

The large reclamation contract for the Dunedin goods-station, which has been in operation since 1878, was completed early in the year.

The reclamation for the northern end of the passenger-station, which is being done by the Corporation, is somewhat behindhand, but it will, I have no doubt, be finished in time for the sidings, which are not all required till the new station-building is erected.

Arrangements having been made with the Harbour Board contractors for filling the over-bridge site which extends beyond the original reclamation, the work is now well advanced.

The work of laying the goods-station yard and lines leading thereto has been in progress during the year, and, with the exception of a few connections, the first instalment will be finished in about two months. This is expected to meet the requirements of the traffic for some years to come. About 9 miles of sidings and 140 sets of points and crossings have already been laid in the new station.

The last of the four large goods-sheds in progress at the end of last year was completed in August, within contract time. On the 12th June No. 1 shed, which had for some time previously been occupied by the Working Railway Department, was destroyed by fire. It was decided to rebuild it in brick, with iron roof, framing, and doors, and solid platform, with the view of making it fireproof. The work is now in progress, and expected to be finished in July.

The goods-offices were finished and handed over to the Working Railway Department in January.

A contract has been entered into for the foundation of the new passenger-station, and the working drawings for the superstructure are nearly finished.

A contract for the masonry of the bridge over the goods-station was entered into in August. The piers and western abutments are finished, but the eastern abutment has been delayed pending the reclamation of the site. The proposal to get the iron superstructure for this bridge manufactured in the colony has been carried out, and the result is so far satisfactory. There was good competition in tendering, and the contract has been taken by Messrs. Kincaid, McQueen, and Co., of Dunedin, at a price very little in advance of what it would cost if the ironwork were imported ready-made.

The goods traffic was turned into the new station at the beginning of February, and the old goods-sheds fronting High Street have been removed. It is proposed to utilize the materials in the erection of tarpaulin and timber-drying sheds, and other buildings at Hillside.

The Invercargill Station has been entirely remodelled. New engine- and goods-shed and coal-store have been erected, and the booking-offices and passenger-platform are moved nearer town. A very complete water-service, with artesian well, water-tower, high- and low-level tanks, and pumping engine, has been provided, the storage capacity being 26,000 gallons.

The Bluff Station has also been rearranged and enlarged, as referred to in my last report. The works, which are now completed, have cost in all about £2,500.

The additions to the Hillside workshops which were in progress at the end of last year are now all completed; so is also the platelaying and the filling-in of the ground round the buildings.

In addition to the principal works above described, and others of a minor character that it is unnecessary to enumerate, the following have been carried out or put in hand on the main line during the past year: Drainage of Edendale cutting; extension and improvement of station-yards and buildings at Maheno, Burnside, Henley, Balclutha, Arthurlton, Pukerau, Otikerama, Waikaka, Gore, Charlton, and Mataura; converting blind sidings into loops at various places in Southland; platelayers' cottages at Herbert and Merton; water-supply and weighbridge at Palmerston; and signals at Waikouaiti, Merton, Clinton, and Waipahi.

Old Branches.—The only important work in progress on these line^s during the past year is the relaying of the Duntroon Branch with heavier rails; 6½ miles have been laid in the year. This brings the work up to 15½ miles, leaving 5½ miles to be done.

Ngapara-Livingston Branch.—The first tunnel, which was in progress at the end of last year, was satisfactorily completed in August.

A contract for the second tunnel was entered into in April, but the contractor failed to go on with the work, and it was eventually taken out of his hands. The contract has recently been re-advertised, and a tender is now being accepted.

Palmerston-Waihemu Branch.—The contract time for the completion of the formation and bridges to Jordan's expires next week, and the work will practically be finished then. Jordan's, which is situated at the junction of the Macrae's Road, will form a convenient terminus for the present. Nothing is now required to complete the branch to this point but the platelaying and stations.

Catlin's River Branch.—The Puerua Formation Contract No. 1 was finished in June, and No. 2 in October. In addition to the platelaying and stations, this leaves 2½ miles of formation and a 60-foot bridge to complete the line to the Point Molyneux Road.

Waipahi-Heriotburn Branch.—The formation contract for the extension of the line from Kelso to Heriot was finished early in the year. A contract for the platelaying and stations was entered into in October. The works are now completed, and the line has been handed over to the Working Railway Department, the opening being arranged for the beginning of the new financial year.

Edendale-Toitoto Branch.—The formation of the Mokoreta section was finished this month. The contract had just been let at the date of my last annual report.

Seaward Bush Branch.—The first formation contract, entered into in March, 1883, is now practically completed. The second one, of 2½ miles, let in September, is progressing favourably. The works in both cases are comparatively light.

Waimea-Switzers Branch.—A formation contract for the first 7 miles from Riversdale was entered into in June, and the work is now about half done. The alignment and levels of this branch are first-class throughout. The earthworks are extremely light, and the only heavy bridging is in crossing the Mataura.