Poukawa Drainage Area (13,567 Acres), Hawke's Bay County.

Towards the end of the year it was decided to proceed with the alternative drainage scheme of developing the area as a flax-growing proposition. Briefly, the scheme is to lower the summer level of Lake Poukawa by some 6 ft. by constructing a main channel, and leave the subsidiary drainage to the settlers interested.

The dredge pontoon constructed in 1916 was naturally in a very bad state of repair, and the first work put in hand was the reconditioning of this pontoon. After this work had been carried out the Priestman dredge machinery and chutes were railed from Auckland and re-erected. At the end of the period under review the dredge commenced operations, and it is anticipated good progress will be made henceforth.

Other minor works comprised building coal-punt, 18 ft. by 7 ft. 6 in., and repairs to road and two bridges through private property to ensure safe cartage of heavy machinery.

The buildings, comprising cookhouse, office, and tool-shed, have been placed in good order.

The expenditure recorded for the year totalled £785 1s. 5d.

I have, &c., R. G. MACMORRAN, Chief Drainage Engineer.

The Under-Secretary for Lands, Wellington.