power to a certain extent. The revenue shows a satisfactory increase for the limited plant available, having risen from £1,150 for the former year to £1,406. Meters are being installed as fast as possible in all premises, and are accountable to a considerable extent for this increase of revenue. The output of the plant for the year has been 76,800 units, of which 54,000 were sold to private consumers, bringing in the above revenue of £1,406, and 9,400 units were used for the baths, Sanatorium, tea-house, and other public buildings, valued at £235, and 13,400 units were consumed in public lighting, valued at £335. The working-costs for the year have been as follows: Salaries, £392; wages and materials, £348; proportion of office salaries and expenses, £100: total, £840—i.e., 2.62d. per unit generated. The working-profit from the portion of the output sold to private consumers is thus £666—i.e., 4 per cent. on the capital outlay of £16,364. The value of the free public supply amounts to an additional £570, or 3½ per cent. on the outlay. These results will be largely improved when the plant is extended, as the output can be increased to the extent of three or four times the present output without increasing the working-expenses. The plant is now loaded up to its full capacity, and will require immediate extension. The Kaituna River has been indicated by the Public Works Department as being the most feasible of the large electric-power schemes under consideration. In view of this I have designed an immediate extension to the extent only of duplicating the existing plant, bringing it up to a total capacity of 200 kilowatts. I estimate the increase in demand for the district for the next ten years at about 100 kilowatts per year; and if the larger scheme is to be delayed for any considerable period we shall have to make provision for still further extensions in the meantime.

WATER-SUPPLY SYSTEM.

The cld water-supply system has carried on the service very satisfactorily for the past year, as far as the central portion of the town is concerned. But the low head available, and the heavy demand, particularly for pumping at the baths, has reduced the pressure during a large portion of the day from 35 lb. to 20 lb., with the result that in the outlying portions of the distribution the supply has been very unsatisfactory. Even the higher pressure is not sufficient for fire-extinction purposes. The new water-supply system being installed by the Public Works Department will overcome these defects entirely, and give a pressure of 70 lb. to 80 lb. in the town, which will be ample for all purposes, as well as a much-improved quality of water. Water from the new source was turned into the old reservoir on Christmas Eve, and caused a marked improvement in the quality of the water in the town. The revenue from the water rates for the year has amounted to £370, and the expenditure to £128, leaving a balance of £242 towards interest and depreciation on the capital cost.

DRAINAGE AND SANITARY MATTERS.

The new drainage system has been completed by the Public Works Department, and is ready to put into operation as soon as the improved water-supply is available for flushing. Steps are being taken to convert the Department's sanitary conveniences from the dry system to the drainage system, and it is to be hoped the residents in the town will follow the same course as soon as the drainage system is available. Sanitary matters in the Maori villages of Ohinemutu and Whakarewarewa call for urgent attention if their attraction to tourists is to be enhanced to the extent that they are capable of. The question is being dealt with.

BATH-BUILDINGS.

Special attention has been paid to the old bath buildings during the year, and they have been brought up to a very good order of maintenance considering their condition, and, if required, will be available for service for many years to come. As the new bath-buildings should be in use within a year, it is not so necessary to maintain the old buildings in the same condition as it would be otherwise. The expenditure on this work has amounted to £456 for the year, including repainting and reroofing, as well as ordinary repairs.

SANATORIUM BUILDINGS.

Urgent repairs have been carried out on these buildings at a total cost for the year of £31, but they are deteriorated very largely, and will require a considerable expenditure if they are to be put into first-class hygienic condition. The sanitary works now being carried out will improve them very largely. Plans for extension are in hand.

OTHER BUILDINGS.

The tea-house building has been maintained during the summer, at a cost of £12. The Head Bath-attendant's cottage has been moved from its old position to a more secluded one on the lake-shore, and enlarged, overhauled, and renovated at a cost of £228, and is now in first-class order. The new ticket-office has been built in the grounds for the issue of tickets to the Blue Bath and for the recreation-grounds at a cost of £106, and has proved a great convenience. A new bowling and tennis pavilion has been erected and equipped at a cost of £335, and will also add largely to the convenience of the gardens.

ROTORUA GARDENS.

The gardens themselves have been kept in good order. A very good show of annuals and shrubs has always been maintained. The tennis, croquet, and bowling greens have afforded constant attraction, and have yielded a revenue of £138 for the year. The aviary has proved a useful attraction, and one which is worth developing, as is possible, at a very small cost. Music has been provided in the grounds in the form of thirty-eight concerts supplied by the local town band