

At Greymouth a new store has been erected at Elmer Lane, and is in process of being equipped with standard racks, &c., for service in connection with the new locomotive running-sheds.

Sub-stores, completely equipped with standard racks and bin-cards, have been provided for all locomotive workshops—viz., at Newmarket, two sub-stores; at Petone, one sub-store (new building); at Addington, one sub-store; at Hillside, one sub-store (new building); at Invercargill, one sub-store (combined with main store); at Greymouth, one sub-store (combined with main store).

A new store has been erected at Rangataua to serve as a trust store for Rangataua Maintenance Workshops.

Trust stores have also been established at maintenance workshops at East Town, Kaiwarra, Addington, Dunedin, and Invercargill. At Penrose and Whangarei the new stores system is in operation, but these stores have not yet been equipped with standard racks.

Trust stores have been established for all Inspectors of Permanent-way in both Islands, and all line stocks brought within the stores system.

In the North Island, also in Nelson and Picton Sections, trust-store systems have been established in all locomotive running-sheds and car and wagon depots. The running-shed stores at Thorndon and Ohakune and car and wagon stores at Lambton have been remodelled and equipped with standard racks and bin-cards. Other running-shed trust stores have been overhauled and put into better order. All these trust stores are working on the stores bin-card system.

All material manufactured by locomotive workshops for stock or use outside the workshops has been brought within the stores system.

The internal accounting system of the Stores Branch has been completely remodelled in conformity with the reorganization.

Coal-supplies have been brought directly under the control of the Stores Branch. New Zealand coal is being used to a much greater extent than formerly for railway purposes.

The contract system for local supplies in regular use has been reintroduced under the ægis of the Stores Control Board for the first time since the war period.

Sawmilling operations have been restricted by the closing of Mamaku Sawmill.

Plans are under consideration for a main store on a new site at Addington. A new site has been provided in the workshops-yard for the Hillside main store. A new sub-store for serving the tarpaulin-shop at East Town is about to be erected. The plans of all new workshops made provision for sub-stores and reclamation depots, which will come within the stores system.

The work immediately ahead includes completing tallies of maintenance stocks at Penrose and Whangarei; bringing all locomotive running-sheds and Car and Wagon Inspectors' depots in the South Island into the stores system; taking over Signal Branch stores throughout New Zealand. Later, sales and reclamation depots will be established and the stores system made complete.

A summary of what has been done in regard to main stores, sub-stores, and trust stores is as under:—

Main stores rerecked and system remodelled (with bin-cards)	5
Shops' sub-stores combined with main stores	2
Shops' sub-stores—new buildings provided	2
Shops' sub-stores opened in existing buildings	4
Maintenance works—	
Trust stores opened in new building	1
Trust stores opened in existing buildings	12
Permanent-way trust stores opened	31
Locomotive-running trust stores opened	15
Car and Wagon Inspectors' trust stores opened	6
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In all these stores, sub-stores, and trust stores suitable racking has been provided, and bin-card control is in operation.

STAFF.

Consideration of conditions of work and rates of pay of the staff and interviews with the accredited representatives of the various societies occupies a not inconsiderable amount of the Board's time. Railway employees do not come under the Arbitration and Conciliation Act, and all matters in dispute are discussed between the Board and the societies, and decisions arrived at. During the present Board's term of office many improvements in the conditions of working and remuneration therefor have been made.

In Division I of the Service a complete regrading has taken place. A committee was appointed to go into the matter, and its recommendations were largely followed. The change-over to the regraded positions is still in hand, and will take some little time yet to finalize.

SICK BENEFIT SOCIETY.

The Board has given much consideration to the welfare of the staff, and, in view of the hardships caused to members of the staff through sickness, has encouraged the formation of a sick-benefit society to include and provide for the whole of the members of Division II.

The matter is now well in train. The fund will be administered by elected members of the staff, and will be supported by contributions from employees subsidized by the Department.

The benefits not only to the staff, but also to the Department, from a well-established society of this kind are very real.