me so that I could not get over to this job, and I considered that it was rather severe that I should have had to pay a penalty. The work was at Tasman's Peninsula.

476. In your opinion does the delay that occurs as to payment, and the hardness of the condition of contracts, tend to make contractors tender far larger amounts than they would otherwise do? It makes them more cautious, but I do not think it makes much difference.

477. *By Mr. Lewis.*—Is the delay in obtaining payment caused by the Treasury or the Lands and Works Department? I cannot say. We often go over to the Treasury and have to come back to the Lands and Works Department to find out where the delay is; they say at one place it has gone over, and at the other place they have not received it. The Minister of course might have been away and not signed the paper, and they might be on his pad for a long time. I have known that to be the case.

478. Have your relations with the district inspectors been satisfactory? Yes.

479. Have you found them competent men? Yes.

480. *By the Chairman.*—If you have anything further to add as to your experience of the Department, or any reason of complaint, will you state them?—You can write the answer.

TUESDAY, NOVEMBER 16, 1886.

MR. WILLIAM DUFFY, *examined.*

481. *By the Chairman.*—What position do you occupy? Engineer of Roads.

482. As far as your experience has gone, how have you found the rules work for contract work under the Department? I have altered the rules very greatly since I have been in charge.

482A. How have they been altered? Formerly contracts were let at a lump sum, now they are let at scheduled rates; formerly contractors were paid 75 per cent. on the work done, now they are paid 90 per cent.; formerly contractors might be paid only once or twice during the existence of their contract, now they are paid every month; formerly contractors were allowed to exceed the time of their contracts from 12 months, 18 months, or two years, now they are limited to time. When they were allowed unlimited time the cost to the Department for supervision was something enormous.

483. Are those the principal changes? I think so. Since the time of my entering the Department I have kept a record of every monthly measurement; previously none were kept—they were not even sent into the office.

484. What rule have you now regarding the alteration of time for contracts? The inspectors are instructed not to furnish any contract which, in their judgment, will require more than three months to be completed in. As a rule, I check them to see that they have not supplied contracts that cannot be easily done in three months. If the contract is not completed in that time the penalty is enforced according to the schedule. Then the contractor has the option of appealing to the Minister. Sometimes, shortly before the contracts are finished, contractors will write to the Minister giving their reasons why they ask for an extension. If the application is reasonable, and we receive a favourable report from the inspector in charge, the request is invariably granted.

485. Have any difficulties arisen as to this limitation of time? Sometimes contractors find they are not able to complete the work in the time, and if they can give a good reason the time is extended. When a good reason cannot be shown in some instances the whole amount of the fine is enforced, but they are very often let off with paying the extra cost of supervision.

486. Have any complaints been made of delay in dealing with tenders? Yes, constantly.

487. In those cases what has the delay arisen from? I am unable to say.

488. Can you not say why the delay has occurred? Tenders with specifications and particulars come into my hands, and are under my control until they have passed the Tender Board; then they go into the chief clerk's hands, and until the first payment sheet comes in I know nothing about them.

489. *By the Minister of Lands.*—Have you known any cases in which dealing with tenders has been delayed on account of the delay in obtaining consent of local road trusts as to undertaking maintenance? That would occur in cases where tenders were called, perhaps, in oversight, and then our attention is called to the fact that the road trust has not given its consent. I have this morning found out a tender that would have been issued in March if the road trust had given its consent for the maintenance, but that consent has not yet been given.

490. *By the Chairman.*—What road is that? One of the Piper roads.

491. Have not difficulties arisen in obtaining possession of land for road purposes? Constantly; but it is only by accident we get the tenders out so far. Very often before we can submit them to the Tender Board that difficulty crops up and delays work from one to two and a half years. There is often great difficulty in getting legal possession of the road.

492. That difficulty occurs before the tender is submitted to the Tender Board? Yes.

493. Have you known cases of delay after tenders have been submitted to the Tender Board? Yes; I have known it stop tenders going on, and then we have the same difficulty as if the tender had not been submitted.

494. Do you know why delay arose in the cases of Kindred Road, No. 4 contract; Pine Road, No. 4 contract; and Moreville Road? I cannot speak from memory of the two first-named, but will supply them in writing. Regarding the Moreville Road, Turner has the contract, and has nearly completed the work. The delay was caused owing to a deviation through Mr. Oldaker's land, and we thought after the arbitration was settled that we would be able to go on with the work. We thought we had the land, but Mr. Oldaker made great difficulty. Mr. Oldaker made two or three attempts to change the *venue*. We had to be very careful, as previous experience showed us it paid to be careful with him. He wanted alterations and concessions made that we were not prepared to make in the work. The delay arose in getting Mr. Oldaker to give us legal possession of the road. The contractor was told, at the time of letting the tender, that it was subject to our getting possession of the land. There was no hardship in the case, for he knew it depended on when we could get possession of the road. He knew that when we got possession of the land the road could go on.

495. Have you heard any complaints about delays in payment, either progress or final? No delays occur in our mode of payment; and in regard to complaints, the contractors who make them are generally more to blame than anyone else. They are distinctly told they will be paid once a month. I believe they are so paid, and when they make any complaint it is at once inquired into. Many of the complaints are found to have arisen owing to its being the contractor's first contract. The delay occurs in the Treasury, owing to his not having appointed an agent, and not knowing how to get the money from the Treasury. All our payments are made before the 4th of the following month, so far as my contracts are concerned. I invariably attend to any delay immediately it is brought under my notice.

496. Has delay occurred through incompetency of district inspectors or subordinates? I have never seen any occasion for it.

497. You mention in your evidence before the Royal Commission that there are only two of your men able to use the instruments? Yes, that is so.

498. Would not that fact tend to create difficulty in the matter of measuring up? No; the fact of not being able to lay out work as an engineer does not presuppose a man to be unable to measure up work or lay out work on the level. Some of the best measurers I have had in my experience were men who were unable to use the instruments. They have absolutely more skill than many young engineers who hold high testimonials.

