

Experience during the war proved the value of a purchasing Department for war material, known as the Munitions and Supplies Department, and it would have been advantageous to extend the functions of that Department and retain it as a peace establishment for the purpose of purchasing stores and supplies for all Departments. This, however, was not done.

At the present time it is more than ever desirable to place the matter of purchase and custody of stores on a sounder footing than it is on at present, and, with a view to determining the best method, the Commissioner recently set up a committee, consisting of Lieut.-Colonel Avery, of the Defence Department; Mr. R. E. Herron, Stores Manager, Public Works Department; Mr. B. B. Allen, Chief Clerk, Government Printing and Stationery Department; and Mr. A. D. Park, Public Service Commissioners' Inspector, to report on the question of co-ordinating the control and purchase of stores and material for such Departments of State as are subject to the provisions of the Public Service Act.

This committee has made a valuable report, in which it is estimated that the adoption of a central purchasing scheme would result in a saving to Government of £50,000 per annum, and has suggested a method of organization, which, however, it may be necessary to discuss further before steps are taken to adopt the report in its entirety. In any case, the unusual trade conditions existing at the present time are such that it might not be possible to carry out the proposed scheme in its entirety without considerable loss of time.

While the Commissioners are in accord with the recommendations of the committee, they consider that it would be desirable, instead of awaiting the establishment of the full organization proposed, to proceed forthwith to carry out the scheme of central purchasing by the appointment of a Director of Stores, who would be assisted by the other members of the Board proposed by the committee, leaving the question of the custody of stores to be dealt with for the present by the existing stores organizations as far as might be found practicable.

Following is a copy of the report:—

The committee appointed by you on the 5th February last to consider the question of co-ordinating the control and purchase of stores and material for such Departments of State as are subject to the provisions of the Public Service Act, 1912, having given full consideration to the subject and agenda supplied, now have the honour to report and recommend as follows:—

1. That a real necessity exists for a centralized stores system in connection with the purchase, custody, and issue of stores for Departments of State.

2. That a Central Stores organization be created—

(a.) To control the purchase of all stores that are common to the requirements of State Departments, except that provision be made by the Board (hereinafter referred to) for individual Departments to procure (1) technical stores, (2) emergency purchases, (3) local purchases (each to be defined by regulation).

(b.) To provide stores systems for all Government Departments, such systems to cover the receipt, custody, issue, disposal, writing-off, stock-taking, and all other matters pertaining to stores.

(c.) To inspect stores and stores systems of all Government Departments.

3. That the Central Stores organization be controlled and managed by a Board of Control, to consist of the Head of such organization (who shall be designated "Controller of Stores"), the Public Service Commissioner or his representative, the Permanent Head of the Treasury or his representative, and four other members of the Public Service to be appointed in terms of the Public Service Act, 1912. (NOTE. It is the opinion of the committee that, wherever possible, the representatives of Departments on the Board be officers with commercial and [or] business experience.)

4. That such Central Stores organization be constituted a separate Department of State.

5. That it is desirable to obtain the necessary statutory authority for the creation of the Central Stores Department.

6. That in framing regulations under the new Act (if provided), in order to avoid confusion, particular attention be paid to existing regulations under the Public Revenues Act, 1910-13, and the Public Service Act, 1912.

7. That the members of the Board be suitably paid for their services, and that the meetings of the Board be held on fixed dates outside the usual office hours.

8. That an amount be appropriated annually by Parliament to provide for the Board's operations.

9. That the functions of the Central Stores organization in the purchase of stores be—

(a.) To indent or otherwise procure stores to be held in stock for issue:

(b.) To arrange periodical contracts under which Departments would obtain their stores:

(c.) To otherwise arrange the purchase of stores.

10. That the functions of the Central Stores organization in the custody of stores be the establishment at Wellington and such other places as may be found necessary of suitable warehouses and yards