

the public service. After full consideration of its financial position as affected by the withdrawal of the 10s. capitation grant, the Board arrived at the conclusion that, as the statutory grant of £3 15s. was wholly absorbed in the payment of teachers' salaries, office staff, departmental expenses, and cost of inspection, the only possible way of providing funds for making grants to Committees was to reduce the rates of salaries paid to teachers and officers of the Board. Upon an examination of the School Fund accounts of the district for the year 1879, it was found that the whole income of the fund derived from the capitation grant of 10s. had been applied during the year as follows: To cleaning schools, fuel, and water supply, 23½ per cent.; repairs and improvements to school properties, 23 per cent.; contributions towards teachers' salaries, 10½ per cent.; Committees' incidental and miscellaneous expenses, 9 per cent.; balance unexpended during 1879, 33½ per cent.

The Board considered that (1) by making the cost of repairs and improvements a charge upon Building Fund, and (2) by relieving the School Fund from the charge of contributing towards teachers' salaries, a large saving in this branch of expenditure could be effected; and, after a careful examination of the rates and objects of expenditure, it was estimated that a sum of about £2,200 per annum (= 38 per cent. of the 10s. capitation allowance) should be sufficient to meet all ordinary requirements of Committees for school purposes and incidental expenses. A new scale of grants to Committees was adopted accordingly, ranging from £5 to £60 per annum for each school. In order to provide for this expenditure the following reductions were made from the 1st October, 1880, in the salaries of teachers and officers of the Board: Teachers—From £101 to £120 (excepting head-teachers without house or rent allowance), 5 per cent.; from £121 to £150, 5 per cent.; from £151 to £200, 7½ per cent.; from £200 and upwards, 10 per cent. Officers of the Board, £120 and upwards, 10 per cent. A further reduction was made in the cost of administration by amalgamating the offices of Secretary and Treasurer. The Board was induced to make these arrangements by a desire to co-operate to the fullest extent in giving effect to the wishes of Parliament that the expenditure on education should be reduced in such a manner as least to interfere with the general efficiency of the system.

In connection with the subject of finance must be mentioned the question of the maintenance of small schools. The number of these small schools in the Auckland District alone is nearly equal to the aggregate number in all the other districts of the colony. The charge of their maintenance is a serious incumbrance on the funds of the Board, and each succeeding year increases the embarrassment. In framing an estimate for 1881, the Board would have been unable to keep expenditure within income but for a surplus balance of nearly £2,500 in hand at the end of last year. No such balance can be expected another year; and the Board again requests that the Government will take this matter into consideration, and that some special provision may be made for the support of these schools. The capitation allowance of £3 15s. earned by the 97 small schools in operation during 1880 may be said to have yielded an average sum of less than £60 per annum for the maintenance of each school.

BUILDINGS.—The total expenditure on buildings during the year was £26,742 4s. 10d., exclusive of additions and improvements to existing buildings. Twenty-three new schools and eighteen teachers' dwellings were erected or contracted for during the year. The wants of the district in this respect have at various times been represented to Government: (1) by correspondence, with lists of requirements; (2) on the occasion of a personal interview with the Hon. Mr. Rolleston at Auckland in March; and (3) by the Chairman of the Board at his visits to Wellington. The Board is glad to report that these representations have succeeded in obtaining for Auckland a more equitable distribution of the funds voted by the Assembly for building purposes. Out of the sum of £50,000 voted at the last session for the financial year ending March, 1881, £14,000 was allotted to this district. Many more buildings have yet to be provided before Auckland is placed on an equal footing with the other districts of the colony. A reference to Table No. 2 accompanying this report will show that at the 31st December, 1880, there were 48 schools held in buildings not belonging to the Board, and 112 schools unprovided with dwellings. A detailed list of the most urgent requirements has already been forwarded; the list includes 15 new schools and 37 dwellings. A further sum of £20,000 is required beyond the present grant, to enable the Board to erect these buildings. Several of the town schools require immediate enlargement, the accommodation being still inadequate. The want of dwellings continues to be most seriously felt. The Board is placed at a great disadvantage in the selection of teachers for country schools, and teachers are deprived of a substantial addition to their income, besides often experiencing great difficulty in obtaining even the most limited accommodation.

SCHOLARSHIPS.—A list of the scholarships held during the year is appended. Three open and eight district scholarships have since been awarded as the result of the examination held in December. Forty-one unsuccessful candidates obtained certificates of proficiency, with the privilege of free tuition at the College and Grammar School and Girls' High School.

TRAINING COLLEGE.—After consultation with Mr. Gladman, Superintendent of the Melbourne Training Institution, the Board resolved in May last to advertise for a Principal of the Auckland Training College. Applications were received from thirty-eight candidates. Mr. Alexander McArthur, M.A., LL.B., assistant master at the Auckland College and Grammar School, was selected for the appointment, to date from 1st January, 1881. The training hitherto carried on by means of classes and by correspondence was continued during the past year.

PUBLIC LIBRARIES.—No grant was voted by the Assembly for the current financial year. During the past year the Board has been engaged in revising and approving lists of books selected by the libraries committees for purchase out of the previous year's grant.

ADMINISTRATION OF ACT.—Having received an invitation from the Education Board of Taranaki to offer suggestions for the alteration of the Act, the Board unanimously resolved that it is inexpedient at present to move for an amendment.

The Hon. the Minister of Education.

J. M. CLARK, Chairman.