

In addition to the annual contribution of £10,000, a further sum of £3,347, representing interest and bonus, was added to the fund, whilst claims amounting to £15,936 were paid, £15,681 of which represented the total expenditure on rebuilding and restoring schools destroyed by fire.

STATE FIRE INSURANCE.

The operations of the State Fire Insurance Office for the year have been most successful. The surplus amounts to £37,043 after paying £14,867 for income-tax, providing £4,274 for reserve for unearned premiums, £1,000 for investment fluctuation reserve, and writing £1,882 off Office buildings and equipments. This surplus exceeds the previous best figures by £8,571.

The total net income for the year increased by £11,106—from £99,458 to £110,564—and the amount underwritten increased by over two millions and a quarter sterling—to £26,160,000.

The accumulated funds increased by £42,317, now totalling £256,337.

GOVERNMENT PRINTING AND STATIONERY DEPARTMENT.

Owing to the high price of paper, stationery, and printing-materials, a considerable increase is asked in the vote for this Department. Prices, instead of easing, appear to be hardening, and the difficulty of obtaining paper and stationery is so acute that it is necessary that the strictest economy be exercised.

Last year £10,000 was voted for machinery, but orders are so slow in being executed that very little has come to hand, only £457 having been expended. The work of the Department is growing so rapidly that the best machinery available must be obtained, and therefore a substantial amount for this purpose is again asked for.

The total value of the printing-work for the year (exclusive of stamps) was £199,203, an increase of £33,000 over the preceding year.

EDUCATION.

Excluding the subsidies paid under the different Education Acts, totalling £130,066, and national-endowment revenue, amounting to £78,988, the expenditure from the Consolidated Fund by the Education Department during the past financial year was £2,031,825, an increase of £428,830 over that for the previous year. The increased expenditure was partly due to the natural increase of population and to the greater demands generally for free education—primary, secondary, technical schools, the University colleges, and the Department's special schools all contributing to the additional cost. The extra expenditure was, however, more largely due to the necessity for providing better salaries for teachers, and for making further provision for the maintenance of buildings and incidental expenditure directly affected by the great increase in cost of material and labour everywhere experienced.

The Education Act, 1914, provided a more liberal scale of staffs and salaries of teachers for our public schools, and these salaries, supplemented by war bonus in 1917, were permanently increased by a sum of £118,000 in 1918, and were again increased by a further sum of £200,000 under the provisions of the Education Amendment Act, 1919. As a result mainly of these concessions, the annual cost of public-school teachers' salaries has increased by 66 per cent. during the past five years, and now amounts to over one and a quarter millions. At the same time, in order to prepare for the teaching profession an adequate supply of young persons with suitable qualifications, it has been found necessary not only to increase the number materially but also to practically double the emoluments of these young persons in training. An earnest effort is also being made to secure a greater number of entrants to the teaching profession by providing short courses of training for aspirants of suitable education, for it is recognized that a much larger number of efficient teachers is essential if the evil of large classes in our city schools is to be removed.

Unfortunately, even this very great increased expenditure has not been sufficient to keep pace with the cost of living and to attract to the service all the teachers that are needed. Again this year it has been found necessary to reconsider the salaries of teachers of all schools, primary and secondary, and