499. You do not think any difficulty arises from that cause? I have not heard of any.

500. Have you any means of showing whether contractors, who have got their payments have settled with their workmen? None, except when workmen make a complaint to us; it is not our duty to interfere otherwise. The men know the Government will protect them if they are not paid fortnightly; if they give longer credit to the contractor by allowing their wages to run for one or two months they put themselves in the same position as ordinary creditors. If they make a complaint to us we invariably write to the contractor and tell him no further payments will be made until he has settled with his workmen.

501. *By the Minister of Lands.*—Is there any provision in the terms of contract that contractors must make a declaration to the effect that all moneys due to their workmen are paid before receiving their final payment? Yes, that provision is included in the contract.

502. *By the Chairman.*—Is that adhered to? Yes; before he can receive the money from the Department he must be in a position to make that declaration and say that he has paid his men all moneys due. If the men furnish us with an Order of the Court we pay them the money due.

503. Have you had any recent instances in which contractors have failed to settle with their workmen? The last one I dealt with was four days ago. It was the case of a man named Walker, near Deloraine, who did not pay his people. We cancelled his contract, and told his people that they would have to have recourse to a court of law to enable us to pay them the money due. Men were paid in two or three cases, without proving their case or an order from a Court, as the powers conferred on the Department under the contract were misread. We paid the money to the men on the joint acknowledgment of the contractor that the money was due and the men claiming it. The official assignee, however, said we favoured the men over other creditors, and we now require the workmen to get an Order of the Court, and then we could defy the official assignee.

504. Could not the workmen be protected by some simple rule providing that no payment, either progress or final, should be made until the contractor has produced proof that he has settled up with his workmen? That would cause friction, and the Department would be accused of unjust interference and inquisitiveness. I think the system of the Department is simpler. If a workman has cause of complaint, let him make his complaint, and we can remedy it by stopping payment. We let the contractor know that a complaint has been made, and until the complaint is satisfied we cannot pay him any more money.

505. Do you think payments to contractors might be made more promptly by some change in the system? They are paid once a month.

506. I mean the actual handing over of the cheque? In that matter the Department and the Minister have a master supreme in the Auditor. We are obliged to pay all accounts through the Treasury. We are simply compelled to comply with the Audit Act.

507. When the receipt is sent to the contractor for the amount due, if the sum were sent at the same time to the local post office, a justice of the peace in the neighbourhood, or stipendiary magistrate, and the contractor were empowered upon handing in his receipt duly signed to receive his cheque, would not that be more convenient? It would be a most cumbersome and dangerous system, and would be utterly opposed to the principles of the Audit Act. The Treasurer cannot pay the money without the voucher—they go hand in hand with each other.

508. Do you find that any of the conditions of contract are causes of complaint? Undoubtedly they are, but if you take the number of contracts that go through smoothly, and compare them with those that are found fault with, you will find that the conditions of contract are fairly adequate, and not oppressive. The proportion of contracts where a hitch occurs is not one out of 50, taking the number of contracts running right through.

509. Are complaints made as to these conditions? Occasionally; but it does not follow that the complaints are right.

510. As to what are the complaints made? One source of complaint is by contractors who are just beginning such work, and in extending it they find themselves and their estimate of the work totally at variance with the reality to be performed. Others through insufficiency of means get backward with their pay, and have quarrels with their men. The men refuse to work because of uncertainty of receiving their wages, or of the unwillingness of the contractor to pay them, and they are dissatisfied. Then if the time is not extended they consider it a hardship to inflict the penalty. In other cases men leave the work and go into other business; then they complain if they are fined. Those are principally the causes of complaints as far as I know.

511. Have complaints been made of the specifications? I cannot recall a case to mind. Contractors cannot make any complaints that such and such is or is not required, as we only keep them up to the requirements of the contract. If we ask for anything more they make us pay for it in the shape of extras.

512. Are complaints made as to the specifications not being intelligible? I have not heard of any.

513. In his evidence before the Royal Commission Mr. Moore says the specifications for the Boat Harbour work were quite unintelligible: do you know anything about those specifications? The only work at or near Boat Harbour since I have been in the service is a small road from the main road to Jacobs' Boat Harbour, and we have just now invited tenders for it. The work alluded to was before my time. I cannot understand how the specifications can be unintelligible, for they are all the same in principle, and only differ in particulars. They are always intelligible for all contracts.

514. How are the deposits and penalties fixed—by percentage or otherwise? As far as deposits go they are never hard, especially for small contracts. Any contract from £300 to £500 is fixed by the specification clerk.

The deposit is put down generally at about £1 per £100; but in any contract above £500 the matter is brought to me, and I name an especial deposit.

515. And the penalties? Speaking from memory, and not binding myself to its correctness, I should say the penalties are from 10s to £1 per week for overtime up to £500.

516. You have no fixed principle? No; it is only in the more important work that I interfere at all.

517. Have you heard any complaints in regard to not returning deposits? Yes.

518. Can you say with what amount of reason these complaints were made? I cannot say. The only case in which I know the money was kept back is that of S. Turner for work on the Frankford road.

519. I mean where the tender is not accepted? The moment the tender goes before the Tender Board it is out of my hands.

520. Are those penalties inflicted? I enforce them invariably, then the contractors appeal to the Minister, and he acts as he thinks best. I always enforce the penalties, and would insist on them, unless the matter is brought before the Minister and he decides otherwise. Whatever may be his decision I abide by it.

