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cases the principal outlay being on teachers' houses, a large number of which the Board found it necessary to put in order before requiring the occupants to conform to the new conditions of tenancy; and a further heavy expenditure was authorised in connection with the new side-schools near Ashburton, Hinds, and Springston, the re-roofing, &c., of four large city or suburban schools, additions to the teachers' houses at Hampstead and Spreydon, and in general repairs, many of these works having already been put in hand and completed. The total expenditure on buildings in 1896 was £5,676 13s. 4d.

Maintenance.—The expenditure on teachers' salaries and allowances during the year amounted to £55,411 8s. 8d., and the grants to School Committees, with other incidental expenses, to £7,033 11s.; making a total of £62,444 19s. 8d. The working average for the year was 17,898, but the average for the four quarters beginning with the December quarter of 1895, on which payments were actually made, was 17,906. The cost per head of teachers' salaries was therefore a little over £3 1s. 10d., and the total cost of maintenance, including all incidental expenditure, nearly £3 9s. 9d. per head. Although the all-round economies effected in 1894 and 1895, together with a stricter adherence to its scale of staff and salaries, have so far enabled the Board to keep expenditure within income, yet the outlook with regard to the future is not encouraging, the general average attendance not increasing in proportion to the necessary expenditure on new schools. The total number of children on the rolls at the end of the year was actually less than at the close of 1894, and it has practically remained stationary since 1890. The position can, perhaps, be best illustrated by taking the case of Cheviot. At the present time the cost of maintaining the four schools there amounts to about £750 per annum. But the children attending the Cheviot schools do not represent an increase in the general attendance, as for the most part they have been withdrawn from other schools in this district; consequently the greater portion of this annual expenditure is in addition to that which the Board was called upon to incur previous to the formation of the Cheviot settlement. As there seems every indication of other settlements being formed, it is safe to assume that the Board's difficulties in this direction will increase rather than diminish.

The following table shows the expenditure in salaries and incidentals for each year from 1878, inclusive [not all reprinted]:—

Year.	Year.			Salaries.		Incidentals.	Totals.	
				£ s.	d.	£ s. d.	£ s. d.	
1878				31,919 0	0	6,276 6 9	38,195 6 9	
1888				50,749 14	6	6,400 7 5	57,150 6 3	
1893				56,291 15	9	6,871 14 10	63,164 10 7	
1895				55,109 0	0	7,039 14 7	62,148 14 7	
1896				55,411 8	8	7,033 11 0	62,444 19 8	

The total number of teachers in the Board's service at the end of the year (exclusive of thirty-six sewing mistresses) was 537—viz., heads of schools or departments or in sole charge, 148 males, 76 females; assistants, 35 males, 133 females. There were 145 pupil-teachers, 42 males and 103 females. As compared with the numbers in 1895, there were nine more certificated teachers, and twelve fewer pupil-teachers. Where variation of the Board's scale of staff and salaries was found practicable, with the double object of reducing the number of pupil-teachers and finding positions for some of the many certificated teachers out of employment, the Board, in several instances, appointed an assistant mistress in place of two pupil-teachers.

ATTENDANCE.—The following table shows the classification of the schools according to their average attendance: Under 15 pupils, twenty-one; 15 and under 20 pupils, thirteen; 20 and under 25 pupils, nineteen; 25 and under 50 pupils, sixty-one; 50 and under 75 pupils, twenty-seven; 75 and under 100 pupils, fifteen; 100 and under 150 pupils, twelve; 150 and under 300 pupils, thirteen; 300 and under 500 pupils, nine; 500 and upwards, five. As compared with the number in 1895, there were ten more schools with an attendance of less than fifteen. This was mainly the result of the increase in the number of aided schools, which stood at thirteen at the end of the year, as against seven in the previous year.

The following table gives the total number of children on the rolls, the number in average attendance, and the percentage of attendance at the close of each year since the Act of 1877 came into operation [not all reprinted]:—

Quarter ending December 31.	District Schools.	Aided Schools.	Total of Schools.	On Roll.	Average Attendance.	Percentage.
1878	 106	4	110	13,647	10,076	73.83
1888	 155	1	156	20,388	16,395	80.42
1895	 180	7	187	21,368	17,969	84.09
1896	 182	13	195	21,300	17.938	84.21

REGULATIONS.—At the commencement of the year the Board altered its regulations with regard to school holidays, increasing the maximum length to ten weeks and the minimum to eight weeks. Towards the middle of the year, by amending the regulations respecting incidental expenditure, the purposes for which allowances are granted to School Committees were more exactly defined; and at the same time the duties which the Board had decided should attach to the occupation of school-houses were drawn up in schedule form and issued to all the Board's tenants, three months' notice of its intention to amend the conditions of tenancy being given to all teachers occupying school-houses.

Inspection.—The Inspectors' annual report, giving full statistical information, is appended, The number of children presented was 21,318, being ninety-one more than in the previous year, and the highest total yet reached; but with regard to attendance on examination day, the number, 19,957, was seventy-one less than in 1895, when 20,028 were present. Of those presented in the standard classes, I. to VI., 2,390 did not pass, but of this number 384 had made less than half the