3. Proposed Scales of Staffs and Salaries.

Before proceeding to refer in detail to the scales of salaries formulated by us, and to explain the principles upon which they are based, it is necessary to note a somewhat uncertain factor—namely, the sum to be set aside to meet the cost of administration by Boards, allowances to School Committees, inspection, "sick-pay," supply service, and minor charges. Variations exist throughout the Colony in the rates of payment for these purposes similar to those presented in scales of staffs and salaries. The average expenditure incurred in Boards' expenses for the last three years was £62,150 per annum. We find that several Boards have—more especially in former years—devoted a portion of the capitation grant to the erection and repairs of school-buildings. This necessarily reduced the amount available for salaries. The majority of Boards now, however, consider that this allowance should not be expended on school-buildings. We hold that such transfers from the General Account to the Building Fund are unjustifiable, and should be discontinued.

In making provision for the fund for purposes other than the payment of teachers' salaries we have adopted the suggestion of the Inspector-General of Schools. By this suggestion £250 is allowed to each Board, with a capitation of 11s. 3d. on the total average attendance of the schools of the district. The sum required will be £66,108. By the fixed payment the financial position of the smaller districts will be strengthened, while the total increase will prove beneficial in all cases.

According to an estimate prepared by the Secretary for Education the income available, based on the returns of the year 1900, is £450,990, composed of: (1) a capitation of £4 on 111,747.5 pupils, equalling £446,990; (2) inspection subsidy to be merged with (1), £4,000: a total of £450,990. If from this sum is deducted £66,108—allowances to Boards—there is left on which to base the necessary calculations for the construction of a scale of staffs and salaries the amount £384,882.

Two schemes have been prepared, and these are marked Scale No. 1 and Scale No. 2 respectively, and appear as Appendices A and B. They present the same general features, the difference between them being that in the second there is an increase in the amount proposed as salaries to teachers in schools with an average attendance of more than 20. We strongly recommend the adoption of Scale No. 2. As, however, the order of reference necessitates the construction of a scale on a capitation of £4, we are compelled to so reduce salaries as to bring the total expenditure within the amount available. This, as has been stated, is £384,882, while the cost for salaries is, under Scale No. 1, £384,764, and under Scale No. 2 £395,616, leaving an unallotted balance of £118 in the former, and a debit balance of £13,425 in the latter.

We urge that the amount to be voted for the payment of teachers' salaries and Boards' allowances be raised to a sum equal to a capitation of £4 2s. 6d. There would then be sufficient funds to provide for the requirements of Scale No. 2, and to increase the allowances of Boards to a capitation of 12s., with the addition of £250 to each district with an average attendance not exceeding 8,000—a provision we estimate to be sufficient. The adoption of this course would, in our opinion, satisfy the requirements of Boards and teachers, and, from an educational point of view, result in increased efficiency in the primary schools.

4. Notes on the Proposed Scales.

We supply notes on the chief features and principles presented by the proposed scales. The numbers used are from the returns of the last quarter of the year 1900, that being the year on the returns of which the estimate of the expenditure under the scales was made.

Scale No. 1 gives a suggested staffing of schools of an attendance from 1 to 1,050. The latter limit has been found necessary in order to provide for schools already established in the larger centres. We think, however, that for many reasons it is undesirable to foster the growth of very large schools. The maximum number of pupils should not exceed 700, representing an average attendance varying from 600 to 650, and we suggest that in future that limit should be adopted. We make this recommendation to obviate the duplication of classes and the establishment of separate departments. It is our opinion that the mixed school, moderate in size, represents the highest type of the primary school.

Both scales provide for a grant of £5 up to an average attendance of 20. Under this proposal the Boards will be enabled to make complete provision for education in isolated and sparsely populated districts. For schools of this grade the grants made by Boards have varied in rate. Some Boards have refused to sanction the establishment of a school