

Certain grave allegations as to the safety of the dam were made and given much publicity just prior to my taking over the portfolio of Public Works. I had most careful inquiries made into all the points raised, and found that there was no cause for apprehension whatever. The programme provided in the original contract called for completion of the power-station at practically the same time as the dam. Owing to the delay in completion of the power-house, which has been mentioned in this and former Statements, the full flow of the river has been running over the spillway-weir and the channel between that structure and the original river course for a period of over eighteen months. Considerable erosion has taken place in the old channel some 15 to 20 chains below the overflow-weir, and has been causing some concern. This tendency to erode will, of course, be considerably reduced as more and more water is taken through the power-house for power-generating purposes. Meanwhile, and as an emergency measure to reduce the flow passing over the waterfall where the damage has been occurring, the Department has arranged to put in two of the future penstock tunnels in advance of normal requirements, and to use them to bypass sufficient water to enable protective works to be put in on the overflow channel. Contracts have been let for the necessary pipes and nozzles, and the excavation of the tunnels is in hand. Three shifts are being worked in order to have the work completed at the earliest possible date.

WAITAKI.

Work on construction of this new scheme has been pushed on during the year. As is inevitable on a work of this magnitude, a vast amount of preparation work on housing workmen, collecting plant and machinery, has to be done before anything shows as part of the permanent asset. A branch railway has been built from Kurow to the works, and is being used to transport materials to the site. A section in the main river-bed has been enclosed in a coffer-dam, and at time of writing the shingle overlying the rock in this section has been excavated and a start is about to be made in pouring the first of the concrete in the main dam. The excavation at the site of the main power-station is in hand, and a start will shortly be made on the first sections of the actual building. Tenders have been accepted for practically the whole of the generating plant, and portions of it will begin to arrive on the site during the coming summer.

WAIPORI.

During the year negotiations have been proceeding between the Department and the officials of the Dunedin City Council with a view to the purchase of the Council's power plant at Waipori. The city is faced with the expenditure of very large sums in the next few years to provide additional power, whilst on completion of the Government station at Waitaki the Department will have power to sell which it is felt might be used to supply Dunedin and so obviate the necessity of a considerable portion of the additional capital at Waipori. There were also considerable advantages in the operation of two plants by one controlling authority.

LOCAL ELECTRIC SUPPLY AUTHORITIES.

The Department is to a considerable extent a partner with many of the local supply authorities in making power available to the actual consumers. Many of the supply authorities actually distribute the power generated by the Department, and all of them operate under licenses and regulations administered by the Department. The Government itself now has an investment of £8,467,735 in its hydro-electric developments, and local authorities obtaining their power wholly or in part from the Government have an investment of £11,534,318, whilst the others, who are independent of Government supply, have an investment of £6,088,424.

On the whole, the supply authorities buying their power in bulk from the Department are in a better general financial position than are those operating on their own account. Of the twenty-seven Power Boards purchasing power from the Government, only three had to resort to rates to augment their incomes, and raised a total of £8,056 by that means. Of the eleven Boards not using Government supply,