11 E.—6.

The net annual income from endowments, as defined above, amounted to £13,000, which sum was deducted from the Department's payments to the Boards for salaries.

Hostels for school boarders were conducted by fourteen Boards, five of which ran the hostels at considerable profit; five others made a loss on the year's working, the remaining four making the revenue and expenditure approximately balance.

The expenditure of over £130,000 on new buildings represents the cost of large building operations in connection with schools and hostels at several of the centres. The Government's contribution towards this expenditure by way of direct grants was nearly £93,000; the balance being met by income from endowments or by loans raised on the security of these endowments. Several Boards have raised loans in this way which will be gradually paid off from endowment income. The total debit balance of all Boards at the end of the year amounted to approximately £80,000.

The following payments were made by the Department on account of secondary education during the year ending 31st March, 1922:—

Payments to Education Boards for—				£
District high schools: Secondary teacher	s—Salaries			33,495
National Scholarships				11,693
Payments to secondary schools and colleges for—				
Salaries and incidental expenses				157,660
Manual instruction capitation				3,561
Subsidies on voluntary contributions				743
New buildings, equipment, furniture, sites, &c.—Education Purposes				
Loans Act, 1919				81,197
Rebuilding high school destroyed by fire				4,156
From reserves revenue in accordance with Education Reserves Amend-				
ment Act, 1914				9,958
Conveyance of pupils to secondary and district	et high schoo	ls		6,112
Marlborough High School: Statutory paymen	nt			400
Inspectors' salaries				1,437
Inspectors' travelling-expenses		• •	: •	466
Total				£310,878

2. ANNUAL REPORT OF THE INSPECTORS OF SECONDARY SCHOOLS.

SIR,---

Wellington, 1st June, 1922.

WORK OF THE YEAR.

All secondary schools of the North Island, exclusive of the two Wellington Colleges, were inspected during the first and second terms, for periods ranging from three to six days in each school. Detailed reports upon organization and methods of teaching were forwarded to the respective Boards and Principals, and during our visits these matters were discussed with Principals and staffs individually or by means of conferences. During the latter half of the year Wellington College was inspected, and all secondary schools in both Islands were visited in connection with Principals' recommendations for the award of senior free places and of the various leaving-certificates. Written and oral tests were given to second-year forms in English, arithmetic, and usually in other subjects up to the standard of the Intermediate Examination. 1,820 senior free places were awarded in accordance with clause 7 (c), and higher and lower leaving-certificates issued to pupils who had fulfilled the required conditions. Registered private secondary schools were also inspected, some for purposes of report on the working of the schools, and in all cases in connection with the granting of higher leaving-certificates. Individual teachers were observed at work during all visits, and Principals consulted with reference to their efficiency. These observations and reports were used as a basis for revising the classification list in December.

A period of nearly three weeks was spent in attendance at the sittings of the Appeal Board appointed for the hearing of appeals of teachers against their classification. The Board was composed of a Chairman appointed by the Minister, a representative of the Department who was not a grading officer, and a representative elected by the secondary-school teachers of the University