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district has also been constituted a new school district under the name of the Rangatira Valley District, and school buildings are now in course of erection there. Another district has been formed at the Rangitata Station: an area of forty-one acres has been secured as a school-site, and tenders are about to be called for the erection of a school building. A petition for the proclamation of a new school district and the erection of a school on the agricultural settlement between the Seaview and Pareora Schools has been declined for the present, and one of a somewhat similar character from the inhabitants of Totara Valley, beyond Pleasant Point, is still under consideration.

ATTENDANCE.—The forty-six schools under the control of the Board, and in operation at the end of the year, are classified in respect of attendance as follows. Under twenty-five pupils in average attendance, 14, between twenty-five and fifty, 17, between fifty and one hundred, 8; between one hundred and three hundred, 5, between three hundred and five hundred, 1; between five hundred and one thousand, 1 total, 46. The number of scholars attending shows a still further increase on the returns for previous years, the roll-number at the end of the year being 4,203, as against 4,067 at the end of 1884—an increase of 136, and the average attendance being 3,340, as against 3,220 for 1884—an increase of 120. The ratio of average attendance to roll-number also shows continuous improvement, being a little over 79 per cent. for 1885, as against 78.8 per cent. for 1884, and 77.6 per cent. for 1883. The compulsory clauses of the Act have been put in force with apparently satisfactory results in a few of the larger centres, but they still remain inoperative—for reasons not peculiar to this district—in the case of the vast majority of country schools. In the earlier part of the year the average attendance was seriously affected by the prevalence of diphtheria, from the effects of which at least one school has not yet recovered. The following table shows the attendance in this district since

the Board was established:—[Not reprinted.]

Buildings.—During the year the building operations have been far too limited, considering the urgency of the requirements. It is much to be regretted that the funds annually placed at the Board's disposal for such purposes are found to be quite insufficient to enable the Board to undertake works of any magnitude. Masters' residences have been erected at Orari Bridge, Geraldine Flat, Kingsdown, and Makikihi, and new schoolhouses at Upper Waitohi Flat and Silverstream. The Kakahu Bush School has been enlarged by an addition just doubling its original dimensions, the Timaru School has been refered, distempered, and otherwise repaired, and in numerous cases the incidental funds of the School Committees have been supplemented by special grants for planting and repairs. In the month of June the Board appointed a committee of its members to inspect minutely the condition of the school buildings throughout the district, and much information of great value in deciding on the justice of claims has been obtained from their report. The Rangatira Valley School is now in course of erection, and steps have been taken to add a new class-room to the Geraldine School, and to make an addition of 600ft. floor-space to the school at Fairlie Creek. Other works already authorised or awaiting the assent of the full Board are—the erection of a new school at Rangitata Station; considerable additions to the residences at Winchester and at Pleasant Point, where the Board has recently enlarged the school site by the purchase of two quarter-acre sections, the reroofing and reflooring of the Orari Bridge School, extensive repairs to the Pleasant Valley School, the erection of two schoolmasters' residences, and the painting of some nine or ten schools, whose cases, in the midst of an almost universal want, are either most conveniently dealt with first, or show the most urgent need. These works, with those already undertaken, will exhaust the Board's share of £2,452 17s. allocated out of the building grant, and payable at the end of the financ

Accounts.—The balance-sheet, duly certified by the Provincial Auditor, is appended. The Building Account shows an expenditure of £4,804 6s. 6d., against receipts £3,723 18s. 10d., a balance of £1,080 7s. 8d. being still owing to the Maintenance Account. The Maintenance Account shows a balance at the end of the year of £1,589 2s. 9d., from which the sum of £1,076 11s. 3d. must be deducted on account of money received from the School Commissioners, which will be balanced by that amount less in the monthly capitation grant paid by the Treasury for salaries in February

AIDED SCHOOLS AND SALARIES.—The Board has hitherto followed the practice of declining to undertake the full control and maintenance of schools with an average attendance of less than twenty-five. Eleven schools were so situated at the end of the year 1884, and four others, which had recently reached that limit, had not yet been placed on the list of those to which the Board's ordinary regulations applied. Such schools—more or less inappropriately termed "aided schools"had in nearly every case their sites vested in the Board; the buildings were either wholly or mainly erected by the Board's funds, the school-furniture was provided by the Board, the schools were managed by School Committees appointed in the ordinary way, to whom a capitation allowance was made by the Board for incidental expenses, and the teacher's salary was supposed to be made up of the Board's grant of £4 for each child in average attendance, and of contributions locally made by way of supplement, the appointment of teachers and the amount of salaries resting with the School Committees, subject only to the approval of the Board. It was found, however, that when the complete maintenance of schools working under such arrangements was assumed by the Board, difficulties arose, not only in connection with the retention of teachers originally appointed by the School Committees, but on account of the frequent drop, either temporary or permanent, in the average attendance below the limit fixed by the Board. While such schools, again, remained in the category of "aided schools," the control over the salary paid to the teacher was insufficient. In several cases the residents were making considerable sacrifices in adding to the Board's grant, but in others teachers received just so much as, and no more than, that grant might amount to. Under these circumstances the Board, while still declining to undertake the full cost of the maintenance of schools under twenty-five in average attendance, deemed it necessary to assume the full control over the appointment and payment of teachers in such schools, requiring, as a necessary condition of continued maintenance, the quarterly payment on the part of the residents of a fixed sum, based on