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Steady progress has been made with the installation of the permanent apparatus at the Wellesley Street, Remuera, Mount Eden, and Ponsonby Exchanges, but the non-arrival of certain material delayed some sections of the work. The material outstanding is now being delivered, and is being installed as quickly as circumstances will permit. In a few months' time, when the air-conditioning plant is installed and in running-order, final adjustments and testing-out of the apparatus will be proceeded with.

The work at the smaller exchanges—Devonport, Onehunga, and Takapuna—is not so far advanced, owing to the non-arrival of essential material; and it is probable that these satellite exchanges will not be worked as automatic until some few months after the "cut-over" of the central area.

When the exchanges now under installation at Auckland were originally planned it was hoped that a hot-water-radiator heating-system would meet all the requirements of automatic-exchange operation. Subsequent experience has shown that some more efficient dehumidifying system is essential in a climate with the average relative humidity existing at Auckland. It has been found necessary to equip the Auckland exchanges with up-to-date air-conditioning systems suitable for correcting the existing conditions of humidity, without at the same time creating unbearable and unhealthy conditions for the staff, as is the case with the simpler dehumidifying systems which rely solely upon the heating of the air for the reduction of the relative humidity.

WELLINGTON METROPOLITAN AREA.

The capacity of the automatic equipment in the Wellington Exchange area has been increased during the year as follows: Courtenay Place, 200 individual lines, 100 two-party lines; Wellington South, 140 individual lines, 100 two-party lines; Kelburn, 400 individual lines. On the 31st March, 1924, there were 9,313 subscribers' main stations in Wellington, of which number 5,431 were operated automatically and 3,882 manually. In addition to these there were 3,438 extension stations, 899 of which were associated with automatic stations and 2,539 with manual stations.

The erection of the new automatic-exchange building at Stout Street has proceeded satisfactorily during the year. The switching-apparatus will be installed on the top floor, which is now being finished off in advance of the remainder of the building to enable a start to be made with the installation work. It is anticipated that the automatic equipment can be installed and brought into operation within eighteen months of the completion of the building. When this equipment is brought into use the telephone service of the Wellington Exchange area will be wholly automatic except for a small number of long-distance party lines.

CHRISTCHURCH METROPOLITAN AREA.

The auxiliary automatic apparatus temporarily installed in the Christchurch Exchange area continues to give good service, and will not be extended in view of the proposed installation of a homogeneous full automatic system.

The work of placing the subscribers cables underground, which is necessary for the satisfactory automatic operation of the area, is proceeding.

The building at Hereford Street to house the main-office full automatic equipment was completed during the year. The apparatus to be installed in this building will commence to arrive shortly, when arrangements will be made for its installation. A portion of the apparatus for the branch exchanges is on hand, and will be installed in conjunction with the equipment at the main office.

DUNEDIN METROPOLITAN AREA.

The erection of the automatic-exchange building at Upper Dowling Street to house the main-office full automatic equipment was completed in December last. None of the material to be installed in this building has yet been received, but the initial shipment is expected shortly. The progress that will be made with the installation work is dependent to a large extent on regular supplies of material being maintained, but it is planned to have the installation completed and working before the opening of the International Exhibition at Dunedin in 1925.

A start has also been made with the installation of equipment at the Roslyn Automatic Exchange, and good progress is being made. The South Dunedin automatic-exchange building was affected to some extent by the heavy floods experienced during the year. Certain alterations are now in progress, and upon their completion this installation will be proceeded with. The Roslyn and South Dunedin Exchanges will be cut over in conjunction with the main equipment of the central exchange at Upper Dowling Street.

HAMILTON.

Material for the extension of the toll-board at Hamilton to provide two new positions was ordered during the year, and is now coming to hand. When this is installed it will enable rural lines, which are at present accommodated on separate switchboards, to be worked from the toll-board.

Owing to the excessively humid conditions prevailing at Hamilton it was found necessary to arrange for an up-to-date air washing and dehumidifying plant to be installed at this exchange. The installation of the plant was completed in August, and since that date it has been possible to control the atmospheric conditions inside the building and to operate the exchange with greater efficiency.