and this will give good road access to several settlers in this vicinity. Two portions of the Railway Road—that from the western drain to Mangaroa Station (in Section E 83), and from the Awaiti Road to Section 158—are now in course of construction, and given favourable weather these should be completed at an early date. The Tarawera cross-road has been raised for practically its entire length, and now affords good road access to several valuable swamp sections which have lately been subdivided. The road-line along the southern bank of the Orini Stream from the Rangitaiki River through Sections 61 and 62 has been cleared, and for the past five months coal and other supplies have been conveyed to Priestman No. 3 by this route.

BRIDGES AND CULVERTS.

The carpentering gang has been very busily engaged during the last six months, and two substantial bridges over the Kopeopeo outfall (one in Section 29 and the other at the eastern drain road) have been erected. A large sill bridge was also erected over the Kopeopeo deviation in Section 62; and the gang is now at Matata shifting two goods-sheds from their old sites near the old Matata entrance to the new positions on the bank of the Tarawera outlet. During the year a shipment of large concrete pipes was obtained, and these are now being used instead of wooden culverts, the result being most satisfactory.

FLOATING PLANT.

This consists of two Priestman dredges, one Hammond bucket dredge, two ferry pontoons, one snagging-barge, three coal-barges, one towing-barge, three oil-launches, and various small boats, punts, &c. All the above are in good order.

Buildings.

About the middle of the year the machine-shop was shifted from Matata to Thornton, and placed in charge of a first-class mechanic. After a lapse of a few weeks occupied in moving and re-erecting the shop everything was in first-class running-order, and now the majority of repairs to the dredges, scoops, &c., are carried out at Thornton, at a great saving of expense. A house was erected for the dredgemaster on the Hammond dredge, in which the hut at Hallett's was used, but otherwise the buildings are the same as last year, and all are in good order and condition. The total number now stands at eighteen.

SURVEYS.

The survey staff has been actively engaged during the year, mostly in running trial levels for the various new drains and dredge-cuts which have been undertaken. Altogether a total of thirty-four miles of levels were taken, included in which are the levels for a water-supply system at Matata. Owing to the Tarawera River being diverted the supply of fresh water to the two Maori settlements at Matata has been cut off, so it is proposed to construct a pipe-reticulation system to overcome the difficulty.

In addition to levelling, several land-surveys have been carried out. Schemes for cutting up two blocks, one of which comprises some 2,000 acres, have been submitted to the Commissioner of Crown Lands and approved, and surveys are well in hand.

SUMMARY OF WORKS PERFORMED.

Excavation by dredges	 		320,614 cubic yards.
New outlet drains	 		7 miles.
Cleaning and deepening outlet drains	 		30 miles.
New road drains	 • •		2 miles.
Roads formed (new)	 		4 miles.
Stop-banks formed, Rangitaiki River			7 miles.
Snagging river	 · · · · · · ·	··· .	3 miles 40 chains.
Bridges erected	 		3 miles.

General improvements, snagging, &c., Rangitaiki River; general maintenance to existing works and improvements thereon; together with numerous other minor services.

WORKS EXPENDITURE FOR THE YEAR.

The total works expenditure for the year, including wages, war bonus, hire of teams, repairs, supplies, &c., amounted to £18,332 13s. 8d.: of this amount £14,276 3s. 5d. was paid out of Whakatane Imprest Account. Piecework contracts amounted to £2,532 4s. 6d., day-labour works to £9,674 19s. 1d., hire of teams to £1,696 19s. 3d.

GENERAL.

The wages-sheets for day-labour and contract works are prepared in the Thornton office. Accounts for supplies, &c., are prepared in the Auckland office, where the books in connection with the works are kept. The officer in charge is Mr. J. H. Treseder, Land Drainage Engineer, and he is doing his utmost to expedite the works. Shortage of labour and the unprecedented rainfall of 1917 made the position most difficult both for the Department and settlers.

Inquiries are being made both overseas and in the Dominion for extra dredging plant.

I have, &c.,

J. B. THOMPSON,

The Under-Secretary for Lands, Wellington.

Chief Drainage Engineer.