Te Puke Section (45 m. to 54 m.; length, 9 m.).—This section was operated for traffic and adequately maintained. New work consisted of formation and metalling of approach roads at Otaimatua Station and erection of two 12 ft. gates. An extra pile was driven in bridge at 52 m. 28 ch., and the bridge approach banks trimmed and stone-pitched. Hot-water service was installed in three cottages at Te Puke. The Te Puke branch line was maintained. 21,688 cubic yards of crushed metal and 16,914 cubic yards of spawls were obtained from the quarry.

Paengaroe Section (54 m. to 59 m. 67 ch.; length, 5 m. 67 ch.).—This section was maintained for traffic. A 20 ft. span bridge on pile piers was erected at 55 m. 14 ch., and additional waterway

provided at 54 m. 44 ch. and 54 m. 77 ch.

Pongakawa Section (59 m. 67 ch. to 64 m. 15 ch.; length, 4 m. 28 ch.).—This section was open

for traffic and satisfactorily maintained.

Otamarakan Section (64 m. 15 ch. to 71 m. 5 ch.; length, 6m. 60 ch.).—This section was open for traffic and usual maintenance was undertaken. The formation and platelaying of Ohinepanca yard, including 18 chains of sidings and three sets of points and crossings, were completed, and further bank-widening undertaken. Formation generally is now complete on this section except for the new station at Pukehina. The deepening of the outlet drain at 67 m. 5 ch. is in hand, and 82 chains have been completed to date. 3,300 cubic yards of Matata ballast were placed on this section, and ballasting is well advanced, except for metalling at station-yards. A shelter-shed, platform with cart-dock, loading-bank, and cattle-yards were erected at Ohinepanea, and platform and loading-bank fronts, stock-yard, and latrines at Otamarakau. 625 cubic yards of sand and 335 cubic yards of pumice were obtained from this section for departmental concrete work and private sales.

Matata Section (64 m. 15 ch. to 71 m. 5 ch.; length, 8 m. 11 ch.).—This section was open for traffic and general maintenance was undertaken. A further 8,000 cubic yards of spoil from Matata pit were used for widening of banks, and about 10,300 cubic yards of Matata metal were also obtained for ballasting on this section. About 185 cubic yards of spawls were used at bridge abutments. The

formation of this section is now practically complete.

A shelter-shed and a loading-bank front were erected at Pikowai Station. A concrete sewer has been laid to drain platelayers' cottages at Matata Station, and hot- and cold-water services have been

installed in three cottages.

Matata pit has been worked continuously, and two steam-shovels are now engaged on stripping and loading ballast. The output for the year was 36,054 cubic yards of strippings, used for bankwidening, and 36,408 cubic yards metal, of which 15,248 cubic yards were sold to local bodies, and remainder used for ballasting on various sections. About four months were occupied in prospecting and proving a further seam of metal, but a large face is now exposed, and the output of metal for the coming year should be much larger than it was last year.

Rangitaiki Section (79 m. 16 ch. to 87 m. 45 ch., length, 8 m. 29 ch.).—This section has been carrying all classes of traffic, but a considerable amount of new construction work was undertaken. Thirty chains of side drains were dug, and about 22,000 cubic yards of strippings from Matata pit were used for bank widening and lifting. Piles have been driven for permanent bridge at 81 m. 28 ch. and driving at 83 m. 16 ch. is in hand, while permanent platelaying has been completed over the

Tarawera Bridge and on sidings at Awakaponga, Tarawera, and Rangitaiki Stations.

A total of 15,355 cubic yards of ballast was placed on this section—11,200 cubic yards from Matata pit and 4,155 cubic yards from Whakatane pit. The metalling of approach roads at several stations is practically completed. The whole section is partially ballasted, and ballasting is well advanced for most of the distance. This makes for easier, safer, and quicker working of passenger-trains.

Stock-yard, platform, and loading-bank have been completed at Awakaponga; stock-yards,

platform, and goods-shed at Tarawera; and loading-bank at 87 m. 25 ch.

A heavy flood—considered to be the highest on record—occurred in the Rangitaiki River on the 25th June, 1925. Several washouts occurred at temporary bridges, and traffic was disorganized. Repairs are in hand, but the continual wet weather has delayed this work. The Tarawera River also caused trouble by overflowing. When the operations of the Land Drainage Department are complete this should not occur again.

Avakeri Section (87 m. 45 ch. to 91 m. 40 ch.; length, 3 m. 75 ch.).—This section was open for all classes of traffic. New construction consists of 10 chains of fencing on right between 91 m. 10 ch. and 91 m. 20 ch., and one set of cattle-stops at 91 m. 21 ch. The formation of the Rangitaiki Bridge approach is in hand. Ten chains of trestle has been erected, while about 5,800 cubic yards of Matata strippings have been placed.

The Awakeri yard-formation has been completed with spoil obtained from road-deviation at 91 m. 10 ch., which is also completed. The formation and metalling of road-deviation for subway

at 87 m. 74 ch. are well advanced.

The driving of seventy-two 50 ft. spliced timber and concrete piles at the Rangitaiki Bridge at 88 m. completed the pile-driving. Five piers, A to E, have been concreted, and remaining piers are in hand. Temporary staging was erected across the river, and most of the girders are assembled at The Mount yard.

The platelaying in Awakeri yard is finished, and the ballasting in that yard, including read approaches, is also practically completed, while the remainder of this section has had one lift. A total of 4,400 cubic yards ballast was deposited—4,040 from the Whakatane River and 360 from Matata. A platform and loading-bank front were erected in Awakeri yard, and the buildings on this section are now completed.

The flood in the Rangitaiki on the 25th June last also caused minor washouts on this section.