

With regard to the carrying-out of the works, your Commissioners consider that the procedure should be that each of the interests indicated above viz., the New Zealand Government Railway Department, the Waitaki County Council, the Oamaru Borough Council, the owners of the land injuriously affected, and the General Government shall raise and deposit in a special fund to the credit of the Secretary to the Treasury, in a bank to be approved by him, the sums representing their respective proportions of the cost of the works. The Secretary to the Treasury shall pay to the persons controlling the carrying-out of the works, monthly or, as may be demanded, at longer intervals, the value of the work done, upon the certificate of an officer to be approved by him. The Railway Department shall first proceed to erect the new bridge and divert the railway-line, making the road approaches within their own land up to the limits of their boundaries. The Waitaki County Council shall then proceed with the balance of the works, diverting the roads over the new bridge, removing the old obstructing approaches down to adjacent ground-level, building the stop-banks, fencing, clearing, &c. When the roads have been diverted over the new bridge the Railway Department shall dismantle and remove the existing bridge, which shall become their property.

(ii.) Your Commissioners consider that 1 per cent. of the amount of the shares assessed in paragraph (iii) following, other than those of the Railway Department and the General Government, should be set aside annually and invested as an insurance fund, from which shall be met the cost of repairing or paying for any damage (other than to the works outlined under this scheme) which may occur by reason of a possible failure of the works.

This is a somewhat novel suggestion, and merits some explanation. It is recognized that no works of man can afford complete immunity. While your Commissioners consider that their recommendations will enable any flood such as has been experienced hitherto to be safely passed, nevertheless failure might occur by reason of faulty maintenance, a flood of unprecedented magnitude, sudden erosion due to a change of direction of current during a flood, or other cause. Should such failure occur certain of those intended to be protected will suffer much greater damage than others, and it is to recompense them for this, and to make the sacrifice equitable, that the insurance fund is recommended.

The moneys for this insurance fund shall be collected by the Waitaki County Council, and paid annually on the 31st March to the Public Trustee for investment at the current rate. On the receipt of claims the Public Trustee shall have an investigation made by a Stipendiary Magistrate assisted by two assessors to be selected by the Stipendiary Magistrate, preferably one a civil engineer and the other a farmer. The Stipendiary Magistrate shall call such evidence and take such steps as he considers necessary, and advise the Public Trustee as to the amount to be paid out in respect of each claim, and the Public Trustee shall make the disbursements accordingly.

In the event of damage being done greater than the amount of money in the fund, then the claims shall be paid *pro rata* from the amount available in the fund, and such payments shall extinguish all liability then existing. In other words, no claims shall be carried forward as a charge against other moneys to be accumulated.

(iii.) *Maintenance of Works.* The annual charges to the district are estimated as follows:

	£
Maintenance, labour, and material	76
Interest and sinking fund, 6 per cent. on £7,200, being £18,000 less £7,200 Railway Department's interest and £3,600 Government's contribution	432
Insurance at 1 per cent. on various interests—	£ s. d.
Waitaki County Council (£2,160)	21 12 0
Oamaru Borough Council (£3,240)	32 8 0
Lands affected (£1,800)	18 0 0
	72
	£580

This sum of £580 represents the estimated annual charges on the scheme, exclusive of interest and sinking fund on the amounts to be found by the Railway Department and the General Government.