

Assets.

	Primary Education Estate.	Total.
	£ s. d.	£ s. d.
Cash in bank, as above	243 0 9
Rents payable in advance, 1st May, 1890, proportion uncollected ...	3 0 0	
Rents payable in advance, 1st November, 1890, proportion uncollected	1,162 14 0	1,165 14 0
Total assets	1,408 14 9

Liabilities.

	£ s. d.	£ s. d.
Steward's salary, December, 1890	45 0 0
Total liabilities	45 0 0

H. R. WEBB, Chairman.

2nd January, 1891.

H. H. PITMAN, Steward of Education Reserves.

Examined and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

OTAGO.

SIR,—

In accordance with Order in Council of date 17th December, 1878, and in terms of circular from the Education Department, dated 8th December last, I have the honour to forward the following report of the School Commissioners of Otago for the year ending 31st December, 1890:—

Owing to the large increase in the rent-roll, and to the necessity for considering numerous applications for reductions of rent, &c., and also to the fact that a great number of leases are now expiring and have to be re-offered for sale, the work of the School Commissioners has increased very considerably during the past year, and they have been obliged to devote a great amount of their time to the management of the Trust. During the year thirteen meetings were held, each one of which took up a full day, and at which a great amount of detail business was transacted. The Commissioners receive no remuneration for their services, and those of them who represent the Southland District lose at least three days each month in connection with their attendance at meetings. When it is borne in mind that the Commissioners have the management of 736 separate holdings, scattered over the whole of the provincial district from the Waitaki to the Waiau River, as well as the investment of a large sum of money, it will be seen that the administration of the estate entails a vast amount of detail work which could not be carried on efficiently at less expense than under the present system of management.

As it is possible that complaint may be made against the School Commissioners of acting unfairly towards some of the holders of land under their control, and that the matter will come under the notice of Parliament, I am directed by the Commissioners to refer you to the report of their proceedings for the year ended the 31st December, 1889, which was sent to the Education Department on the 29th May last, and which, in their opinion, fully justifies their action in dealing with the tenants referred to—viz., the cash purchasers on terms. I may say that it is only in the case of the cash purchasers on terms, or rather mortgagors, that dissatisfaction exists, and that, as far as the Commissioners are aware, the ordinary lessees of education reserves are quite contented with the terms upon which they hold their land from the Trust.

The School Commissioners desire to bring under your notice the fact that the provisions of section 5 of "The Educational Reserves Leasing Act, 1890," are likely to cause a great deal of inconvenience in the management of the reserves, inasmuch as it necessitates the consent of the Governor in Council being obtained in every case before a lease can be entered into, and they would therefore respectfully ask you to have the Act amended so as to make the clause referred to apply only to areas of over 500 acres in extent. A large number of the reserves consist of small areas of 1 rood and upwards, and, as the leases run out on different dates, and have to be advertised for a given time before being again offered for competition, it would cause unnecessary delay and inconvenience if the approval of the Governor in Council had to be obtained in every case before the land could be dealt with. When a copy of the Bill was forwarded for the consideration of the Commissioners it contained no such provision, and its insertion afterwards gave them no opportunity of urging their objection to the clause.

Of the sum of £6,305 18s. 10d. shown in the statement of accounts as rent, &c., in arrear on 31st December, 1890, £1,277 9s. 4d. has been paid during the present quarter, and a large portion of the balance will probably be paid in May next, as the Commissioners are endeavouring to make as many rents as possible fall due on the 1st May and 1st November in each year. As I have already explained in previous reports, all rents are debited half-yearly in advance, and a great number of them only become due in advance in the month of December.

Of the sum of £1,518 1s. 8d. shown in the balance-sheet as expenses of management, £321 18s. 1d. was paid for surveying new block of land, and is therefore an extraordinary charge. The sum of £39 19s. 6d. collected during the year for preparing leases in the Commissioners' office