sent time. At the beginning of 1878 the new education district of Southland was created, and thirty-seven schools were handed over to the newly-formed Board:-

77				of Schools.	Number of Teachers.	Number of Pupils who attended at all in the Course of the Year.			Average Daily Attendance for the Year.			Attendance at the Close of the Year.			
	Year.			Number o		Dunedin.	All other Schools.	Totals.	Dunedin.	All other Schools.	Totals.	Dunedin.	All other Schools.	Totals.	
1856–57				<b>.</b>	5	7				115	121	236			
1867				,	56			3,151				2,942		1	3,355
1877					173			16,422						11,943	14,528
1887								22,742							
1895								22,588							
1896	• • •		••	• • •	218	554	5,351	22,538	27,889	3,735	15,767	19,502	4,085	18,006	22,091

The above table shows that there was a decrease for the year of 105 pupils on the average attendance of the previous year, that twenty-seven fewer pupils attended at all during the year, and that there were 638 fewer in attendance at the close of the year.

Inspection.—At the end of 1895 there remained unexamined forty schools. These were examined early in 1896, and again at the end of the same year. The second examination was held to bring the schools into their old places in the order of examination. With the addition made to their staff the Inspectors have been able to wipe out most of the arrears of 1895, and to get the work of inspection fairly into line again. 22,380 children were presented for examination—15,003 in the standard classes, 6,792 in the preparatory classes, and 585 in the class above Standard VI. 89 per cent. of those examined in the standard classes gained the standard pass, a very satisfactory result from this point of view of efficiency. In the opinion of the Inspectors, our school work is, on the whole, good. The following table shows the proportions of children presented for examination in the several classes during the last three years. The proportions are expressed in percentages :-

			1894.	1895.	1896.
Preparatory	 •••		 31.71	31.10	30.35
Standard I	 		 12.30	11.67	11.61
Standard II	 		 13.34	12.80	12.37
Standard III	 		 13.59	13.71	13.23
Standard IV	 	•••	 12.05	12.68	13.16
Standard V	 		 9.03	9.33	9.91
Standard VI	 		 5.79	6.06	6.75
Above Standard VI.	 		 2.18	2.62	2.60

This table shows clearly the point at which the children begin to leave school, and also what proportion of those who pass into Standard I. reach the level of the three senior classes.

Scholarships.—Twenty-four scholarships (twelve junior and twelve senior) were awarded at the December examination. In all, 143 candidates competed, forty-eight for the senior and ninetyfive for the junior scholarships. In addition to the scholarships awarded, seventeen of the junior competitors and eighteen of the senior competitors gained sufficient marks to qualify them for free education at the Otago Boys' and Girls' High Schools for two years and three years respectively. The amount expended on scholarships for the year was—Paid to scholarship holders, £1,425 10s.; examination expenses, £66 11s.: total, £1,492 1s. There are at present forty-six pupils receiving free education at the high schools in Dunedin in connection with the scholarship scheme.

School of Art and Design.—The report of the Principal is given in Appendix I.\* total number of students who attended the school during the past session was 394, an increase of thirty-four compared with the preceding year. This total includes 116 teachers and pupil-teachers, twenty-two training-college students, ninety-six students who attended the day classes, and 160 who attended the evening classes. During the year Signor Nerli, the teacher of painting, severed his connection with the school, and it has been decided to discontinue the teaching of painting. cost of the school for the year was—Salaries, £845; incidental expenses, £115 3s. 4d.: total, £960 3s. 4d, less fees £373—£587 3s. 4d.

Training College.—The report of the Principal of the training college is appended. The

attendance of students during the year was:-

Left during 1896	8 7 4	1	15 22 5	Left during 1896— Teaching in public schools Left the service	4	F. 1 0	Total. 5 1
On the books, December, 1896	8	21	29				

The cost of the institution for the year was—Salaries, £490; allowances to students, £362 18s. 4d.; incidentals, £16 18s. 11d.: total, £869 17s. 3d.

TRUANCY.—The enforcement of the compulsory clauses of the Education Act is, despite the efforts of the Board's truancy officer, very far from satisfactory, and there is good reason for stating