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# STORES CONTROL BOARD

(ANNUAL REPORT OF).

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*Presented to both Houses of the General Assembly by Leave.*

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SIR,—

Stores Control Board, Wellington, 12th June, 1923.

I have the honour to submit herewith the first annual report of the Stores Control Board, for the period ended 31st March, 1923.

I have, &c.,

F. J. BROOKER, Secretary.

The Hon. J. G. Coates, Chairman, Stores Control Board.

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## FIRST ANNUAL REPORT OF THE STORES CONTROL BOARD.

ON the 5th May, 1922, a notice was published in the *New Zealand Gazette* constituting the Stores Control Board. Prior to that date it had been recognized that the methods of purchasing the large quantities and great variety of stores required by the State Departments had not been conducted to the best advantage. In the past each Department had arranged its own purchases, with the result that they were at times competing with each other, and the subsequent scrutiny of vouchers by the Treasury and Audit Departments revealed the fact that varying prices were being paid for the same article. It was also apparent that the Government, while being the largest consumer of stores in the Dominion, was purchasing a considerable portion of its requirements in retail quantities at retail prices. A committee was therefore appointed to consider the whole question and submit a recommendation as to the best method of effecting an improvement. The committee held a large number of meetings, and the problem was examined in the fullest detail, and the committee's recommendations led to the constitution of the Board.

The Board consists of the Hon. Minister of Public Works, who is Chairman, and—

- (a) General Manager, New Zealand Railways ;
- (b) Secretary to the Treasury ;
- (c) Under-Secretary, Public Works ;
- (d) Secretary, General Post Office.

In addition to the Board itself the Order in Council constituted the following :—

- (a.) The Advisory Committee, consisting of—
  - (1) Comptroller of Stores, New Zealand Railways ;
  - (2) Stores Manager, Public Works Department ;
  - (3) Stores Manager, Post and Telegraph Department.
- (b.) Three Purchasing Departments—namely, Public Works, Post and Telegraph, and Railway Departments.
- (c.) District Supplies and Tenders Committees.

Briefly, the function of each is as follows :—

The Board : To control and supervise the purchase and disposal of stores required by all Government Departments, and to direct such action as may be necessary to ensure that such stores are purchased to the best advantage.

Advisory Committee : To report to the Board on all matters referred to it for investigation, and to make suggestions for economical purchasing, and generally to co-ordinate the work of the Purchasing Departments.

Purchasing Departments : To arrange, through its Supplies and Tenders Committee, for the supply by public tender, the invitation of quotations, or otherwise to the best advantage, the purchase of such stores coming under its schedule as may be required by any Government Department. The buying officers of these Departments meet weekly and confer as to markets and prices.

Supplies and Tenders Committees : To perform at centres other than Wellington the same functions generally as the Head Office Supplies and Tenders Committees of the Purchasing Departments.

Two of the main objects aimed at were to ensure that purchases would be made by trained officers acquainted with prices, and that the requirements of different Government Departments for the same article or lines would be combined, thus enabling the benefits of bulk buying to be secured.

*Policy.*—It was decided at the beginning that the policy of the Board would be one of service to all Departments, and that with a view to effecting more economical buying the experience of the buying officers and the organization of the three Purchasing Departments acting in conjunction would be made freely available to all requisitioning Departments. Such an important and far-reaching change of policy from a long-established Government practice could not be effected without differences of opinion arising, but the benefits of the new system have now secured general recognition. Practically all stores are now purchased through the Supplies and Tenders Committees, and there can be no question but that considerable savings have been effected.

*Preliminary Organization.*—The preliminary work of organization, such as arranging of details of procedure, designing of forms, and issuing instructions to Departments, &c., naturally fell principally on the Board's Advisory Committee, which commenced operations on the 17th May, 1922. For a considerable time the committee met daily, and still meets at intervals not exceeding one week. This committee considers matters arising out of and incidental to the administration of the Stores Control Board Regulations, and submits recommendations to the Board.

The new system came into practical operation about the end of July, 1922, and within two months was in fair working-order. Over six thousand requisitions have been dealt with by the Supplies and Tenders Committees during the eight months ended 31st March, 1923, and over two hundred contracts arranged for supplies of clothing, bread, meat, milk, &c., for the various institutions under the direct control of Government Departments.

*Standardization.*—It is recognized, however, that the work of the Board is in reality only beginning. The largest savings can and will be effected by the standardization of stores which are used by all Departments. This is now receiving earnest attention, and it is hoped that ere long a number of stores commonly used by a number of or all Departments will have been standardized, and contracts made for supplies, which will result in the saving of many thousands of pounds to the Government.

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