

Assets.

	Primary Education Estate.	Total.
	£ s. d.	£ s. d.
Cash in bank, as above	...	294 19 6
Arrears of 1891	98 6 3	
Rents payable in advance, 1st May, 1892—Proportion uncollected ...	211 8 3	
Rents payable in advance, 1st Nov., 1892—Proportion uncollected ...	761 2 4	
		1,070 16 10
Total assets	...	1,365 16 4

Liabilities.

	£ s. d.	£ s. d.
Steward's salary, December, 1892	...	45 0 0
Awaiting appropriation in purchase of land	...	189 11 5
Total liabilities	...	234 11 5

4th January, 1893. H. R. WEBB, Chairman, School Commissioners.
H. H. PITMAN, Steward of Education Reserves.
Examined and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

OTAGO.

SIR,—

Dunedin, 20th April, 1893.

In accordance with Order in Council dated the 17th December, 1878, and in conformity with circular from the Education Department dated the 15th December last, I have the honour to submit the following report of the School Commissioners of Otago for the year ending the 31st December, 1892:—

MEETINGS.—During the year the Commissioners held twelve meetings, which, with the exception of three (held during the parliamentary session), were attended by the whole of the Commissioners, and at which a large amount of detail work was transacted.

LEASES ENTERED INTO DURING YEAR.—During the year five pastoral, forty agricultural, and twelve town sections were leased by auction. The total area of the pastoral sections was 1,324 acres, leased to five tenants; and the annual rent was £42 2s. 4d., or an average of about 7½d. per acre. The area of the agricultural sections was 5,957 acres, leased to thirty-one tenants, the majority of the holdings being under 200 acres each. The annual rent was £1,001 1s. 8d., or an average of 3s. 4½d. per acre. The town sections contained 1 rood each, and they were leased to twelve tenants; the total annual rent being £10 10s. The most of the agricultural sections are contained in a block of land taken from Run 194, Wendonside, which was referred to in the Commissioners' last annual report.

SCHOOL COMMISSIONERS' MANAGEMENT.—In the month of June the Hon. the Minister of Lands commissioned Mr. J. E. March, Steward of Village Settlements for the colony, to inquire as to how and in what manner the education reserves in Otago and Southland were being administered. While questioning the authority of the Minister in making such an inquiry, inasmuch as they are answerable to Parliament alone for the proper administration of the reserves, the Commissioners were pleased to afford Mr. March all the information in their power, and they willingly placed their books and documents at his disposal. Mr. March made an exhaustive and comprehensive investigation, and the Commissioners understand that he reported the result to the Minister; but they are unaware of the nature of his report, as they have been unable to obtain a copy of it, although they have applied on more than one occasion.

LIMITATION OF AREAS.—In opening up new blocks for settlement, the Commissioners have been desirous of encouraging close settlement, but they have found that they have no power to limit the area which may be taken up by one lessee. They have repeatedly in their annual reports referred to this matter, and have requested that power should be given them to place a wise limitation on the area to be held by any one individual.

CONSENT OF GOVERNOR TO LEASING RESERVES.—The Commissioners would also draw your attention to the inconvenience and delay that are caused by the necessity of obtaining the consent of His Excellency the Governor to the leasing of education reserves, as required by section 245 of "The Land Act, 1892." They are of opinion that, if the above-named section were altered so as to make it apply only to areas of over, say, 500 acres, the interests of close settlement would not suffer, and a large amount of delay and inconvenience would be saved. Both of the foregoing matters were fully referred to in the last annual report.

SETTLEMENT AT TE ANAU.—In terms of "The Otago School Commissioners Empowering Act, 1892," the Commissioners have arranged with the lessee of Run 301B, Te Anau, for the surrender of a block of 500 acres on the shore of Lake Te Anau, and they have entered into a contract to