

This table shows a small decrease in the number of children under five years of age who attended this year, as compared with last year, and a small increase in the number of children above fifteen years.

FINANCE.—Appended hereto is an abstract of the income and expenditure of the Board for the year 1880, certified by the auditor. A statement of the amounts contributed by the Board to each school for teachers' salaries, including bonuses, for allowances to Committees in aid of the School Fund, and for the erection and improvement of school-buildings, is given in the appendix. The sum paid for teachers' salaries, inclusive of bonuses on classification and bonuses for teaching pupil-teachers, amounted to £52,056 15s. 11d. During the year the Board found itself compelled to make a considerable retrenchment in its expenditure, in consequence of the reduction of the capitation grant by the amount of 10s. for every pupil in average attendance. After mature consideration, it was decided to make a reduction of $7\frac{1}{2}$ per cent. on all salaries over £200 per annum, and of 5 per cent. on all below that amount. It was with very great reluctance and regret that the Board took this step. It was believed that the teachers in the Otago District had never been overpaid, and it was regretted that, as their period of service lengthened, their remuneration should have to be reduced. The Board felt that the uncertainty of the rate of payment, and the prospect of further reductions being made when any financial pressure overtook the country, were likely to deter many young men from coming forward to qualify themselves as teachers, and thus increase the difficulty, already serious enough, of getting skilful and well-qualified teachers for the more important schools. In addition to the general reduction of salaries already referred to, the grants to Committees for the School Fund were reduced 25 per cent., the bonuses on classification were cut down by £5 for each rank, the allowance to female students in training was lowered to half what it had been, the salaries of pupil-teachers were reduced, and the utmost economy practised in other directions. In all, a saving of close on £7,000 was effected. The Board has reason to think that the efficiency of the schools has not been seriously affected by the retrenchment, but the salaries have now reached a point at which any further reductions would very greatly impair the efficiency of the teaching. It is gratifying to find that in many cases School Committees have, from local sources, raised considerable contributions to the School Fund, and have thus been able to carry out important improvements which would otherwise have been left incomplete. It is hoped that the reduction of the salaries will not be permanent, but that provision will be made for restoring the payment to its former rate.

INSPECTION.—The reports of Messrs. Petrie and Taylor, the Inspectors, are appended hereto. They paid visits of inspection to 92 of the schools, and examined 138 according to the regulations under the Education Act. The remaining 14 schools were not examined, either because they had been newly established, or because they were closed at the time when the examination should have been held. In all, 9,270 children were examined, of whom 7,047 passed the standard for which they were presented, being at the rate of 76 per cent. The following statement shows the number of pupils examined in each standard, the number that passed, the percentages of passes, the average age at which each standard was passed, and the number of schools at which each standard was represented, for the years 1879 and 1880:—

Standard.	1879.					1880.				
	Pre-sented.	Passed.	Per-centage.	Average Age.	Number of Schools pre-senting Pupils in the various Standards.	Pre-sented.	Passed.	Per-centage.	Average Age.	Number of Schools pre-senting Pupils in the various Standards.
				Yrs. M.					Yrs. M.	
I.	1,913	1,512	79	9 0	82	2,508	2,010	80	9 1	137
II.	1,880	1,630	87	10 5	82	2,398	1,989	83	10 6	137
III.	1,489	1,099	74	11 6	81	2,123	1,474	69	11 8	135
IV.	933	638	68	12 9	73	1,369	911	66	12 9	122
V.	439	324	74	13 7	42	663	481	74	13 8	28
VI.	133	118	89	14 5	12	209	175	84	14 5	29
Totals	6,787	5,321	78.4			9,270	7,047	76		

A comparison of the above figures discloses some matters of interest. The increase in the number of pupils examined is very conspicuous, and is greater than might be expected from the difference in the number of schools examined in each year. Although a great many schools were not examined at all last year, these were all of the smallest class, and their examination would not have greatly increased the numbers for 1879. The percentage of passes, though greater in Standard I. and equal in Standard V., is in the other standards somewhat lower for the present year than for the previous one. This anomaly is referred to in Mr. Petrie's report, and receives an explanation which appears to be well grounded and satisfactory. The average ages at which the various standards were passed were very nearly the same for both years. This fact shows that the pupils who last year failed to pass the standard for which they were presented have generally been put forward with those who succeeded, and were this year presented for the next one. Had this not been the case a greater rise in the average age must have followed.

TRAINING COLLEGE.—The report of the Rector of the Training College is given in the appendix. A new code of regulations was prepared during the year and submitted for your approval. These regulations are to come into force on the reassembling of the school after the holidays.