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18. Early in September, 1946, work began on the conversion of the establishment into a torpedo and anti-submarine school and electrical school. Such conversion has entailed alterations to existing buildings and the re-erection of surplus buildings obtained from other establishments in the Lyttelton area.

19. The construction work and installation of equipment has been undertaken by the Southern Military Construction Co., in conjunction with naval personnel, and

satisfactory progress has been made.

20. This school, when completed, will be fitted with modern instructional equipment purchased from the Admiralty and will be capable of training up to second-class torpedo anti-submarine and electrical ratings of the Royal New Zealand Navy.

NAVAL STORE, ASHBURTON

21. The naval store at Ashburton ceased to function as from January, 1947.

DUNEDIN

22. All naval establishments in Dunedin set up during the war have now been closed down.

NAVAL CONTROL SERVICE

23. The Naval Control Service Organization which functioned at Auckland, Wellington, Lyttelton, and Dunedin during the war was finally closed down in September, 1946. Many expressions of appreciation for the work performed were received from the shipping companies.

SECTION VII.—PERSONNEL: RATINGS

There are at present 1,206 ratings serving on continuous-service engagements in the Royal New Zealand Navy. During the period of this report recruiting has been continuously open with a view to making up deficiencies caused by the demobilization of "hostilities only" men, and to making up the required numbers of personnel for the minimum post-war manning of H.M.N.Z. ships. To augment the recruitment of direct entries, the scheme for the re-entry of "hostilities only" men has continued and has met with a moderate degree of success, 27 men being re-entered under this scheme. Additionally, 45 naval ratings have transferred from "hostilities only" agreements to "continuous service" agreements. In the period under review 241 men have been recruited (direct entry) for continuous service. Included in the total of numbers serving on 31st March, 1947, 1,486, are 119 "hostilities only" ratings who had applied to defer their demobilization.

SECTION VIII.--PERSONNEL: OFFICERS

PERMANENT OFFICERS

On the 1st April, 1946, there were 123 officers serving on the active list of the Royal New Zealand Navy; of these, 53 were officers lent from the Royal Navy and 32 were temporary officers. Pursuing the policy of replacement of loan officers by permanent Royal New Zealand Navy officers, a number of New Zealand Reserve officers have been transferred to permanent and short-service commissions in the Royal New Zealand Navy. Most of these officers have been sent to the United Kingdom to undergo courses which will properly fit them for permanent service and ensure that the high standard of training of Royal New Zealand Navy officers will be retained.

2. An Electrical Branch has been formed which will eventually take over the duties appertaining to the control and maintenance of all electrical equipment, including the maintenance duties at present carried out by torpedo, anti-submarine, and communication specialists of the Executive Branch. Action has also been taken to correct the anomalous position of Schoolmasters in relation to education officers in the other services, and the Naval Education Branch has been formed. Naval education officers have been transferred from warrant rank to commissioned status