

Buildings.—Extensive repairs and renewals have been effected. A number of new dwellings have been built. The principal works undertaken were: Auckland—new engine-sheds; Newmarket—new car and wagon shops; Johnsonville—new station building; Picton—new locomotive depot and workshops.

Station-yards.—Additional accommodation has been provided and a number of stations rearranged. The works include Auckland, Ohakune, Kakariki, Smart Road, Te Roti, Johnsonville, Ashburton, and Prebbleton.

Railway Improvements.—Auckland Station: The reclamation of St. George's Bay has been completed. The new engine-shed has been finished, and a portion of the new station-sidings laid.

Auckland—Mercer grade-easements: With the completion of the Manurewa Bank improvement the principal ruling gradients have now been eased, and marked economy in working as well as improved running of trains have been effected. Expenditure on this work during the year amounted to £25,941.

Feilding—Marton grade-easements: The Kakariki deviation was completed during the year, and a substantial saving in train-mileage effected.

Additions to Open Lines.—The expenditure under this heading during the year was £46,155, the principal works being: Signalling and interlocking, block-working, telegraph and telephone facilities, &c., additional siding accommodation, Gisborne; rearrangement Johnsonville (part), Ohakune (part), Kakariki (part), Ashburton (part); new locomotive-engine depot, Picton (part); wharf-shed, Opua; widening George Street Pier, Port Chalmers (part); office accommodation for depot charyman, Greymouth, Nelson; water-service, Belgrove; improved stockyard accommodation, Otiria Junction; pit for car-shop, Nelson; brake-shed lavatory accommodation, Whangarei; purchase of land, Gisborne, Prebbleton, Fordell, Taumarunui, Carterton, Omimi, Petone, Riverton, Hayward's.

Miscellaneous Works.—Additions and improvements amounting to £17,077 and charged to working-expenses were carried out. The works include—Additions and improvements to station buildings, yards, sidings, &c., Swanson (part), Smart Road (part), Taumarunui, Frankton Junction, Inglewood, Featherston (part), Thorndon (part), Lincoln, Lyttelton (part), Ranfurly, Oturua; rearrangements, Ashburton (part), Prebbleton (part), Dalefield (part); deviation and duplication, Ravensbourne (part); overbridge, Otago Central; public station at 5½ m., Huntly-Awaroa (part); improved station approach, Stratford; shunting-legs, &c., Feilding, Halcombe, Greatford, Morven, Woodville, Temuka; workshop additions, &c., East Town (part), Petone, Addington; installation electric power, Addington Shops; improved lighting (electric), station buildings, &c., Rotorua, Trentham, Thorndon, Invercargill; stockyard improvements, Marton and Stratford; new houses, Pukekohe, 5½ m., Huntly-Awaroa (part); hot-water services installed in seventeen cottages; 30-cwt. crane, Levin; engine-shed extension, Cross Creek; goods-shed additions, Te Kuiti; stores and orderly-rooms for Railway Battalions, Frankton Junction, Palmerston North, Timaru, Greymouth; improved drainage, Taihape, Morningside; water-service improvements, Palmerston North, Otaki, Hunterville, Hihitahi, Morrinsville; Pintsch-gas holder, Frankton Junction; Waiteti Viaduct, strengthening (part); additions to Traffic Offices, Wellington; porters' room, Hastings; dredging-booms, Dargaville.

Expenditure.—The expenditure for the year was as follows:—

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Maintenance, charged to working-expenses	720,840
New works, charged to capital	271,752
Other Government Departments, public bodies, and private parties	22,518
Total expenditure	£1,015,110

The maintenance expenditure, charged to working-expenses, amounted to £243 10s. per mile, compared with £251 per mile in 1915-16, and £254 per mile in 1914-15.

When supplies of rails, structural steel, and other materials now difficult or impossible to procure can be obtained the expenditure will have to be increased to overtake arrears of work. Meanwhile every effort is being made to carry out in advance of requirements repair and renewal work for which materials can be obtained. The extent to which this can be done has been limited owing to scarcity of labour.

Mileage.—No new lines have been opened during the year. The mileage open for traffic on the 31st March, 1917, therefore is the same—2,969 miles 77 chains.

Lands and Leases.—Number of leases registered during the year, 427; annual rental, £2,897. Leases current at 31st March, 1917, 5,385; annual rental, £35,824. Private siding agreements registered during the year, 79; annual rental, £2,374. Private siding agreements current at 31st March, 1917, 418; annual rental, £10,085. Proclamations taking or giving up land, 46. Total amount of compensation paid during the year for land, £82,213.

Staff.—Maintenance Branch working staff, 3,718; office staff, 152: total, 3,870. The staff has been considerably affected by enlistments.

SIGNAL AND ELECTRICAL.

Fixed Signals at Officered Stations.

During the year ten stations have been equipped with fixed signals, viz.: Hikutaia, Puriri, Kopu, Waitoa, Mangaiti, Te Karaka, Gisborne, Matapuna, Puketeraki, and Warepa.

Sixty-two stations have been equipped with distant signals in addition to their previous equipment with home signals, viz.: Papatoetoe, Manurewa, Papakura, Ngaruawahia Bridge,