

1924.
NEW ZEALAND.

STORES CONTROL BOARD

(ANNUAL REPORT OF).

Presented to both Houses of the General Assembly by Leave.

SIR,—

Stores Control Board, Wellington, 12th June, 1924.

I have the honour to submit herewith the annual report of the Stores Control Board for the period ended 31st March, 1924.

I have, &c.,

F. J. BROOKER, Secretary.

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

REPORT.

THE year ended 31st March, 1924, has been one of steady development for the Stores Control Board.

The total amount expended for stores during the year was, in round figures, £4,080,000. With the exception of a few small lines urgently required, tenders or quotations were invited for the whole of the stores purchased. For the requisitioning Departments over three hundred contracts were arranged, mostly for daily supplies of perishable stores, and more than ten thousand requisitions were received and dealt with. In addition general contracts available to all Departments have been arranged on very favourable terms for the following articles: Typewriters, motor-spirit, kerosene, corrugated iron, motor-car parts.

A commencement has been made with standardization. Typewriters, stationery, and drawing-materials have been dealt with, and a number of other classes of stores are at present under consideration. Arrangements have also been made for the large purchasing Departments to supply from their stocks articles required in small quantities by other Departments. This has proved convenient and very economical.

The question of marine insurance has received a considerable amount of attention from the Board. Investigations disclose that on shipments arranged by the High Commissioner during the period 1900–1922 the total premiums paid amounted to £159,002, whilst the total claims recovered were £106,793, the difference—being the cost to the Government over and above the amounts recovered—is thus shown to be £52,209. The period under review includes the war period, which was abnormal. From 1900 to 1914 the total premiums paid were £36,751, and the total claims recovered were £9,653, the difference, representing the cost to the Government during this period, being £27,098. In other words, during this normal period of fifteen years the amount recovered from the insurance company was only a little in excess of one-fourth of the premiums paid. In addition, a considerable portion of the stores were imported c.i.f., the insurance being arranged by the suppliers. The actual figures are not therefore available, but it may be assumed that the amount recovered in proportion to the premiums paid is approximately the same as disclosed by the figures quoted above. As a result it has been decided to recommend the Government to carry its own marine risks, and the necessary legislation will be introduced during the present session.

In addition to the purchase of stores, the Board is responsible for the disposal of all stores which have become unserviceable either as a result of fair wear-and-tear or obsolescence. All Departments having stores of any description for disposal advise the Board. If they are not required by any other

Government Department they are valued by a competent independent officer and reserves fixed accordingly. By arrangement the Treasury and the Audit Offices are advised of all sales authorized, and a strict check is thus maintained, ensuring that all moneys received for the disposal of surplus stores are accounted for.

A conference of the Board's purchasing officers was held at Wellington in November, 1923, at which date the new system had been in operation a little more than one year. The object of the conference was to attain uniformity of methods and to consider suggestions for improvement in the light of the experience gained during the period of the Board's operations. Although a large number of remits were submitted for consideration by the various Supplies and Tenders Committees, none of them were of a very far-reaching nature. It is clear, therefore, that the system is found to work satisfactorily by the officers whose duty it is to administer it, and very few complaints, none of them of a serious nature, have been received from Departments.

Applications for exemption from the regulations have been few, and such as were received related to items of a very specialized nature. This tends to show that the Board's purchasing system is working smoothly.

His Majesty's ship "Dunedin," which has recently replaced the "Chatham," is an oil-burner, and consequently it has become necessary for the Board to purchase fuel oil. Although this is an entirely new line, the first contract has been completed on terms that will compare favourably with those obtained by the British Admiralty.

On the occasion of the visit of the Imperial Fleet the purchase of all foodstuffs required was undertaken by the Board. Both the Imperial and the Australian Admiralty Departments have expressed their thanks for the complete and satisfactory manner in which the arrangements were made.

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