

The cash received for sales of water was £91 10s. 2d. less, and the expenditure on gauging, maintenance, and repairs was £13 18s. 5d. greater than during the preceding year.

The head-works at Wainihinihi and Kawhaka, the Waimea siphon, tunnels, main and branch races, have been well maintained, and are now in good working-order.

The old flumings along the Waimea Race are in a very decayed condition, particularly the superstructure, which in most cases is rotten. The revenue from the Stafford section of this race shows a decrease on the previous year, but there is a large area of ground in the locality that will pay for sluicing if worked on up-to-date principles. A portion of this ground has been held for the past eighteen months, and the party has filed an application for twelve heads of water for five hours daily. Unfortunately, there are portions of the Waimea Race between Goldsborough and Stafford that will only carry three heads of water, and there is not sufficient spare water available at present to warrant the expenditure required to increase its carrying-capacity.

The tributers of the Waimea Hydraulic Sluicing Company worked steadily throughout the year, but the results were only fairly satisfactory, as the ground became poorer as they sluiced back from the edge of the Waimea Creek.

Linklater and party worked both their claims during the year with satisfactory results, and purchased water to the amount of £226 3s. 8d. The total value of water purchased by this party since the siphon was completed to lower German Gully is £534 4s. 11d., and the work cost the Department £404 17s. 3d., which gives a clear profit of £129 7s. 8d. in less than two years and a half, and all the pipes are still in excellent condition.

At Tunnel Terrace six parties have been taking water from the race during the year, and as there is still a large area of payable ground in the locality I do not anticipate any falling-off in the sales of water for some time to come. There was a good supply of water during the year, with the exception of the months of February and March, when it was reduced from thirty-three to eighteen heads. Authorized free water to the amount of £5 17s. 1d. was supplied from this race during the year.

The following is a summary showing the revenue and expenditure of the Waimea Water-race for the year ended 31st March, 1911: Sales of water, £854 8s. 8d.; cash received, £847 7s. 3d.; expenditure, £588 8s. 1d.; approximate quantity of gold obtained, £6,957 12s.; average number of miners employed, 31.33.

BRANCH RACE TO CALLAGHAN'S AND MIDDLE BRANCH OF WAIMEA CREEK.

The cash received from this race during the year ended 31st March, 1911, was £359 9s. 7d., and the expenditure for the same period on gauging, maintenance, and repairs amounted to £470 5s., showing a debit balance of £110 15s. 5d. on the transactions for the year.

The average number of miners supplied with water was 16.66, an increase of 0.91 as compared with the previous year; and the approximate quantity of gold obtained by them was 1,024 oz., having a value of £3,993 12s.

The total sales of water amounted to £352 9s. 7d., a decrease of £83 6s. 11d. on the previous year, and the cash received showed a decrease of £106 3s. 5d. The falling-off in the sales of water was principally due to the long spell of dry weather towards the end of the year.

The approximate quantity of gold obtained by the miners was 357 oz. less than during the previous year, representing a decrease in value of £1,392 6s.

The expenditure on gauging, maintenance, and repairs was £132 7s. 10d. less than the previous year, and the races, tunnels, and fluming are now in good order.

M. Hanrahan and party are still working their claim at Goldsborough, and purchased water to the value of £67 13s. 4d. during the year. Carmine and party have been engaged for the past eighteen months in constructing a tunnel tail-race from the Middle Branch Creek above Goldsborough to their claim at Middle Branch Flat, a distance of 1,952 ft. The tunnel is driven for the whole distance under old workings, and in several places (owing to natural depressions in the reef bottom, which could not have been previously ascertained by levels) these old workings were met with on the line of tunnel, and had to be driven through. This greatly increased the cost of the work, but it is now completed, and sluicing operations were commenced a few days ago. There was practically only one party sluicing into the Waimea Main Tail-race during the year. The greater portion of the payable ground commanded by this Main Tail-race, with the exception of the ground on which the Hokitika-Kumara Road now stands, is worked out, but when the road is deviated on to the old workings sluicing into the Main Tail-race will be recommenced by four or five parties. This in conjunction with Carmine's new claim will give an impetus to mining on the Middle Branch Flat, and the demand for water from the Callaghan's Race for two or three years at least should be in excess of the available supply. Flushing-water was supplied to the Main Tail-race during the year free of charge.

At Callaghan's Flat, Havill and party sluiced intermittently throughout the year, with satisfactory results, but, owing to the hard nature of the ground treated, the quantity of water purchased did not come up to expectations. This party has dams on a higher level than the Callaghan's Race, for conserving flood-water to break down the ground and flush their low-graded tail-race. In dry seasons this flood-water is limited, consequently less ground is broken down, and the quantity of water purchased to sluice it away is correspondingly reduced. Cook and Honey did a fair amount of work in their claim during the year, and purchased water to the value of £107 12s. 6d. This amount would have been materially increased but for the fact that there was not sufficient water available during the months of February and March to work their Main Tail-race. Owing to the depth of the ground and the limited pressure from the Callaghan's Race the opening-up of this claim presented great difficulties, and the party had their pipes broken and plant covered over on several occasions by slips from the sides of the face. At the present time, however, they are in fairly good working-order, and the ensuing year should thoroughly test the value of the property. Manzoni and party were greatly impeded by the want of fall in the face and the limited tailing room in the Little Kapitea Creek, and did practically