

15. Before arriving at our conclusions evidence was taken from Mr. E. A. Shrimpton (Chairman) and Mr. J. B. Jordan (Secretary) with reference to the working of the Public Service Stores Tender Board.

16. The committee also conferred with the Controller and Auditor-General (Colonel Collins) and Colonel Esson (representing the Treasury Department), when matters affecting these Departments (*vide* Agenda, Appendix C) were discussed. The outcome of this conference was that Colonel Collins intimated that he could not agree to any curtailment of the statutory obligations of his Department, but that he would co-ordinate as far as possible with the work of the Board. Colonel Esson agreed that a representative of the Treasury should be appointed to the proposed Board, and was of opinion that there would be no difficulty in co-ordinating the work of his Department with the Central Board.

17. The foregoing report and recommendations have been based on full inquiries made by the committee, and on certain information received from Departments. Appendix A gives details regarding the annual purchasing-value of stores, and in this connection the committee desires to point out that the combined purchases for the year ended 31st March, 1919, by Government Departments controlled by the Public Service Act, 1912, amounted to approximately £1,750,000, and of this the comparatively small amount of only £370,000 was obtained from the source of production. A study of the figures indicates the purchase of stores to be a very large business, and consequently provides scope for a very substantial annual saving.

18. The committee is of the opinion that it would be an advantage to establish a factory or factories in connection with the Central Stores organization for the manufacture of clothing, boots and shoes, tents and flies, &c., and that this matter should accordingly receive serious consideration.

19. The committee wishes to draw attention to the following further advantages derived from the establishment of a Central Stores organization:—

- (a.) Stores would be obtained in quantity, thereby securing most favourable markets for bulk supplies. (See Appendix D—Report of officers of the New Zealand Railways, Post and Telegraph, and Public Works Departments on the question of shipment and purchase of Australian hardwood timbers.)
- (b.) Stores would be purchased by expert stores officers.
- (c.) Sources of supply could be utilized to the fullest possible extent.
- (d.) Elimination of competition in buying which at present exists between Government Departments.
- (e.) The Central Stores organization could, where found desirable, undertake the purchase of stores for local bodies for services subsidized by the Government. (See Appendix E, covering report of Public Health Department in connection with stores for Hospitals and Charitable Aid Boards.)
- (f.) Trade experts could be employed as departmental officers in their relative branches.
- (g.) Economical utilization or disposal of surplus materials.
- (h.) Reserve stocks would be pooled, and, accordingly, the total quantity to be held would not be so great as if reserves were held by each Department.
- (i.) Standardization where possible of stores.

20. In conclusion, this committee wishes to record its opinion that, although the Post and Telegraph Department is not subject to the provisions of the Public Service Act, 1912, and is not therefore included in the order of reference, it should come within the scope of the Central Stores organization by reason of the fact that so many of its stores are common to the requirements of State Departments. Further, that the Central Stores organization could, if desired, be used in certain directions by the Railway Department.

(NOTE.—The various appendices referred to in the foregoing report are not published here.)

STORES AUDIT.

The question of stores audit, to which the Commissioners have often referred, has been advanced a stage by the appointment of a suitable officer of considerable experience in connection with stores management, and the Commissioners have no doubt that the officer appointed will be able to show results which will more than warrant the expenditure on this important work. The Commissioners are in no way responsible for the delay which has taken place in commencing the system of stores audit.

FEEES CHARGEABLE FOR SERVICES BY GOVERNMENT DEPARTMENTS.

Reference was made in last report to the desirability of increasing the fees chargeable for services rendered by Government sufficiently to enable the services to be performed without loss. The Commissioners are not aware that any action has been taken in this direction by Government, but the matter is again submitted, as the Commissioners feel sure that a close examination would show that a revision is in many cases desirable.