

1. All Accounts (excluding Buildings).

Excluding the expenditure on buildings, the following summary shows the chief items of expenditure for the past five years :—

	1912. £	1913. £	1914. £	1915. £	1916. £
Boards' administration ...	47,772	48,004	48,267	28,892†	33,368
Incidental expenses of schools ...	44,723	46,412	46,678	51,628	56,530
Teachers salaries* ...	643,921	668,094	716,749	818,263	905,425
Training of teachers ...	29,754	37,864	37,180	43,189	46,061
Scholarships and district high schools	33,361	33,072	34,436	34,962	35,373
Manual and technical instruction...	77,131	82,030	89,350	95,697	100,502

* Excluding house allowance.

† Inspectors transferred to Department in 1915.

It will be observed that each of the items shows an increase in 1916 over the expenditure for 1915. The expenditure out of the Boards' General Fund has increased by £4,476, of which amount £1,484 was on account of salaries and £2,241 on account of office contingencies. The reduction in the number of Boards which took place in August has not yet resulted in a saving in the cost of administration, but it will be possible to make a fairer comparison when the new arrangement has been in operation another year. In spite of the larger expenditure the Boards increased their credit balance on the general account by £7,223 during the year, and in addition transferred over £5,000 to other accounts, chiefly to that of the incidental expenses of schools. During the two years, 1915 and 1916, that the Education Act, 1914, has been in operation the Boards have saved in the aggregate £26,000 on the General Account, of which sum over £7,000 has been transferred to the Incidental Expenses of Schools Account. To provide for the General Fund of the Boards the Department makes a statutory capitation payment of 5s. per head of the average attendance. The average expenditure of the Boards out of this fund for the purposes of administration amounted to 4.1s. per head in 1916, ranging from 3.1s. in the Otago District to 5.8s. in the Nelson District. In the last-named district the expenditure for the year exceeded the income.

The expenditure on the incidental expenses of schools shows an increase of £4,902 over the figures for 1915, exceeding the grants made under the Eighth Schedule by £6,204. A number of the Boards have simply adopted the Schedule as the basis of distribution to School Committees, though this was not the intention, while others have maintained a more liberal scale, making additional payments out of the General Fund. The average allowance made by the Boards to School Committees on this account works out for the whole Dominion at 6s. 11d. per head of the average attendance in 1916; it was 6s. 4d. in 1915, and 5s. 11d. in 1914, the rate gradually increasing. The increased cost of material and labour at the present time is calculated, however, to absorb this increase. The allowance varies in the several districts, ranging from 5s. 6d. in Taranaki to 7s. 6d. in Southland.

The increase in the expenditure on teachers' salaries over the previous year was £87,162, but this amount includes £50,000 paid as a war bonus. The increase in the cost of training colleges is also in part to be accounted for by the war bonus paid to teachers and students.

The increase in the expenditure on manual and technical instruction—namely, £4,805—is approximately the same as the increase regularly observed during each of the last five years. The Boards' statements of accounts show a credit balance of £3,580 in respect of manual and technical instruction, and in addition an excess of assets over liabilities of £27,245. The accounts in connection with buildings are not included in these figures.

The following is a summary of the cash assets and liabilities of the Boards on all accounts, excluding buildings, at the 31st December, 1916 :—

ALL ACCOUNTS (EXCLUDING BUILDINGS).					
Monetary Assets.			Liabilities.		
		£			£
Bank balance	..	46,839	Overdraft	..	3,121
Other assets.. ..	..	40,310	Other liabilities	..	8,905
Total	..	£87,149	Total	..	£12,026
Credit balance	..	£75,122			