Locomotive Workshops, Invercargill.—These have been provided by the erection of four extra bays to the circular engine-shed, and the work was finished under contract on the 27th January.

Minor Improvements and additions on the main line have been effected at Pukerua, Arthurton, Otakarama, Waikaka, Edendale, Henley, Gore, Mataura, and other places.

Branch Lines.

Duntroon Branch.—The re-laying of this—21 miles 28 chains—with heavier rails (53lb.) has been completed, with some extra earthwork and ballasting; and a shelter-shed has been built at Black Point.

Ngapara Branch.—The work of re-laying this branch with heavier rails (40lb.) has been com-

pleted, with extra earthwork and ballasting, and the strengthening of bridges.

Livingston Branch (Rakis' Contract).—This includes four miles of formation and platelaying, starting from its junction with the Ngapara Branch. The work is practically finished, and will be taken over in a short time. The survey of this branch to the end of the 12th mile has been made and contract plan completed, in view of calling for tenders for this work.

Palmerston-Waihemo Railway.—A contract for laying permanent-way and erecting stations has been completed during the year—length, 6 miles 77 chains, making a total length, from its junction with the main line near Palmerston, of 8 miles 55 chains. It was opened to Dunback (the

terminal station) on the 1st October.

Catlin's River Railway.—The contract for permanent-way and stations on this line was completed on the 14th December, and on the 15th December it was opened for public traffic. Its length, from the junction with Balclutha Station to Romahapa, at the Port Molyneaux Road, is 7 miles 72 chains.

Waimea-Switzer's Railway.—A further portion of this line has been surveyed to Switzer's, and a contract can be prepared at short notice. The formation and fencing for the first seven miles

have already been executed.

Seaward Bush Railway (Waimatua Contract).—24 miles long, formation only, extending from the end of the Appleby contract, which was three miles long from its junction with the Bluff line. This work was completed on the 15th June. A contract for platelaying over both these sections was let on the 27th July, 1885, and the work is now nearly finished. The next section of 5 miles 45 chains (Otaramika contract) is now ready, and tenders may be called for when thought desirable.

Invercargill-Kingston Railway, with Branches, including Western Railways.

A few minor improvements and additions have been made on the above at various stations.

Lumsden-Mararoa Branch.—This branch was opened for public traffic on the 13th March for a distance of 6 miles 30 chains, the latest work executed being formation from 6 miles to 6 miles 30 chains and the laying of permanent-way from 3 miles 60 chains, also the erection of necessary station accommodation. Beyond this a contract for formation and permanent-way as far as Mossburn-10 miles 40 chains—has been entered into, and the work is now in progress.

*Riverton-Orepuki Branch.**—The laying of permanent-way and erection of station-buildings over

the last section of this line—10 miles 35 chains—terminating at the Government township of Hirst-

field, was completed on the 27th April, and opened for public traffic on the 5th May, 1885.

OTAGO CENTRAL RAILWAY.

Wingatui Permanent-way Contract (6 miles 65 chains) includes permanent-way, also formation of junction station at main line and laying sidings therein, erection of engine-sheds and coal store and engine-pits, and all sleepers. The work is now all but finished.

Mullocky Contract.—This includes the completion of some unfinished formation from 6 miles 65 chains to 7 miles 54 chains, and was completed on the 3rd February, 1886.

Hindon Section Tunnels Contract includes five tunnels. The work will not be completed within

the date specified, viz., 15th May, 1886.

Wingatui Viaduct; Masonry Piers and Abutments Contract.—This tender was let on the 3rd July, 1885, to be completed by the 3rd January, 1886. The works are, however, behindhand, owing to various causes for delay—amongst others, that of the nature of the foundations in piers 2 and 7, which demanded extra precautions.

Wingatui Viaduct; Piers and Superstructure Contract.—This work is now going on in a satisfactory manner. The whole of the piers will be ready to be conveyed to the site in a few weeks. The contractor will then take up the construction of the superstructure. All the iron required for this contract has been delivered in New Zealand.

Hindon Contract (formation only).—A considerable amount of work yet remains to be done, and

the contract time has expired (3rd March). It will take fully two or three months to complete.

Completion of Deep Stream Contract.—This work, according to contract, should be finished by the 22nd August, 1886; but it is not probable that it will be done until some two or three months

Nenthorn Contract.—Time of completion, 3rd May, 1886. This work will be several months behind time.

It has therefore become necessary to urge those contractors who are behind time to a more vigorous prosecution of their works.

Boring for testing Foundations of other Bridges.—Nearly all these borings have been completed,

and the information will soon be available.

Average Number of Men employed on Public Works.—The numbers for this district stand as follows, viz., Government labourers, 74; contractors' labourers, 674; unemployed (four months), 170: total, 918.