521. Do you know anything of certain charges made against Jonathan Graham, the district inspector at Deloraine? I happened to be coming out of the Minister of Lands' office when Mr. Conway and another gentleman were going into the Minister's office on a deputation. They then told me that Mr. Haywood had made certain charges against Mr. Graham by word of mouth, and was told it should be put in writing. Mr. Conway showed me Mr. Haywood's letter, and I afterwards got a letter from Mr. Graham giving a direct and point blank contradiction to every word of Mr. Haywood, who was a disappointed tenderer. His charges are directly untrue. He says a road was to have been cleared 66 feet wide and was only cleared 20 feet. That is not a fact. I have compared his letter with the tenders (produced), and you will find by the papers I now table that his charge is totally unfounded; there is not a word of truth in it.

522. Have you arrived at that conclusion after examination of the papers? I have examined them with the letter, and find the latter absolutely untrue. He is an ignorant man, and the only pretext is that in one particular section out of five where the timber had been fallen about, that the contract was all cleared of that timber besides the 20 feet wide. He would lead us to believe that the timber had all to be cleared for a width of 66 feet.

523. You have heard the charges made about private work? I am sure no private contract has been done in that district.

524. *By the Minister of Lands.*—Is it possible for a district inspector to have private work done? It would be utterly impossible, unless the district inspector paid for it out of his own pocket. No such work has come under the Department.

525. *By the Chairman.*—What about the other charges? So far as I am able to judge by going through the papers, it discharges all complaints dealing with the contracts.

526. *By Mr. Lyne.*—One of the most serious charges is that of allowing work to be passed after clearing 20 feet, when tenders are asked for 66 feet? The papers which I produce will show that the charge has no foundation. [The various contracts were here submitted, showing that the whole of the contractors for the work in question tendered for clearing 20 feet; Messrs. Potts and Haywood also sending in a duplicate tender for clearing 66 feet.]

527. *By the Chairman.*—Can you state whether the timber was cleared according to the specifications? I cannot say anything beyond what is provided in the specifications. Clearing, as we understand it, is to grub and scrub for 20 feet, and all fallen timber for a distance of 66 feet to be cleared away.

528. Who is the chairman of the Frankford road trust now? Mr. Norman Smith was chairman the last time I had anything to do with that trust.

529. What is your experience of Mr. Graham? I have always found him a most scrupulously careful man and very exact.

530. Have you had frequent opportunity of seeing his work? Yes, repeatedly.

531. You spoke of altering schedule prices from lump sums: do you find that an advantage? I do.

532. Do you not find it leads to disputes? No; only some of the old contractors still name lump sums which do not agree with the schedule. We work the schedule out, and in some cases we give them the option of either taking it at the schedule rate of prices or of throwing up the work, their deposits being returned to them.

533. Would it not be more satisfactory if the work were tendered for in a lump sum? No, to my mind it is not just.

534. *By Mr. Gray.*—Would it not be better to let contracts for lump sums if your plans are drawn up in detail with specifications showing the different work to be done? No; I never knew a specification yet that could not be read differently by the contractor and the department.

535. Is not your system a complicated one? No.

536. In measuring up the work every month, does it not take up a deal of time? It ensures greater accuracy, showing actually what work is done, and what the Government have to pay for.

537. Does it not entail great work on the Department to keep monthly records? You have to go bit by bit through the whole contract and satisfy yourself of the work; but if you estimate a lump sum in the contract, there is a great deal of imagination brought to bear, and you overpay.

538. What imagination could there be if proper plans and specifications were prepared showing the details of work, and thus arriving accurately at the lump sum? As a matter of history, I know that prior to the introduction of the schedule rates our unauthorised expenditure every year amounted to from £1000 to £5000 and £6000. At present it is *nil*.

539. Was not that due to miscalculation on the part of the Department in carrying out the work? No, from supposed actual details of the Inspectors being supplied, and then finding that they had to put in extras.

540. Then the plans and specifications could not have been properly drawn up? No, and there never will be proper plans unless proper plans are prepared beforehand.

541. *By the Chairman.*—Would not the Inspectors have more time to do that if they had not to make up those monthly measurements? There must be monthly measurements if you have monthly payments, and he knows beforehand what the work will be. One system ensures accuracy, and the other leaves a large amount of doubt. Our system is the same as that in all other colonies for carrying out contracts.

542. *By Mr. Gray.*—How many contracts are there in the papers produced relative to the Moreville road? Five.

543. What is the extent of the line of road? The clearing would be something like about four miles.

544. You had five contracts in four or five miles of road? Yes.
545. Do you think that a judicious system? Undoubtedly. I now get the work done in three months; before, it would not be done under two years.
546. *By the Chairman.*—Are contracts let by the Department without calling for tenders. Sometimes.
547. What induces the Department to make these departures from the rule? Take, for instance, the main road in the neighbourhood of Latrobe. We have to provide stone for the road, and the farmers are clearing it off their land. We call for tenders asking what the stone will be stacked on the road for, ready for the stone-crusher. These tenders are sent in, and the Minister examines them. They are private tenders. Take, again, the Barrington road, which has been advertised two or three times vainly. The Inspector is then told to have it done by letting it in small contracts, and have them sent in to the Minister, who submits them to the Board of Tenders.
548. Was the removal of the Forth Bridge let by private contract? Yes.
549. At what price? I think £120. The contractor asked me £150. He had all the necessary appliances on the ground and I had none, so I told him I would recommend £120 if he would tender for that amount. He did so, and I recommended it to the Minister.
550. Was the Leven Bridge removed by day work? Yes.
551. What did it cost? Either £240 or £260, speaking from memory; I cannot say which.
552. What was the reason of letting the Forth Bridge without calling for tenders? The moment the new bridge was fit to be used it was very desirable to remove the old one, for while the old bridge existed it was always a source of danger to the new bridge in case of floods. Mr. Roberts had his plant at the bridge, which I had not. I therefore knew he could do it much cheaper than I could, and I recommended his tender.
553. What was your experience of Mr. Roberts? I always found him a good workman, and one who did his work well.
554. Did you threaten to cancel his contract? I did.
555. How far was he from completing his work when you threatened to cancel the contract? It was near completion.
556. How much remained to be done? Some of the principal stays of the iron work, bolts, stays and struts required for the trusses of the bridge were not supplied or fixed, and the coating of the deck with asphalt also remained to be completed. The reason I was strict with him was because on visiting the work I found 7 or 8 loads of stone thrown on the bridge before the booms and part of the ironwork were put in their places or supplied. I expressed my surprise that he would dare load the bridge so before it was secured. He then offered to take the stone away, but I said, Never mind that, if you do not put any more on until the trusses are secured. I then left, and when I got to Hobart I found by a telegram that he had put more stone on, and had told the Inspector that I had given him permission to do so.
557. What was the result—was the contract cancelled? No.
558. Did he remove the stone? Yes, I believe so.
559. Was not that an ill-advised threat? No, it was nothing but due discipline, and protection to valuable property that had been paid for. If a man will break his pledged word and risk breaking the back of a bridge, because he is disappointed and delayed in receipt of his ironwork, he must be prevented.

