DISTRICT HIGH SCHOOLS.—The schools at Cambridge and at Hamilton East were converted into district high schools, upon a promise given from the residents of each district to send a sufficient number of pupils to make the school self-supporting. The fee was fixed at £8 8s. a year. Twenty-three pupils attended at Cambridge, and twenty-two at Hamilton. As the schools were only six months in operation it is premature to report on them. The Board is pledged to continue them so long only as they are self-supporting. At present the number of pupils is too small to provide the necessary income, but the expenses have been met by means of a grant of £100 voted by the Commissioners of Reserves for Secondary Education.

Scholarships.—Thirty scholarships were held during the year Of these, two became vacant by resignation, one expired before the end of the year, and twelve others expired at the 31st December Sixteen new scholarships have since been awarded, making a total of thirty-one now current. The term has been extended from two to three years, and the time of examination has been changed from December to August, so as to suit the "school year" of the secondary schools. The quarterly reports on the holders of scholarships have been (almost without exception) most satisfactory. The Board has adhered to the opinion expressed in last year's report, and founded upon a legal interpretation of the 51st section of the Education Act, that pupils of any age lawfully attending a public school are eligible to compete for scholarships.

The Governors of the Auckland College and Grammar School recommended thirteen years as the limit of age at which holders of scholarships should be admitted to their school, and the question was fully and freely discussed by the two Boards. It seemed to the Board, while recognizing the willingness of the Governors to admit boys from the primary schools at any age, that the Government should, at the first convenient opportunity, secure to the Board by legislation the right to claim free tuition at the Grammar School for all winners of scholarships from the primary schools, and that there should be no limitation of age. It should be added that, notwithstanding the conflict of opinion on the question of age, the Governors have continued to give free tuition to all scholars sent up from the primary schools, and also to boys obtaining certificates of proficiency at the scholarship examinations.

School Committees.—In April the Board passed the following resolution "That, inasmuch as the principle of local self-government should, as far as practicable, prevail, School Committees in respect of the affairs of their respective districts should be fully taken into the confidence of the Board, and have their requests and advice in all cases acceded to and followed, unless there be clearly very exceptional reason to the contrary, and that, in view of this, whenever a question of the appointment, suspension, or dismissal of a teacher arises, not only should the School Committee affected be previously consulted, as required by the 45th section of the Act, but have all the data in possession of the Board scrupulously submitted to them, in order to guide them in forming a sound opinion on the subject under consideration." The Board also resolved that Committees should be as fully consulted regarding the removal of teachers. It has thus been the aim of the Board to allow the utmost freedom to Committees in the exercise of their functions, and to give the fullest weight to their opinions and recommendations on school matters. At the same time the Board has not yielded the powers and responsibilities conserved to it by the 45th and 74th sections of the Act. There has been, as a rule, the utmost co-operation bestowed by Committees. Where a difference has existed, it has generally arisen from the fact that the Board has to provide for the wants and to consult the interests of two hundred schools throughout the whole education district, while the Committee's care is for the school of its particular school district.

The scale of allowances to School Committees for incidental expenses was revised and increased during the year. The grants for the year amounted to £3,089 19s. 4d., being equivalent to a sum of 4s. 11d. per head on the average attendance. This amount does not include grants voted to Committees for fencing and other improvements to school property, which are charged against Building Fund, and which amounted during the year to £1,166 2s. 2d., nor does it include the cost of school furniture, which is almost wholly defrayed by the Board. Under the new regulations for the audit of school-fund accounts, the Board, with the consent of Government, appointed the Provincial District Auditor to audit the accounts of all School Committees. A copy of the Auditor's report is appended; also a summary of the receipts and expenditure. The total income from all sources was £5,275 17s. 8d., and the total expenditure was £4,265 13s. 3d., leaving a balance of £1,010 4s. 5d. unexpended at the end of the year

The mode of electing School Committees is unsatisfactory The imperfect definition of the term "householder" is apt to lead to disputes. The system of cumulative voting is objectionable, inasmuch as it may be used to prevent the election of a fairly representative Committee. In the event of the Act being amended, it would be desirable to remedy these defects, and also to make fuller and more explicit provision for the constitution of new school districts, and for filling up vacancies on a Committee.

The Hon. the Minister of Education.

RICHARD HOBBS, Chairman.