

This shows the sales of water amounted to £9,788 16s. 8d. for last year, while the previous year they amounted to £9,696 8s. 2d. The actual cash received for water last year was £10,381 11s. 1d., while the previous year it was £9,311 16s. 4d.; thus showing an increase on the sales of water of £92 8s. 6d., and of actual cash received, £1,069 14s. 9d. The expenditure on maintenance has been £1,454 19s. 5d., against £1,656 0s. 1d. of the previous year; thus showing a decrease on last year's expenditure of £201 9s. 8d. The actual profits on last year's transactions were £8,926 11s. 8d., while the previous year they were £7,665 16s. 3d.; thus showing an increase of £1,260 15s. 5d. This result is very satisfactory when it is borne in mind that the price of water was reduced 10s. per head last year. The value of free water given to assist the miners during last year in opening out their claims was £221 3s. 2d.; and the outstanding moneys for sales of water on the 31st of March last were £2,064 15s. The average number of miners employed in working mining-claims with water from this race has been 236; and the approximate amount of gold obtained by them 13,856oz., representing a value of £52,653 3s. Deducting the cash received for water, the average earnings of the miners have been about £3 10s. 9d. per week. The total cost of construction of this portion of the Waimea-Kumara water-supply has been £37,400 2s. 11d., and the profits derived from the working of the race £8,926 11s. 8d.; which gives interest at the rate of about 23½ per cent. on the cost of construction.

Kumara Sludge-channel, Westland.—The stone paving of this work, which was at first objected to by the miners, is now found to work very well, and is infinitely cheaper than the wooden-block pavement. It has been found that one set of 14-inch stone blocks lasts without scarcely any repairs for twelve months. A source of expense now in maintaining the channel is the extension of the various branches. The tailings-site is getting filled up to that extent that the extensions have to be continually carried on at a rapid rate in various directions. The tailings opposite the end of the channel have entirely filled up the place where the Teremakau River originally flowed, and have forced the river against the opposite bank, and are gradually filling up the bed of the river for some distance below the bridge on the Greenstone Road. The miners have constructed another sludge-channel with the assistance by subsidy from Government, which when connected will relieve the present channel to a considerable extent, and enable the whole of the claims to be worked more advantageously, and also allow a greater scope for the deposit of tailings. The following table will show the result of the working of the channel during the past year:—

Month.	Channel Fees.	Amount of Cash received for Channel Fees.	Expenditure.	Amount of Outstanding Moneys at the End of each Month.	Number of Men using the Channel.
1885.					
April	£ 148 7 1	£ 313 12 11	£ 425 3 5	£ 214 9 2	161
May	198 16 9	29 5 8	438 6 2	384 0 2	160
June	213 2 0	299 12 6	400 4 3	297 12 10	167
July	167 11 5	205 4 3	551 10 2	259 16 11	168
August	167 2 1	176 8 5	569 19 3	250 10 7	165
September	212 1 2	236 4 1	524 7 4	227 8 1	166
October	229 5 0	224 3 6	630 10 6	231 8 4	170
November	208 7 11	46 14 0	696 9 9	393 2 3	152
December	137 14 3	530 15 4	525 3 4	5 6 11	154
1886.					
January	169 9 1	..	477 19 3	174 16 0	155
February	146 8 1	84 19 3	442 16 0	146 8 4	156
March	221 13 9	219 1 4	533 3 7	149 0 9	155
Totals	2,219 13 7	2,366 1 3	6,215 13 0	..	1,929

Remarks.—Amount of money outstanding on the 31st March, 1885, £379 15s.; amount of money outstanding on the 31st March, 1886, £149 0s. 9d. Loss on sludge-channel, £3,849 11s. 9d. Average number of miners using the channel during the year has been 161. But this work must be understood to be incorporated with the Kumara Water-race: the one work is essential to the other.

The value of channel fees for the past year has been £2,219 18s. 7d., while that of the previous year was £2,163 16s. 4d. The actual cash received for channel fees has been £2,366 1s. 3d., against £1,732 15s. 1d. for the previous year; thus showing an increase in channel fees of £53 2s. 3d., and of actual cash received £633 6s. 2d., over that of the previous year. The expenditure on maintenance has been £6,215 13s., while that of the previous year was £6,161 14s. 7d.; thus showing an increase of £53 18s. 5d. The actual loss on the working of the channel has been £3,849 11s. 9d., or, in other words, the cost of maintenance has been £2 12s. 2d. for every £1 received for channel fees. The average number of miners using the channel during the past year was 161. The outstanding moneys due for channel fees on the 31st March last were £149 0s. 9d., and value of the free use of channel given to parties during last year was £12 12s. 8d. The total cost of this work up to the present time has been £17,200 12s. 6d.

Waimea-Kumara Water-race and Sludge-channel, Westland.—To take the whole of the works conjointly, although each portion is shown separately, it is all one scheme and under one management, and therefore must be considered as one work. The following table will show the result of working:—