WEDNESDAY, NOVEMBER 17, 1886.

MR. W. DUFFY *recalled and examined.*

560. Have you obtained the information relative to the Pine, Kindred, and Moreville roads? I table the following information furnished by the Chief Clerk:—*Moreville Road to Main Road, Emu Bay.*—Tenders were received 9th September, 1886, for works on contract 3, and that of Mr. S. Turner recommended. Notification was sent on 2nd October, but owing to the difficulties referred to in connection with land, the owner of which refused to allow the contractor to come on to the ground until same had been conveyed, operations could not be commenced until February, 1886. *Pine Road, Contract 4.*—Tenders were received on 27th January, and that of Mr. S. Turner recommended, but delay took place owing to the non-receipt of the consent to maintenance from the Road Trust. This was received on 15th March, and notification was sent on 16th. On 24th April contractor wrote stating his inability to proceed with the work owing to the approach of winter; and the work was deferred until after winter at his request. *Kindred Road.*—Tenders were received 27th January. Consent to maintenance not received until 15th March. Notification was sent in, 16th.

The same man had all those tenders, which were some distance apart, and he had overworked himself. He is a good, honest contractor. I was not anxious to push on the works before March, as these roads were to be provided for out of the new loan, which was not then floated, and we had no money. I was, therefore, only too glad that the delay occurred, although it did not occur with the Department.

561. *By Mr. Gray.*—Does not the interference between the contractor and his men entail great and unnecessary work on the Department: I mean interference when he does not pay his men? We are bound by law to protect the workmen against unprincipled contractors. If a workman is not paid every fortnight, all he has to do is to write to us stating that a fortnight's wages are owing, and we immediately write to the contractor telling him that such complaint has been made, and asking him to settle with his people. If he does not pay them we then impound all payments until he has settled satisfactorily.

562. Why does the Department interfere at all between contractors and men? It is forced on the Department by the will of Parliament. It was the regulation when I came to the office, and I consider it a most necessary protection for the workmen.

563. Who furnishes the data on which roads, bridges, and jetties are prepared? The Inspector in charge of the district.

564. Have you found that additions have often to be made in the case of jetties—that the ordinary designs furnished you have not carried them to deep water? Yes, there were several additions made. Last year and the year before we had to go to Parliament for money to take the jetties to deep water. The cause of that, in most instances, was that we had no means of getting out to ascertain the depth of water. It was guesswork from beginning to end as to where the deep water began. We could only take the information obtainable in the district, and it proved, unfortunately, incorrect. There were no boats there.

565. How many years have you been practising your profession? In the colonies I have practised as civil engineer since 1856. I was educated in France as an engineer from 1840 to 1848.

566. Do you thoroughly understand the construction and management of roads? I do.

567. Had you not considerable experience in South Australia? Yes, I was removed from the railway branch there after five years' service, and put in charge of a road district quite as large as the whole of Tasmania.

568. Your education and practical experience would enable you to form an idea of the *modus operandi* of the work of your subordinates? It would give me a good idea.

569. What do you consider the chief features of road construction? The *sine qua non* is that the road should be properly drained; for bridge work or road work, that it should be on a solid foundation.

570. Would it not be well, from your practical experience, that you should see that your officers carry out work of that description? Undoubtedly.

571. On what grade would you construct a road? That depends on the nature of the country. In many places we have to rise from a low level to high tableland, and we very often are forced to make roads on grades against our better judgment, and even against our protest. We know the roads will be useless for heavy traffic. I would not allow a grade on any road to be more than 1 in 18, but we have to make them 1 in 6.

572. Are you aware that there is a flatness given to some roads that will not permit the water to run off them? I shall be very sorry to know it.

573. Do you know the road from Taranna to Carnarvon? I do.

574. Would your experience lead you to believe that road had been properly drained or constructed? I have not had an opportunity of seeing it, but I am under orders to go and inspect it. Unfortunately we had to do that road in winter last year, and when the road was green a tremendous lot of timber was brought down it, doing a great deal of injury to the road. The material there I know is not of the best kind; the stone of an inferior nature for bottom ballast, and the gravel, which we are bound to use from poverty, makes into mud at first, but after being used a little time makes up much better than one would think.

575. Has the water as free a passage generally as it should have? Generally I think it is good enough.

576. Are the water-courses sufficiently large in number and size to carry off the surface water? Yes, in most instances. I am very strict with my instructions for putting in sufficient waterways.

577. *By the Chairman.*—Have you ample time for supervision? No, I have not.

578. Why is that so? I have so much correspondence to attend to: in fact nine-tenths of the whole of the correspondence coming to the Public Works comes to me.

579. *By Mr. Lyne.*—What clerical assistance have you? None.

580. *By the Chairman.*—Have you no clerical assistance in the office? I have none.

