

for the instruction of teachers and pupil-teachers. A large number of uncertificated country teachers have also been assisted, by means of correspondence, in their preparation for the annual examination.

DISTRICT HIGH SCHOOL.—The number of pupils at the Cambridge District High School decreased from fourteen to seven. As there is no immediate prospect of an increase, the Board has decided to close the school at the 31st March, 1888.

SCHOLARSHIPS.—Thirty-two scholarships were held during the year. The holders attended the Auckland College and Grammar School, the Auckland Girls' High School, and the Thames Boys' and Girls' High School. The headmasters' reports of their attendance and progress were almost without exception satisfactory. Free tuition at these schools is granted not only to scholars, but also to candidates who obtain certificates of merit at the examination. The time of examination has been changed from August to December. The Board has under consideration a proposal to abolish the senior scholarships, which are now competed for chiefly by pupils of secondary schools, and (in the interests of country schools) to extend the age of competition for junior scholarships from thirteen to fourteen years. It is urged that the grant for the maintenance of scholarships for pupils of the primary schools ought not to be applied towards providing prizes for pupils of secondary schools, and that the examination should be limited to those subjects which are prescribed in the primary-school course. On the other hand, it is represented that the foundation of senior scholarships is necessary to complete the link between the primary schools and the University, and as a part of the scheme of providing higher education for those who gain junior scholarships. It seems desirable that there should be a uniform scheme of junior and senior scholarships throughout the colony.

BUILDINGS.—Little has been done in the way of building during the year. Eight schools and six teachers' dwellings have been erected, and seven school-buildings have been enlarged and improved. The estimate of requirements amounts to £13,008, and the grant for the financial year ending in March, 1888, is only £6,091 5s. Schools are required to replace buildings which are now rented at a cost of nearly £300 a year. New requirements are also constantly arising in the village and homestead settlements which are being formed throughout the country. Many schools are unprovided with dwellings, and no little difficulty is sometimes experienced in finding suitable accommodation for teachers. The Board has no spare funds to devote to the erection of buildings. The building grants voted annually by Parliament are the only means of supplying these wants. It is important, therefore, that they should be allotted according to the actual requirements of each education district. At present they are allotted on the basis of population without any regard to local necessities.

ACCOUNTS AND FINANCE.—The annual statement of receipts and expenditure is subjoined. The receipts from all sources amounted to £86,780 10s. 7d., and the expenditure to £81,136 15s. 4d. The balance is absorbed by the liabilities outstanding at the end of the year. The capitation grant of £3 19s. was applied as follows:—

	£	s.	d.	
In teachers' salaries	...	3	8	0 per head.
In grants to Committees	...	0	6	6 "
In inspection and examination	...	0	2	4 "
In office management	...	0	2	2 "
Total	...	£3	19	0 "

The reductions proposed by Parliament in the education vote obliged the Board to make a thorough examination of its ways and means. It was found that the cost of maintaining schools under twenty-five averaged more than £5 for each scholar, and that the cost of schools between twenty-five and fifty averaged £4 18s. 10d. per scholar. The total loss on these schools amounted to £6,000 a year, irrespective of the cost of inspection and administration. This result is due not to a high rate of salaries, but to the preponderating number of small schools. The salaries paid to teachers in this district are, on the whole, lower than those paid in other districts of the colony. Auckland has a large average attendance in the aggregate, but it is spread over a great number of schools. It is obvious that a thousand children can be taught with less expense in ten schools of a hundred each than in fifty schools of twenty each; and, as the income of a Board is regulated solely by the number of scholars, without reference to the number of schools, that district can pay its teachers the most liberally which is least burdened with small schools.

After long and careful deliberation, the Board has succeeded in effecting the necessary reductions without either closing any country schools or lowering the scale of payments to teachers. It is proposed to reduce the number of teachers (1) by discontinuing the employment of a pupil-teacher in schools under forty average attendance; (2) by lessening the scale by one pupil-teacher in schools over three hundred; and (3) by reducing the staff of teachers to the strict limits of the scale, which had been previously exceeded in some of the larger schools. A small reduction has been made in the scale of grants to Committees, and large reductions have been made in the cost of inspection and office management. The changes are summarised as follows:—

Reduction of Income.—Grant for training teachers, £2,000; extra capitation grant of 4s., £3,300; substitution of "strict" average for "working" average, £1,600: total, £6,900.

Reduction of Expenditure.—Maintenance of Training College and classes, £2,250; visiting teachers of singing, drawing, and drill, £1,100; number of teachers, £2,000; payment to teachers on "strict" average, £400; District High School, £100; grants to Committees, £600; office staff and inspection, £655: total, £7,105.

The Hon. the Minister of Education,

SAMUEL LUKE, Chairman.