

While cordially approving the increase in the scale of remuneration of teachers, and the granting of house allowance to head teachers for whom no residence is provided, the Board felt bound to enter its protest against the inadequate provision made for the maintenance of small schools with an average of twenty and under. The Board again reiterates its opinion that such schools cannot be fairly dealt with on a capitation basis. The disparity in the salaries of first and second assistant masters is also a defect which should be rectified.

ATTENDANCE.—The roll-number of scholars at the end of 1900 was 28,045, and at the end of 1901 the number was 28,387. The average attendance for the last quarter of 1901 was 24,401, as compared with 23,968 for the corresponding quarter of 1900. It is satisfactory to note an improvement in regularity of school attendance. The new Act contains several improvements, and will tend to check habits of truancy.

SCHOLARSHIPS.—Twenty-five senior and fifty-four junior district scholarships were under tenure at the end of the year, besides seven held by girls under special regulations and derived from the income of the Auckland Girls' High School Endowment. Satisfactory reports were received of the conduct, diligence, and progress of the holders.

DISTRICT HIGH SCHOOLS.—With the sanction of the Minister, the Coromandel and Waihi Schools have been brought under the district high school scheme, and the Board hopes soon to be in a position to extend the benefits of secondary instruction to other schools also.

TECHNICAL INSTRUCTION.—Very little has been done during the year in the formation of school classes. The Board has undertaken the management of the Auckland Technical School, and applications have been invited by advertisement within the colonies and in England for a director. At present the work of the school is carried on under great disadvantage in a rented building quite inadequate for the purpose.

FINANCE.—The total income for the year, including a balance of £3,501 18s. 3d. brought forward from 1900, amounted to £113,812 8s. 3d. The total expenditure for the year on maintenance and buildings amounted to £113,952 7s. 2d., leaving a debit cash balance of £139 18s. 11d. at the end of the year. Against this debit balance must be set the sum of £394 3s. 4d., being the December quarterly grant for scholarships, which was in transit through the bank from Wellington at the end of the year, and a further sum of £1,718 1s. 8d. due from the Treasury as a refund of additions to teachers' salaries paid by the Board for the December quarter.

Under the new financial arrangements consequent upon the passing of "The Public-School Teachers' Salaries Act, 1901," the painting and repair of school buildings will become a charge upon the Building Fund.

A special item of expenditure during the year was a sum of £99 2s. 7d., incurred in connection with the Royal visit.

The statement includes the maintenance of the Auckland Technical School during the period of eight months from May to December, in respect of which the Board received £313, and expended £344, leaving a debit balance of £31, of which about £29 is covered by capitation fees yet to be received from Government for the last term of the year.

The statutory capitation grant of £3 15s. for maintenance was applied (approximately) as follows: On teachers' salaries and allowances, £3 3s. 9d. per head*; grants to School Committees, including small repairs, 5s. 11d. per head; inspection and examination, 2s. 2½d. per head; cost of Board's management, 2s. 1½d. per head.

A comparison of the income and expenditure for general maintenance shows a surplus balance of £283 7s. 9d. for the year.

At the 31st December there was a net credit balance of £2,121 6s. 3d. on Maintenance Account after providing for all liabilities thereon to date.

The total income on Building Fund Account, including a balance of £792 unexpended at the beginning of the year, was £11,964 8s. 10d., and the expenditure during the year was £13,468 19s. 7d., leaving a balance of £1,504 10s. 9d. due to Maintenance Account. The liabilities for works in progress amounted to £4,832 11s. 8d., making a total liability of £6,337 2s. 5d. on this account at the end of the year. Against this liability there were the following assets: £2,375, balance of ordinary building grant to 31st March, and £250, to be realised by the sale of the teacher's residence at Paeroa.

Further works to the extent of £3,340 had been authorised but not yet begun; and, besides these, there were other works projected when funds should be available, and estimated to cost £5,960.

BUILDINGS.—Seven new schools have been built, the principal work being the erection of a new and commodious school at Onehunga. Two residences have been erected. Five schools and three teachers' houses have been enlarged. There has been a considerable outlay in repairs and improvements to existing buildings. Two experienced foremen carpenters are employed continuously in this work. The funds provided for building purposes are quite inadequate to meet requirements.

MISCELLANEOUS.—Special attention has been given to instruction in military drill. The formation of school cadet corps has been continued, and at the end of the year there were twenty-seven corps in active operation. The visit of their Royal Highnesses the Duke and Duchess of York in June of last year was celebrated by the granting of an extra week's holiday, an effective muster of the school cadets, and the issue of commemoration medals to all school-children. The New Zealand ensign has been supplied by Government to all schools at which a flagstaff has been erected, and the Board has appointed certain dates for the hoisting of school flags in commemoration of events of historical importance.

* This computation does not disclose the total actual cost of teachers' salaries during the year, which was £2 9s. 4d. per head.