581. *By Mr. Gray.*—Where there is not sufficient stoning or metalling on a road will not the carts cut down the subsoil and render it unfit for traffic? Certainly roads only formed will be cut down.

582. You would not consider such a road fit for traffic? No; that is the result of poverty, and much to be deplored when the work is forced upon us.

583. *By Mr. Lyne.*—Do you not consider that a road made in winter and properly finished when the dry weather comes on is the best? Yes, certainly; except in extremes, I prefer a road made in winter to a road made in summer.

584. *By Mr. Gray.*—Is there not then a greater cost? It entails more risk for the contractor, but is better for the road.

585. Does it not cost more to construct a road in winter than in summer? If a contractor knows his work he knows it would cost more, but there is so much competition that I doubt if it would cost the Department more.

586. Have you the option of not accepting the lowest tender? I have nothing to do with accepting any tender.

587. Do you think it desirable to always accept the lowest tender? I very often recommend that the lowest tender shall not be accepted.

588. Your reason is that your knowledge of the quantities leads you to form your judgment that the tender is below the estimated amount? Yes; and invariably where I have so recommended, and the Board of Tenders have given them the work, they have thrown up the work at great loss.

589. Would you prefer an old contractor at a higher rate than an inexperienced contractor at a lower rate? Undoubtedly.

590. *By Mr. Lyne.*—Would it not be right and proper to have the land purchased for the road, and the consent of the road trustees obtained to take over the road when finished, before tenders are issued? Yes, but I am a servant as well as an engineer, and I am told to get out the work. They think it is a commencement to get out the tenders, and I get them out very often against my better knowledge and judgment, when I know the land is not settled for, and the deeds are not out of the hands of the lawyers.

591. You said you paid over wages due to workmen after obtaining a verdict from a court of law—what does that mean? I have known cases where a verdict has not been obtained in a court of law, and relatives have put in fictitious claims, and thus swamped the claims of men who have properly worked on the contracts and whose wages are legally due.

592. Suppose the contractor and men come to an agreement, do you object to pay until you get a verdict in a court of law? Yes; if we did not the official assignee would step in, as he has done before, and say we have given fraudulent preference.

593. Suppose it is not in the hands of an official trustee? That I cannot know. I have to prepare for contingencies, and protect the public. I have known cases in which the estate was not in the hands of a trustee at the time, but we were called on to pay again. We were safe, however—having the order of the court.

594. *By the Chairman.*—Could you have got dismantling of the Leven Bridge done by tender for less than £260? The only tender I had was from Mr. Fogg; his tender was £360. I then had no funds, and the Minister would not sanction it. Afterwards the sum of £300 was put on the next year's proposals for the removal of this bridge. £100 was taken for completing the bridge; thus I had only £200 or so, and I had to get the old one taken down as cheaply as I could. The contractor was finished, and my inspector was idle, and I wanted to keep his services.

595. Do you think the work of removing the Forth Bridge could have been performed for less than that paid? The contractor, Mr. Roberts, formed an estimate; Mr. Brown, the District Inspector, and I formed an estimate, ours being £120. The contractor wanted £150. I said if he would tender for £120 I would recommend that it be accepted, and he did so. I was very glad he took it, for he had a plant, and I would have had to hire one if I did the work myself.

596. With regard to the Pine and Kindred Roads, sections 4, do you say they were delayed by the Leven and Forth Road Trusts? I knew nothing about it; the matter had gone out of my hands.

597. Was a contract held by Duggan Brothers cancelled—if so, why? The tender for the road from Kingston to Leslie held by Duggan Brothers was cancelled.

598. Why? For neglect of work for months, and nonpayment of their men.

599. Is there any correspondence on the subject? Yes, a great deal.

600. Will you produce it? I will get it for you.

601. Have Stabb Brothers made any complaint to the Department? I do not know anything about them. I have nothing to do with them.

602. Do you know anything about Grubb Brothers? Yes, we have constant rows and wars.

603. Have you had any difficulty with Mr. Helmer as to his travelling allowance? Yes. My attention has been called both by the Minister and Engineer-in-Chief to the necessity of inspecting and satisfying myself as to the fairness of the charges made by the inspectors generally for their travelling allowances. In many instances I find that the inspectors have made a practice of charging what I consider excessively; but, as they have always signed it upon honour, I could only accept their statements. Twelve or eighteen months ago I spoke to both Minister and Engineer-in-Chief as to the advisability of putting all upon your scale instead of their charging to the road votes. Amongst other charges I examined those of Mr. Helmer. He is the only one, except myself, whose travelling allowances are regulated by Parliament every year. I found that at the time I examined into the account the amounts voted by Parliament had always been exceeded and excess charged to road votes. This was about the middle of the year. I called his attention to his previous excesses, and warned him that he must not exceed estimates. He did exceed it, and I refused to certify the account as unauthorised expenditure. He and the chief clerk frequently brought my refusal to sign for this before the Minister, who backed my decision up. Especial authority was at one time got ready by the chief clerk for payment of £10 of this claim, and submitted to the Minister for signature. The Minister referred it to me, with a very indignant minute in it, blaming me for allowing such a thing to go forward to him. I then answered the Minister in writing that this had been done unknown to me, and protested most earnestly against payment of the money. I believe some three or four months afterwards a second authority for this was made out, and that upon this Mr. Helmer was paid: I only know of this from hearsay. I have frequently recommended that these travelling allowances should be a fixed charge, as they are in other colonies, instead of being left to the inspector.

604. *By Mr. Lyne.*—Were they charges that had not actually occurred? It is impossible for me to say. I considered the charges extravagantly high.

605. Do you think in other respects that Mr. Helmer is competent? He has improved wonderfully since I have been in the Department. I had very great difficulty with him at first, but I now get his work done fairly accurately and quickly.

606. *By Mr. Conway.*—Is not the work of road-making more substantial when performed partly in winter and partly in summer? Yes, if not in extremes.

