

3. N.Z. PERMANENT STAFF.

The 178 warrant and non-commissioned officers of the N.Z. Permanent Staff are a fine and highly efficient body of men, who have done excellent work in imparting up-to-date instruction to the Territorial Force and Cadets throughout the Dominion. Arrangements have been made by which these instructors will be kept up to date by the holding of an annual course for all the Permanent Staff in each command.

Previous to the war the strength of the Permanent Staff was 211, an excess of thirty-three over its present numbers, which are not sufficient to ensure the maintenance of efficiency. I therefore recommend that an establishment of 200 Permanent Staff instructors be authorized—this number to include non-commissioned officers appointed as quartermaster-sergeants of areas and units for the proper accounting of equipment, clothing, and Government stores, the losses and deficiencies of which during recent years have been very considerable.

It is estimated that the expenditure entailed by the appointment of additional quartermaster-sergeants for store-accounting will be more than compensated by the saving effected through minimizing the losses of Government property.

4. ORDNANCE SERVICES.

The N.Z. Army Ordnance Corps has been considerably reduced during the past year, but it is still in excess of the strength required for its normal peace duties which consist of accounting, storage, issue and receipt, and care of all Ordnance stores for the N.Z. Military Forces.

The following are some of the principal activities in excess of ordinary routine which the Ordnance Corps has been engaged on during the period under review, and which have militated against further retrenchment being carried out:—

(a.) Receipt, accounting, and storage of large supplies of military equipment from the United Kingdom.

(b.) Ordnance issues and accounting in connection with military hospitals and sanatoria.

(c.) Sale of surplus stores.

(d.) Marking of new rifles and equipment and reissuing to Territorial Force and Cadets.

Nearly all of the new military equipment has arrived, and is now being distributed as under:—

(i.) Training equipment to units.

(ii.) Mobilization equipment to depots in each command.

(iii.) Reserve equipment at the main Ordnance depot.

The retention of military hospitals and sanatoria under the Defence Department entails a considerable amount of Ordnance work; and until these institutions are handed over to the Department which is ultimately to be entirely responsible for the after-care of disabled soldiers the Ordnance Corps cannot be much further reduced in number without impairing its efficiency.

The Burnham Industrial School has been taken over from the Education Department for use as an Ordnance depot and training-centre for the South Island. Similar accommodation is urgently needed in the Auckland command, and, until this is provided, mobilization stores for this command are housed at Featherston Camp. The complete demolition of the latter is therefore being delayed pending suitable accommodation being made available in the Auckland District.

Special attention has been paid to economy by the removal of the Wellington Ordnance Stores Branch to Trentham, by reducing the staff where possible, by the collection and sale of waste products, and by the sale of stores not absolutely required for Defence purposes.

Apart from the credits for sales of surplus stores at disposal depots in the main centres, referred to in paragraph (c), the Ordnance department's credits for the year ended 30th June, 1921, for the sale of stores amounted to approximately £70,000.

5. ARMY SERVICE CORPS.

The Army Service Corps has been principally engaged in supply and transport duties in connection with the hospitals and camps, and in transporting to Ordnance depots the new military equipment received from England. A considerable reduction in personnel has been made, and further reductions will be effected when the hospitals now under military control are handed over to the civil authorities, and work consequent on the war further diminishes.

An establishment is now being prepared for the smallest possible permanent Army Service Corps organization, to be maintained for the following purposes:—

(a.) To provide transport and supply details for normal military requirements:

(b.) To furnish instructors for the Territorial Army Service Corps, with provision for expansion on mobilization to the full requirements to meet a national emergency.

Army Service Corps vehicles have been made use of to a considerable extent by other Departments of the State, and certain mechanical-transport vehicles are now on loan to them.

The centralizing of the transport and supply services of the State into one organization, in order to reduce overhead charges and duplication of expenditure by various Departments, which now have a separate staff, garages, and workshops is recommended. It is considered that if a centralized system were adopted at the chief centres, with due regard to business methods and the need in war of standardization of patterns of vehicles, economies of a far-reaching nature would be effected, and the requirements for the defence of the Dominion in a national emergency would be more easily met.

6. ENGINEER SERVICES.

A small section of the Works Branch which was formed during the war has been retained for maintenance of camps and hospitals, and for the demolition of hutments at Featherston Camp. The Under-Secretary and Engineer-in-Chief for Public Works, Mr. F. W. Furkert, has been appointed Director of Military Works; and his services have proved most valuable in controlling the expenditure and arranging for necessary work to be carried out either by contract, by Public Works Department, or by the Military Maintenance Section, as found most suitable and economical.