The formation of Paparoa Station yard is in progress.

A contract is in hand for manufacture of steelwork for bridges on this section.

Marcretu Section (92 m. 16 ch. to 96 m. 38 ch.).—Some of the small culverts have been built, and several of the cuttings opened up on this section.

HUNTLY-AWAROA RAILWAY.

The extension of the Huntly Bridge to form a subway across the Main South Road was completed early in the year. All formation-work and bridges are complete up to 7 m. 225 ch., with the exception of a single-span bridge at 2 m. 65 ch. and an overbridge at 6 m. 5 ch. Within a month or so the line should be completed to 7 m. 22.5 ch.

WAIURU BRANCH RAILWAY (Length, 12 miles 25 chains).

The formation of the first three miles of this line is being carried out by small contracts, whilst further earthworks, culverts, and fencing are in hand under the co-operative system up to 7 m. 23 ch.

The formation of the existing main line from 27 m. 66 ch. to 28 m. 20 ch. has been widened, and rails have been laid and ballasting completed to carry the branch line to Pacrata Station. The concrete piers for the bridge at 0 m. 11 ch. have been erected; the steel superstructure is being manufactured in Auckland.

Two platelayers' cottages have been erected at Paerata Junction.

EAST COAST MAIN TRUNK RAILWAY.

Waihi-Tauranya.

Athenree Section (0 m. to 12 m. 35 ch.).—Two piers of the Victoria Street bridge subway in Waihi have been built, and the roadway has been lowered the full width to give the required headroom. Between 4 m. and 6 m. contracts for the earthworks only are in progress. From 6 m. to 8 m. cuttings, stream and road diversions are in hand. A contract for the manufacture of the steelwork for bridges on this section is in hand in Auckland.

Tauranga-Opotiki.

Te Maunga Section (41 m. to 45 m.).—The earthworks on this section have been put in hand up to the harbour-front, and a start made with the long embankment across the foreshore forming the approach to the bridge across the harbour. Rails have been laid round triangle at junction and to high-water mark. Ballasting has been done on a small portion.

Plans have been made of the bridge across Tauranga Harbour, and one contract let for the

supply of portion of the steel; and offers are now being invited for the supply of the remainder.

Maunganui-Te Puke Section (Maunganui, 0 m. to 4 m. 27 ch.; Te Puke, 45 m. to 54 m.). Considerable subsidence still takes place on the banks on this section, so a steam-navvy has been erected in a suitable position to obtain material for maintaining them. This has so far worked very well. Quarrying and crushing has been continued at Moturiki quarry; a crane has been erected, and everything put in order for procuring stone for the protective work on the long bank across the harbour. Te Puke quarry was opened up and two crushers installed, and a further larger crusher, with elevator, screens, &c., is now being erected.

A considerable amount of traffic has taken place on this section during the past twelve months.

Te Puke - Paengaroa Section (54 m. to 59 m. 65 ch.).—All carthworks have been completed, but the long Kaituna bank gives trouble through subsidence: it is now being made up with stripping from the Te Puke quarry. The bridges are complete, except the Kaituna, for which a contract has been let: the ironbark timber is now on the ground, but no work has so far been done towards erection. Most of the bridges have been erected by the Department's own staff, and the steelwork manufactured in the Department's workshop at Tauranga. Rails have been laid throughout, and the line, including station-yard, completely ballasted, with the exception of the Kaituna bank.

Stockyards and goods-shed have been erected at Paengaroa.

Paengaroa-Pongakawa Section (59 m. 65 ch. to 64 m. 10 ch.).—Nine small contracts were let for earthworks; they have been satisfactorily completed, though subsidence still occurs on many of the banks. Bridges have been erected at 60 m. 76 ch., 61 m. 3 50 ch., and 61 m. 55 ch. The rails have been laid to 62 m. 10 ch., and ballasting is in hand to 61 m. 55 ch.

A contract has been let for the erection of station buildings at Rangiuru, Maniatutu, Paengaroa, and Pongakawa stations.

Pongakawa-Otamarakan Section (64 m. 10 ch. to 71 m. 5 ch.).—Most of the formation-work is complete, except some of the banks and cuttings which have been made narrow: in these cases it will be more advantageous to complete with steam-navvy, locomotive, and trucks.

Otamarakau-Matata Section (71 m. 5 ch. to 80 m. 45 ch.).—A fair amount of earthwork has been done on this section, including side drains and road-diversions.

Gisborne-Motu.

Rakauroa Section (31 m. 25 ch. to 38 m. 25 ch.).—Slips on various parts of this section were very troublesome, therefore a considerable amount of drainage work had to be undertaken before the section was safe for traffic. It was handed over to the Railway Department on the 2nd November, 1914.