607. Would it not give the contractor a better chance to work profitably if he were allowed longer time, so as to get both parts of the season? I give instructions that the work can be fairly done in the time. When I joined the service I found contracts hanging two or three years—in fact, a road was partly worn out before finished, and this led to great difficulties.

608. Do you not consider it a just practice to the workmen to have a law under the contract for securing their wages? I approve of it very highly.

609. You have heard read Messrs. Grubb's letter *re* the Arundel road—what is your explanation thereof? I will state the case. It was a contract for a difficult piece of country, for which there was put down £3000. I was sent up, as it was difficult country, and I laid out a road, but it was not pleasing to the Arundel people. Mr. Milne took great action in it, and the road trust, the Minister, and myself examined my line of road. The line Mr. Milne wanted would have cost something like £7000 or £8000, and the ultimate position of the road stood in abeyance for some time. In August I was ordered to survey a line nearer down to Milne's, but all the men were out of the office, and I could not go, as I also had to attend Parliament at that time. Accordingly Mr. Hargreaves came down and surveyed the road in accordance with the instructions of the Engineer-in-Chief and the Minister, to comply with the desire of the people of Arundel, but the estimate being still too high, the Minister would not have it. A combined line of the routes of Messrs. Duffy and Hargreaves was then got out, and it came to £1000 more than the funds available. I was called on to get out the tenders, and three tenders were received—Grubb, Cheverton, and Duffy. The Ministers promised to bring the matter before Parliament and have another £1000 added for completing the road and metalling it, but the session was then nearly completed, and he did not do it. Although the tenders were sent in there was no acceptance and no notification. I believe Mr. Grubb was told his was the lowest tender, but it was against the instructions of the Minister and the Department that anyone was told. The Minister sent for me and asked if I could suggest any way of getting the contract out, as he was anxious to have it proceeded with. I said "Yes; take away the metalling, and have the best of the cuttings to coat the embankments on the road." The three tenderers were then asked to tender again, taking away the item of metalling, and Duffy was the lowest tenderer by £90. He is my son, and the work was taken out of my hands for that reason.

610. You say in your evidence before the Royal Commission that "they (contractors) are persons that require harsh measures to be dealt out to them." Is that your opinion still? Most certainly, and I repeat it again. Three or four men are not a sample of 300 or 400.

611. Were you speaking generally? No, only of those who complain. It is only those who shuffle and do not know their work; these are the men who find the conditions harsh, and these are the men who are spoken of. Most of the contractors get through their work pleasantly, well, and honestly.

612. Do you find your work made more easy by dealing harshly with contractors? I do not deal harshly with them, I deal justly. They may call it harshly, but as a matter of fact there is not one contractor out of 100 that I am called upon to interfere with at all.

613. Do you invariably treat contractors with courtesy and consideration? Undoubtedly.

614. *By Mr. Lyne.*—But with firmness? True.

615. *By the Chairman.*—Do you think you were justified in saying, of the Leven bridge, that it was a botched job? I do, and I say so now.

616. How did you come to pass it? I could not help myself. I am a civil servant as well as an engineer, and I am obliged to obey orders.

617. How was it you took the bridge over? The work may be a botched job, and slovenly, but yet strong and correct. There is a difference between a tradesman finishing a job, and a man who knows nothing about it, and still it may be substantially completed after repeated alterations and additions.

618. Then the job was a satisfactory one? Undoubtedly.

619. And one that you would not have any hesitation to take over? No.

620. You say it was let to a botch? Yes.

621. Were you justified in making that remark? I have some of the bolts that Mr. Fogg put into the bridge that he had to take out under orders, made with ends of the specified sizes with iron of a smaller and weaker centre. He also made four or five different orders to the sawmills for timbers of too small a scantling and size, and had to amend these orders by sending for other timbers of right scantling. No tradesman would order timber in that way.

622. *By Mr. Lyne.*—Were the bolts not strong? They were not honest; they were used for the purpose of fraud. There were about 70 or 80 of them, and I have kept 3 or 4 as samples. They have been in the possession of one of my officers ever since taken out, and I can produce them when necessary.

623. Did you order the work to be pulled down? I ordered those bolts to be taken out.

624. *By the Chairman.*—You say Mr. Fogg was paid for work that he ought not have received payment for, because political pressure was brought to bear: was there arbitration? There was.

625. Who was the arbitrator? Mr. Fincham.

626. You said that "the contractor got a Member of Parliament to represent his case; there was an arbitration, and the contractor was paid for work I (Mr. Duffy) had cut out of the contract"—was that the case? Not only did I say that, but Mr. Fogg circulated a report to that effect. Previous to Mr. Fogg coming down I had sent word to him that he and the district inspector would measure the bridge together to arrive at items to be charged as additions or deductions, but Mr. Fogg refused. I then sent in an account, but he and Mr. Braddon interviewed the Minister, and the arbitration spoken of was the result.

627. Were you justified in saying that Mr. Fogg was paid what he should not have been paid for, in consequence of political pressure being brought to bear? Yes, that was my opinion then, and it is so still. Members of Parliament who feel justified to interfere between the Department and contractors do so in virtue of their political position.

WEDNESDAY, NOVEMBER 24, 1886.

MR. WM. SMITH, *recalled and examined.*

628. *By the Chairman.*—The letter of complaint said to be from Stabb Bros. was an error, it should have been from Grubb Bros.: will you furnish that letter? I will.

629. Have you any further correspondence dealing with complaints? Yes, from Duggan Bros.

630. Are you sure that the consent form was despatched to the Forth Road Trust on December 11, as stated in the letter of the Minister of Lands, and whether, the Forth trust having delayed so long to send in their consent, any action was taken by the Department to expedite matters? The form for consent of trust *re* maintenance was sent from this office to the chairman on or about 11th December, but no record can be traced in this instance of any action having been taken by this Department to hasten receipt of consent.

