3 E.—1.

met by approving the payment of salary at the rate of that for a Grade 1 assistant teacher for those acting in lieu of probationary assistants, while the few who were employed in Grade 0 schools were paid at scale relieving-rates. Early in the year those who were employed in Grade 0 schools had to be withdrawn to fill positions where needed in larger schools.

To meet the staffing position created by the readmission of the five-year-olds it was decided to grade schools for the year 1936 on 95 per cent. of the roll number on the 31st March of that year. Education Boards were paid their general grant on a basis of this number instead of on average attendance for the previous year.

An increase in the grant to enable kindergartens to carry on their work was provided. The regulations provide for capitation not exceeding £4 per annum for each pupil in average attendance, and not exceeding 25s. for every 20s. raised by voluntary contributions and expended on the maintenance of the schools by the Free Kindergarten Association during the year. The capitation thus provided will, I hope, be augmented during the year 1937.

A very important provision especially affecting primary schools was the section in the Education Amendment Act, 1936, which abolished (after 30th September, 1937) the Proficiency Examination and the issue of certificates of proficiency and competency. The discontinuance of the Proficiency Examination removes from our system an examination which, for over thirty years, has exerted a strong and generally restrictive influence on the teaching in primary schools. It is confidently hoped that teachers will take the opportunity they now have to plan for their pupils' courses of instruction that will ensure for them the fullest benefit obtainable from their education.

Special attention has been given throughout the year to the educational interests of the country children. The consolidation of small rural schools in a larger school conveniently situated for this purpose has been encouraged wherever possible.

The advantages of consolidation are briefly that children are taught in larger and better-staffed schools which, because of their size, are able to provide for country children educational facilities approximating to those that pertain in the towns. Wherever schools have been consolidated the transport necessary to bring the children to the school centre has been arranged, and, in all, some sixty-five conveyance services for these and other schools were established during the year 1936. A number of school buses have been built in the Railway Workshops, or are in course of construction. Actually twelve new buses were placed in conveyance services during the year, and at the end of the year there was a total of twenty-four school buses. These are placed where they can be most advantageously used, particularly in districts in which some difficulty has been found in establishing services under private contract.

Increased provision was made for payment of boarding-allowances to assist country pupils to attend primary schools in cases where, through impracticability of conveyance, such pupils are obliged to live away from home in order to attend school. It is hoped that it will soon be possible to increase the amount of the boarding-allowance from its present amount of 5s. per week to 7s. 6d.

In addition, a larger grant was made in the year 1936 for the encouragement of Boys' and Girls' agricultural clubs. For primary schools generally the grant made for the incidental expenses of School Committees has been substantially increased, and a portion of the increase specially earmarked for improvements to school-grounds.

It has been decided to supply the School Journal free to children attending private schools.

Arrangements have been entered into by which private schools as well as public schools are able to obtain radio equipment at concession rates. The importance of radio is realized and encouragement is being given to this form of education.

The provision for the supply of handwork material was doubled in the year 1936 to enable more adequate provision to be made for this form of instruction, and a further increase in the year 1937 is projected. A sum has been provided for needlework instruction in schools under the charge of a sole male teacher. For a considerable time prior to the year 1936 teachers were obliged to purchase their own work-books and scheme-books, but provision has now been made for these