A Board constituted as is herein proposed would not interfere with the local authorities more than the health and safety of the whole district requires, and its members would moreover be in direct touch with all the local authorities. The recomendations herein made are not intended to suggest that the Board should have any other function or jurisdiction than to control the stream, and the main sewer and sewage-farm, and, if necessary, such additional water-supply works as may be required in connection with the sewer or factories or places that either use the water of the stream or wish to place water in it. If, however, any of the local authorities will not connect their drainage or sewage to the Board's system, then it is proposed that, in the interests of all, the Board should have power to do the work at their expense. The scheme I propose will, I think, enable each local body to manage and pay for its own internal drainage, and none of the inhabitants of the different districts will under any circumstances be required to contribute more towards any works than is proportionate to their interest therein.

I have been obliged to recommend that the construction and control of the septic tanks, filters, and sewage-farm be placed in the hands of the proposed Board, as I am of opinion that if they were left under the control of the boroughs who specially advocate their use, the result would be constant irritation and fighting between the local bodies lower down the stream and the proposed Board and themselves.

In these recommendations I have sought to meet the desires of the various local bodies, so far as it is possible to do so, in view of the known difficulties of this case and of the conflicting interests that exist, and bearing in mind also the good of all. In doing so I have tried to suggest a plan which, though not ideal, is, I believe, workable, and which will not interfere unduly with the rights and aspirations of the various local bodies concerned, and which will give them direct representation on the proposed Board, and which is capable, under good management and with greater financial resources, of development into a more perfect system.

The exhibits, and a copy of the notes of evidence at the inquiry, are included

in the addendum hereto attached.

I have the honour to be

Your Excellency's obedient servant, W. S. Short, Commissioner, Wellington.

P.S.—I have held back the foregoing report at the urgent request of the Borough of Maori Hill, which has been endeavouring to make some arrangements with the Dunedin Drainage Board to take the drainage of the part of their district that lies within the Kaikorai watershed. The Drainage Board at first refused to have anything to do with the matter, but at a subsequent meeting rescinded the resolution to that effect, but no definite arrangement has yet been made between the two bodies. Under these circumstances it is quite impossible to know what arrangements will ultimately be made, and I cannot therefore hold back this report any longer.

If the Dunedin Drainage Board does agree to take the drainage from Maori Hill Borough, this would, I believe, still leave the surface drainage in the portion of the Borough of Maori Hill within the Kaikorai watershed to find its way down to the Kaikorai Stream, as the Dunedin Drainage Board would only take

household sewage.

The area of the Borough of Maori Hill within the Kaikorai watershed is very small (about 50 acres), and I cannot see that it is a very serious matter one way or the other. Personally, I am of opinion that the whole of the area within the Kaikorai watershed should be dealt with by one local authority, and nothing that the Borough of Maori Hill has yet been able to bring forward has in any way altered the opinion which I have expressed in the foregoing report.—W. S. Short, Commissioner. 7/9/08.