631. The reason given for the delay in regard to the Pine Road contract No. 4, was that the road trust had delayed to accept the maintenance of the same, whereas, the papers before us show that the Leven Road Trust formally accepted the maintenance on December 21, 1885: how do you reconcile those statements? The answer to this question is given in my corrected evidence, question 425. Tenders were received on 27th January, approved 13th February, but the formal notification in this case was not sent until the 18th March, owing to a very large number of tenders being dealt with at this time. The rule, however, of this Department is, upon tenders being accepted, to notify the contractor by a preliminary note or telegram to this effect, stating that plans, specifications, and formal notification would shortly follow; but it cannot be traced that this was done in this case.

632. Are you familiar with the case of the Arundel station road? Yes.

633. Who was the departmental officer that conducted the negotiations for this contract? As a matter of course the tenders pass through my hands. The schedule of tenders, after being recommended by the Board, comes through my hands for the approval, or otherwise, of the Minister. On November 11th, 1885, three tenders were received for works on the Arundel road—namely, Messrs. W. H. Cheverton, J. W. Duffy, and Grubb Bros. They were in the ordinary course referred to the Engineer of Roads, who recommended Messrs. Grubb's tender as being the lowest. The tenders were then submitted to the Board of Tenders, who concurred in the Engineer of Roads' recommendation recommending the acceptance of Messrs. Grubb's tender. The Tender Board that day was represented by the Engineer-in-Chief and Mr. Francis Butler. The contractors (Messrs. Grubb) called at the office about this time to enquire the result of the tenders. My rule is to give contractors every information I can, consistently with my position. If their tender is the lowest, I say so, in order to give them some information of the fact, but always adding that its acceptance is subject to the Minister's approval. Grubb Bros. were accordingly told that they were the lowest tenderers, and that their tender had been recommended by the Tender Board for the Minister's approval. The tenders are then taken by me before the Minister for his approval, or otherwise, upon this recommendation. I pointed out to the Minister that certain reductions would have to be made in order to keep the work under this contract within the limit of the vote sanctioned by Parliament. He then directed me to request the Engineer of Roads to submit a list of such reductions for the Minister's consideration before accepting the tender of Grubb Bros. That was on the 16th; and on the 18th I was away at New Norfolk, on leave of absence for one day, and on that day, I assert, a grave mistake was made: the schedule taken—I maintain, out of course—by the Engineer of Roads to the Minister, and instructions were given by the Engineer of Roads direct to the three tenderers to submit an amended tender. By a Memorandum on the schedule written by the Engineer of Roads, under date November 18th, he obtained the approval of the Minister to asking the three tenderers to submit an amended tender, omitting certain works. I was astonished on my return to the office next day to find that such a course had been adopted, and I expressed my astonishment to my immediate subordinate officer that these requests had gone out before the Minister had been placed in possession of the facts that had previously transpired between himself and myself, as chief clerk, in connection with the contract. Mr. Reilly, the officer in question, replied that he knew it was a wrong course for the Engineer of Roads to take, and that he remonstrated with him and asked him not to do it. As, however, Mr. Duffy persisted in the letters being sent, Mr. Reilly informed me that he felt he ought not to forward them without first mentioning it to the Engineer-in-Chief, which he did. I consider the course adopted outside the duty of the Engineer of Roads, and I cannot call to mind another similar instance. I then represented to the Engineer-in-Chief that I believed such a course was an act of injustice to the lowest tenderer, and would involve the Department in trouble, the amended tenders resulting, as I had feared they might, in the lowest tenderer in the first instance not being successful in the latter. I again represented to the Engineer-in-Chief what I had previously brought under notice, that I considered it an act of injustice to the Messrs. Grubb Bros. to accept the tender of W. J. Duffy. The Tender Board, however, recommended this tender upon certain conditions as to supervision, and the Hon. the Minister approved of this recommendation.

634. *By Mr. Lyne.*—Do you not consider that Grubb Bros., being the lowest tenderers in the first instance, and having their tender recommended, should have had the opportunity of taking the works with the reductions in order to keep the cost within the limit of the vote? I consider they should, and regard the principle of schedule of rates to imply that this was the proper course to have adopted in this instance.

635. After the amended tenders were received, should not Grubb Bros. have had an opportunity of taking the work and reducing the amount of their tender, and taking the work at Mr. Duffy's tender? I do not consider that would have been the right course, as the office had given each tenderer an opportunity of sending in an amended tender, and had, I think, departed from the proper course in doing this.

636. *By the Chairman.*—Which were the items to be deducted? Top and bottom metal.

637. What would that have reduced the tenders to? Mr. Cheverton, £1916 2s. 6d.; Messrs. Grubb, £1874 1s.; Mr. Duffy, £1690 11s. 8d.

638. Would not Mr. Duffy know that the deductions made would result in his son being the lowest tenderer? I cannot reply to that. This step had taken place in my absence, and I maintain it was not fair to me or the Minister to take it when I, the officer in charge of the papers, was absent but for one day.

639. Was it not a foregone conclusion, or natural result, that if those items were struck out of the three tenders, that Mr. Duffy's tender would become the lowest? I had no idea on this point at all, nor did I go into figures. I merely regarded the course taken as a wrong one, and protested so the next day when I found out what had been done.

640. *By Mr. Gray.*—Would not the ordinary conclusion to be arrived at be that the letter from Mr. Duffy to the three contractors enabled his son to put in a tender which would appear to be the lowest? I again state I had no thought of this matter. I only considered that the course taken was not the right one.

641. *By the Chairman.*—The result of the deductions was that Mr. Duffy's son's tender was the lowest? Yes. Mr. Cheverton did not tender the second time, and Messrs. Grubb's tender was the same, omitting the top and bottom metal. Mr. Duffy's tender was amended throughout.

