

The most important construction work in progress on the main line during the past year is the Dunedin Station. Since April, 1881, when the question of the locality from whence the material for filling had to be taken was finally settled, the large reclamation contract has progressed steadily, and the whole work is expected to be finished about the end of August. The smaller contract for the reclamation of that portion of the new passenger station between Willis and Stuart Streets, entered into in September, should have been finished last month; but the construction of a sewer that is being carried through the ground by the Corporation has somewhat retarded the work, so it will not be completed before the middle of May.

After a great deal of careful consideration the general plan of the new station has been finally decided on, and arrangements are being made for proceeding with the work piecemeal. A portion of the sidings in the block immediately south of Rattray Street are now being laid for the coal traffic, so that the land in Crawford Street occupied by the present coal sidings may be at once given up to the Harbour Board. Contracts are in preparation for four goods-sheds, of an aggregate length of 1,750 feet, to be erected on the new site, two on each side; and the laying of the station-yard will be carried out along with them, so that they can be utilized as soon as erected.

In carrying out the new station it is proposed first to finish an instalment of the goods station, sufficient to accommodate the whole traffic; and when the traffic is removed, to proceed with the new passenger station, which comes on the eastern end of the present station-yard. By this means it will be possible to work both the goods and passenger traffic without serious inconvenience.

An agitation having arisen in Dunedin with reference to the extension of Jetty Street across the goods station, it was ultimately decided to construct a bridge over the station between Jetty and Police Streets, with approaches in Vogel Street. The working designs for the structure are now in progress, and it is proposed to send Home for the ironwork so soon as they are ready.

All the works in hand at the Hillside workshop at the end of last year, including the erection of the machinery, have been completed. The extra land taken has also been enclosed, and a timekeeper's house erected. The filling-in of the extension of the yard is in progress.

A detailed survey has been made of Oamaru Station, with the adjoining properties and street, and laid down to a large scale; it being proposed to prepare a complete design for a large station that can be carried out piecemeal, as the traffic requires. With the exception of the completion of the additions to the passenger station and filling-in the lagoon, there have been no construction works in progress at Oamaru during the year.

The principal station works urgently required at Port Chalmers, including a small engine-shed, are now nearly finished. Nothing has yet been done towards the deepening of berths alongside the new wharf, but it is expected that the Harbour Board will undertake the work now that they have had an addition to their dredges.

A circular engine-shed to hold nine of the largest locomotives, with tenders, is in course of erection at Invercargill, and a 50 ft. turntable in connection therewith has been erected. The engine-shed is a segment of a large circle, with the turntable in the centre. It is capable of being extended as required, stall by stall, till twenty-eight engines are accommodated.

In addition to ordinary extensions and alterations of a minor character, the following station works on the main line have been carried out or put in hand during the year:—New eight-stall engine-shed at Palmerston, with addition of two stalls to old sheds at Palmerston and Balclutha; refreshment-rooms at Palmerston, goods-shed at Pukerau, stationmaster's house at Gore, cattle-yards at Lovell's Flat and Gore; water-services at Milton, Balclutha, Clinton, and Edendale; shelter-shed at Oteramika, Mill Road, and Ocean Beach; coal-sheds at Clinton and Bluff; loading-banks at Lovell's Flat, Arthurton, Pukerau, Waikaka, and Oteramika; additions to sidings at Herbert, Seacliff, Omimi, Purakanui, Glendernmid, Ravensbourne, Toiro, Kaihiku, and Wairuna; and general rearrangements at Mosgiel and Gore.

*Old Branches.*—These are the branches authorized prior to the initiation of the scheme of 1878. The only extension on them is the continuation of the Duntroon Branch across the Maerewhenua River to Duntroon Township, the commencement of the private line to Hakateramea. As shown by previous reports, the work was begun in 1879, but in consequence of difficulties in acquiring the necessary land it was considerably delayed. The matter was finally settled about the beginning of the year, and the work has since been completed, the last of the station works having been taken over from the contractor in November last.

The other more important construction works on the old branches are as follows:—

*Duntroon Branch:* General improvements at Peebles Station, including water-service and shelter-shed, and additional sidings at Papakaio, Uxbridge, Black's Point, and Bortons.

*Ngapara Branch:* Relaying with 40-lb. rails up to the fifth mile, and strengthening Waiareka Bridge; shelter-sheds at Cormack's, Windsor, and Ngapara; and cattle-yards at Ngapara.

*Ngapara-Livingstone Branch.*—Up till December, 1880, when the works were finally closed, about £35,000 had been expended on the formation of this line in giving work to the "unemployed." Since that time nothing has been done but fencing and such maintenance as was necessary to keep the works from being damaged by the accumulation of water.

A contract has, however, just been entered into for piercing the first tunnel on the line, which is 242 yards long. It is expected to be through limestone rock, but too soft to stand without being lined; the lining is therefore provided for in the contract.

*Palmerston-Waihemo Branch.*—The formation on the first three miles of this line was done in 1879-80, and the platelaying on the first two miles is now in progress; this portion being required to give the Working Railway Department access to a ballast-pit.

A contract for the completion of the formation to 8 miles 55 chains, which is practically the end of the line as authorized, has been entered into this month.

The gradients and curves on the Palmerston-Waihemo Branch are favourable, and the works are very light.

*Catlin's River Branch.*—A contract for the completion of the formation on the Puerua Section, which brings the work up to near the Port Molyneux Road, at 6 miles 76 chains, was entered into on