£4,547 11s. 8d.; house allowances, £915 6s. 5d.; manual and technical purposes, £630 13s. 5d.; rents of buildings, &c., £20 11s.; refund of cash deposits, £175 10s. 9d. At the end of the year

the Board's Building Account was in credit to the amount of £822 8s. 1d.

INSPECTION OF SCHOOLS.—Mr. C. R. Richardson, B.A., who has been on the Inspectorial staff of the Board for the past sixteen years, was appointed Chief Inspector in the room of Mr. P. Goyen, who retired in December, 1910, and in January, 1911, Mr. John Robertson, B.A., headmaster of the Lawrence District High School, was appointed Assistant Inspector. The Inspectors group the schools according to their efficiency as follows: Excellent, very good, or good, 69 per cent.; satisfactory, 27 per cent.; fair, 3 per cent.; inferior, 1 per cent. They express the hope that in the near future the proportion of "good" schools will be raised to 75 per cent. The order, discipline, and tone of the schools are reported to be good.

DRILL AND PHYSICAL EXERCISES.—Satisfactory attention has been given throughout the various schools to the requirements of the Act regarding the practice of drill and physical exercises,

including breathing-exercises.

Buildings.—Owing to the ever-increasing cost of labour and material, the Department's grant for new buildings, based on estimates previously given, have in some instances proved inadequate, and applications for supplementary grants have had to be made. The cost of connecting sanitary conveniences with the sewerage system in various centres has been heavy, and the Board The cost of connecting regrets that the Minister has not seen his way to make special grants to meet the cost of such works. The Board is keenly impressed with the necessity for improving a number of the teachers' residences, and, so far as its funds would permit, has endeavoured by alteration and addition to make them more commodious, and by the supply of baths, wash-tubs, &c., to bring their domestic equipment somewhat into line with modern ideas. The Board appreciates the action of the Government in making grants from time to time to aid in this most necessary work, but regrets that these payments are not more numerous. If the Board did not anticipate the grants, and, as opportunity offered, effect the improvements mentioned out of their maintenance grant, the discomfort and inconvenience of a large number of the teachers' homes would be infinitely greater than is the case.

TRUANCY.—Eight hundred and ninety notices were posted to or served on parents and guardians for infringements of section 153 of the Education Act. Seventeen notices under section 152 were served on parents whose children were not on the roll of any school. One hundred and sixty-three cases of irregular attendance were investigated. Sixty-five penalty summonses were issued under section 153. Under the above sixty-five summonses, sixty-three convictions were obtained, two being withdrawn owing to the production of medical certificates. amount of fines inflicted for the year was £12 13s.

Training College.—Forty-two male and fifty-eight female students were enrolled at the Dunedin Training College. Of these, fifty-eight were from Otago, thirty-four came from Southland, and eight came from South Canterbury. Seventy-eight of them had been either pupil-teachers or probationers. The allowances paid to the students (including bursaries, lodging-allowances, and travelling-expenses) amounted to £4,423 12s. 4d., and the College fees paid to the University authorities on their behalf to £870 9s.; total £5,294 1s. 4d., which is an increase of £174 12s. 4d. on the similar expenditure for the previous year.

CERTIFICATES .- Proficiency certificates were gained by 977 pupils, or fifty-four more than in 1910; while 164 pupils, or four less than in the previous year, qualified for competency certificates of Standard VI.

INCIDENTAL EXPENSES OF SCHOOLS. — The total sum paid to School Committees to meet incidental expenses amounted to £6,220 12s. 5d., which was £803 17s. 10d. more than in 1910. Pending an amendment in the Board's scale of payments for services comprised under the term "incidentals," the extra statutory capitation of 9d. per unit of average attendance has been paid over to the Committees by the Board. The total payment under this head made last year was equal to 6s.  $7\frac{1}{2}$ d. per unit of the average attendance, or 1s.  $1\frac{1}{2}$ d. per unit above the minimum which the Board is required by law to pay

SECONDARY CLASSES AT DISTRICT HIGH SCHOOLS.—In December last the numbers in the secondary classes at these schools were as follows: Tokomairiro, 46; Balclutha, 40; Lawrence, 33; Normal, 30; Tapanui, 28; Mosgiel, 21; Palmerston, 18; Port Chalmers, 16; Naseby, 14: total, 246, or 17 less than in December, 1910.

School Librabies.—Subsidies ranging in amount from £2 10s. to 10s., and totalling £44 6s. 4d., were paid to thirty-five School Committees to assist in providing books for school libraries. In their report the Inspectors bear tribute to the excellent effect which the extension of school libraries throughout the district is having upon the general intelligence of the pupils.

CONVEYANCE OF CHILDREN.—The capitation allowance for these services was claimed in respect of thirty-eight schools, or five more than in the previous year, the total payment being £1,093 6s. 9d., an increase of £44 19s. 7d. The capitation payments of 2s. 6d. per head for the board of

children who have to live away from home to attend school amounted to £34 17s. 6d.

Superannuation.—The Board has now framed a regulation, operative from 1st January, 1912, requiring all female teachers in its service to retire on attaining the age of fifty-five years. In the previous year it had notified all male teachers and officers that their service with it would be terminated on their reaching the age of sixty-five years.

School Committees.—The Board records its appreciation of the valuable assistance rendered by the various School Committees in the administration of educational matters during the past I have, &c.,

THOMAS FERGUS, Acting Chairman.

The Hon. the Minister of Education, Wellington.