642. *By Mr. Gray.*—Would this difficulty have been avoided had the old system been retained—had there been set forth in the specifications and plans the work to be done clearly defined, as for instance, in the plans of the Huon Road? I do not think it would have occurred.

643. As regards the final acceptance of Mr. Duffy's tender, was that recommended by the Engineer of Roads? Yes; he being the responsible officer who first dealt with the tenders. It went through the ordinary course.

644. It was not especially conducted by any other officer of the Department? No, it went through the ordinary course; but the Engineer-in-Chief, before recommending the acceptance for the tender, imposed special conditions for another officer to supervise the work.

645. What are the grounds in your opinion that Messrs. Grubb Bros. were unjustly dealt with in the matter of the Arundel road contract? On applying at the office for information as to tenders, they were informed their tender was the lowest, and that it was recommended for the Hon. the Minister's approval. In the ordinary course of business therefore they would naturally expect that if any tender was accepted theirs would be. I consider they should under these circumstances, as well as from the fact of its being a schedule of prices contract, have been allowed the opportunity of doing such works as the Department might desire to carry out under the contract, and this was the understanding when the Minister requested me to obtain from the Engineer of Roads a list of the reductions which that officer would propose. I consider it very injudicious, when the schedule prices of tenderers became known, as was the case in this instance, to adopt the course that was taken, as it was sure in my opinion to lead to unpleasant suspicions that information as to prices had been surreptitiously obtained. Contractors do say these things, and I consider the opportunity should not have been afforded for doing so.

646. You state that deductions were to be made to keep the amount within the limits of the work: what was the actual cost of the work completed under Mr. Duffy's contract as compared with the second amended tender? Mr. Duffy's second or amended tender amounted to £1784 13s. 3d. The actual cost of the works completed under this contract amounted to £4014 15s. 1d., as will be seen by the papers now before the Committee, which deal fully with the question of the large excess over the amount of the tender. This matter is one that can be best explained by the professional heads of the Department, and is fully dealt with in the correspondence now before the Committee.

THURSDAY, NOVEMBER 25, 1886.

MR. W. SMITH, *recalled and examined.*

647. *By the Chairman.*—In this written memorandum (produced), that Mr. Duffy handed in regarding the delay in dealing with the Pine Road, section 4, it is said tenders were received on January 27, and that of Mr. Turner recommended, but delay took place owing to the non-consent of maintenance on the part of the road trust, and that this was not received till March 15. In the papers before us the consent of the Leven Road Trust to maintain all the roads in the district were sent in on December 21? The information required is given in my previous evidence, answer 425.

648. In this memorandum it says the consent of the road trusts was received on 15th March, and notification sent on the following day, and on April 24th the contractor wrote stating his inability to proceed with the work, &c.? That is incorrect.

649. Then how was it, if the consent of the road trust was received in the middle of December that the tenders were not invited until the middle of March? The explanation of the delay in Section 4 of the Pine Road is that tenders were received on January 27th, and Mr. Turner's tender approved by the Minister on February 13th. The official notification with the specifications for the contractors' guidance did not go till March 13th, owing to their being a very large number of tenders at this time dealt with by the office. The rule of the office is, immediately upon the Minister approving of a tender to notify the contractor by telegram or memo., intimating at the time that the official acceptance and specification will follow in due course. I am unable to trace at present whether Mr. Turner received that preliminary notification after the approval dated February 13th. I lay on the table the complaint of Messrs. Grubb Bros., asked for by the Committee.

650. What is the nature of that complaint? They were not allowed to go on with their contract for Sorell jetty for a time, and claimed £50 additional owing to their being driven with the work into the winter season.

APPENDIX.

Franklin Wharf, Hobart, 4th November, 1886.

SIR,

I HAVE perused and corrected my evidence before the Committee, and as this evidence will no doubt be shortly seen by the public, I would like the Arundel Road matter thoroughly sifted. I send with this the letter I promised to let the Committee have, and suggest the following question :—How can it be possible that Mr. Duffy had nothing to do with these tenders when he signs the letter to us asking for deductions in metalling and rubbing? He has only to send a similar letter to his son, and he knows beforehand what the result would be, because he has the total amounts of the schedule prices before him. As soon as we received the letter we knew what the result would be, but on principle we merely took off the rubbing and metalling at our schedule price, and left all the other prices unaltered.

Did Mr. Duffy's son act on the same principle in sending in his second tender?—if he did, why was this course taken by the Engineer of Roads, when in other cases it has been the custom of the Department to make deductions at the schedule prices from the lowest tender if the tender was over the vote?

We were informed, on applying at the office, that our first tender was the lowest, and was recommended for the Minister's approval. We certainly could not after this understand how it was second prices were asked, but we were determined to stand or fall by the merits of our tender. As Mr. Duffy's tender was accepted, has any more been paid to Mr. Duffy for this road than the amount of our second tender, after deducting the rubbing and metalling?

I have the honor to be,

Sir,

Your obedient Servant,

W. C. GRUBB.

E. N. BRADDON, *Esq., M.H.A., Chairman*
Committee Public Works.

Public Works Office, Hobart, 18th November, 1885.

ROAD—ARUNDEL STATION TO MAIN ROAD, MACQUARIE PLAINS.

MEMO.

It is found necessary to make considerable reductions to keep the cost of this work within limits of vote; viz.—omit metalling top and bottom; material from cuttings (*i.e.* such as is considered suitable), and where ordered to be used as top coating for embankment, and all stone larger than 2½ in. gauge broken down to that size, or smaller.

Messrs. Grubb Brothers are therefore requested to forward to this office, on or before 27th instant, an amended tender for the reduced work as per schedule enclosed.

WILLIAM DUFFY, *Engineer of Roads.*

Messrs. W. C. GRUBB & BROTHERS, *Hobart.*

CORRIGENDUM.

Question 641—*Answer should be*: “Mr. Cheverton's second tender, which was late, was altered in some respects, besides items named.”