

*Buildings.*—These have been maintained in good repair. The following buildings were destroyed by fire: Cottages at Rangataua, Hokitika, Mataroa, Sockburn, and Tokomaru; hut at Rock and Pillar; station-building at Mataroa; engine-shed at Glenham; and social hall at Mercer. The refreshment-rooms and Inspector of Permanent-way's office, Ohakune, were severely damaged by fire.

*Station-yards.*—Increased siding and general accommodation has been provided at a number of stations.

*Railway Improvements.*—The expenditure under the Railways Improvement Authorization Account for last year was £920,009, as against £399,943 for the previous year. This amount does not include the expenditure under this account on the Auckland-Westfield deviation, Palmerston North deviation, Tawa Flat deviation, and Hutt Valley Railway, carried out by the Public Works Department, which amounted to £284,464; signal branch charges, £99,529; and locomotive branch charges, £184,737.

Good progress has been made during the year with the rearrangement of Auckland yard. Campbell's Point overbridge was completed with the exception of a small amount of metalling. The erection of the new outwards goods-shed was practically completed. A contract for the new station-building was let, and the work which is estimated to take approximately two years put in hand.

The duplication of the track between Otahuhu and Papatoetoe was completed.

The rearrangement of Helensville and Frankton Junction station-yards was completed.

The location survey of the Auckland-Morningside deviation is in hand.

The reclamation in connection with Wellington new yard is proceeding steadily, and it is expected the filling will take from twelve months to eighteen months to complete. The construction of the sewers is in hand, and the laying of sidings is proceeding. The plans for the new station-building are in the course of preparation.

Middleton marshalling-yard was completed and brought into use.

Elmer Lane new locomotive depot is practically completed.

The Hanover Street overbridge in connection with the Pelichet Bay deviation is practically completed.

The Ravensbourne-Burke's duplication is proceeding steadily.

Bridge-strengthening in various districts has been carried out. The Waiteti Viaduct on the Main Trunk line was completed.

Level-crossings have been replaced by overbridges at Turakina and Taihape. Others in hand are Piripiri, Hawera (subway), and Tumai. Deviations are being made to cut out level-crossings between Waimiha and Ongarue, Matahiwi, and Weka Pass.

In connection with the erection of new locomotive workshops at Otahuhu and Hutt Valley, the work is so far completed that a commencement has been made with the installation of the machinery, and the whole work should be out of the contractors' hands very shortly.

At Addington and Hillside the first stage of the work is practically complete, opening the way for a partial exchange of staff, which will pave the way for existing buildings to be demolished and so permit balance of work to proceed.

Except for delays due to slow deliveries of steel from Home, the work has progressed satisfactorily.

The following R.I.A. works are being carried out by the Public Works Department:—

*Palmerston North Deviation.*—Considerable progress has been made with this work during the year. The clearing of the reserve has been practically completed, and nine miles of the permanent fencing erected. The earthworks are well in hand, and a certain amount of bridge-work has been done. Expenditure for the year, £48,193.

*Auckland-Westfield Deviation.*—This work has been advanced very substantially towards completion. The great bulk of the earthworks is finished, and the 27 chains tunnel at Purewa has been completed. The work on the numerous road bridges is well advanced. The platelaying and ballasting station-yards and signalling will be put in hand shortly, and it is anticipated that these will be ready in good time for the completion of the Auckland new station-yard. Expenditure for the year, £157,747.

*Tawa Flat Deviation.*—A very definite start has been made with this work. The construction of the bridge crossing the East Coast main lines, and the Hutt Road at 2 m. 4 ch., has advanced as far as the completion of the concrete piers and abutments. The driving of the bottom heading for No. 1 tunnel has commenced from both portals. Work has also started on the bridge at 3 m. 30 ch. (Ngahauranga Gorge). Expenditure for year, £55,908.

*Additions to Open Lines.*—The expenditure under this account was £26,327, the principal works being: Provision of terminal facilities at Wairio; additional siding-accommodation at Huntly, Te Awamutu, Te Kuiti, Aramoho, Wanganui, Waingawa, Hawarden, St. Andrews, and Arahiwi; car and wagon repair facilities at Dunedin; direct access at south end of yard, Dunedin; 70 ft. turntables at Milton and Wanganui; 50 ft. turntable at Lawrence; 6,000-gallon vat at Otorohanga; siding and ashpit at Frankton Junction; 4-ton crane at Dannevirke; office and waiting-room for bus at Hastings; land and garage at Napier; guards' room at Taumarunui; verandas at Culverden and Pukemiro; pipe-line at Otira power-house; bridge at Larry's Creek; flood control at Taieri Plains (part); septic-tank at Papatoetoe; connection of railway houses to borough sewer at Paeroa, and station and stationmaster's house to borough sewer at Mataura; artesian well at Invercargill (part); foot overbridge at Otahuhu.

*Betterments.*—Expenditure charged to "betterments" during the past year was £25,420 12s. 2d., the principal works being: Provision of additional siding-accommodation at Riccarton, Hawarden, Mawheraiti, and Puketeraki; improvements to stockyards at Woodville and Papakura; replacing 55-ft. turntable with 70-ft. turntable at New Plymouth; formation of new road at Newmarket;