The building and grounds are under the control of a Custodian.

All the staff, with the exception of the Secretary to the Board, are members of the Public Service.

The New Zealand Academy of Fine Arts, which occupies a portion of the National Art Gallery, carries on valuable work in the encouragement and development of art. In addition to holding periodical exhibitions of work by its artist members, the Academy heartily co-operates in the work of the National Art Gallery and readily lends its main gallery for special exhibitions. The Academy contributed the proceeds of the sale of its Whitmore Street property and its Building Fund to the Board's Building Fund, and also makes an annual contribution to the revenue of the Board.

The activities of the three sections are described in the accompanying reports, and some idea can be gathered therefrom of the varied and valuable work that is carried on by the respective institutions, and the immense possibilities of the educational work that can be accomplished if the necessary funds are made available.

During the year under review the Art Gallery and Museum building has been completed, and it is pleasing to record that the final cost was within the building funds available, and the institutions therefore commenced operations free of any capital debt. The total cost of the buildings, equipment, and lay-out of grounds is approximately £234,000.

The Building Fund of the National Art Gallery and Dominion Museum was contributed in equal proportions by the Government and by public subscriptions. Assistance has also been received from the Employment Fund and the Education Department towards the cost of laying-out the grounds and equipment of the buildings. The Government also contributed a large proportion of the cost of the erection of the Carillon Campanile, and the War Memorial Carillon was purchased by public subscriptions.

The foundation stone of the Campanile was laid by the Right Hon. G. W. Forbes, P.C. (then Prime Minister), on 15th May, 1931, and the dedication ceremony was performed by Lord Bledisloe, then Governor-General, on Anzac Day, 25th April, 1932.

The foundation stone of the National Art Gallery and Dominion Museum was laid by Lord Bledisloe, then Governor-General, on 14th April, 1934, and the building was formally opened by His Excellency the Governor-General, Viscount Galway, D.S.O., O.B.E., on 1st August, 1936.

The completion of the building was the culmination of many years of unceasing effort on the part of a number of enthusiastic and ardent supporters of art and science, and it is the consensus of opinion of all visitors that the buildings form a fitting national home for the art and museum treasures of the Dominion.

The complete building scheme included a Hall of Memories, forming an adjunct to the Carillon Tower, and this particular section has yet to be completed. Efforts are being made to secure the necessary funds to enable the Hall of Memories to be erected.

The grounds in front of the building group have been laid out in approach roads, grass slopes, and planted areas, and the areas at the sides and rear of the buildings are now receiving attention. When completed the grounds will form an attractive and popular public reserve. By arrangement with the Board of the Technical College, an access road to the College has been made, and an undertaking has been given that no fences are to be erected between the respective grounds.

When the widening of Buckle Street is completed and the police-station removed the approach to the buildings will be considerably improved.

The Art Gallery, Museum, and Carillon have been visited by many thousands of people, and have already proved their value as places of interest and a channel of education for adults and children.

The tea-rooms in the Art Gallery section have been well patronized, and a number of luncheons, teas, and other social functions have been held in the rooms during the year.

The Lecture Hall has been used for lectures in connection with the Museum and by the Wellington Philosophical Society and other educational bodies for lectures and film pictures. The British Medical Association held a conference in the Art Gallery and Museum building in February.

The Treasurer's report and audited statement of accounts for the year ended 31st March, 1936, are appended hereto.

The Board of Trustees is still faced with a difficult problem in the provision of the revenue necessary to enable the institutions under its care to carry out their proper functions, for while there have been many gifts of valuable pictures and exhibits and two handsome funds which will be available later for purchase of pictures, the Board has no endowment fund or resources for carrying on its operations, and is therefore dependent upon annual grants from the Government and local bodies, plus public subscriptions, for this purpose. The Government has made an annual grant of £7,000 and the Wellington City Corporation made a grant of £500 for 1935–36, and has voted £1,000 for the current year ending 31st March, 1938, but the present revenue is totally inadequate to meet running-costs and provide essential funds for repairs and renewals, depreciation, purchase of pictures and exhibits, and educational facilities. Unless, therefore, the revenue can be considerably augmented, the work of the institutions must suffer a severe setback and their educational aims be stultified.

By reason of the representative character of the Board of Trustees the personnel has changed from time to time, and a tribute is paid to those who have acted as members of the Board and committees. During the year ended 31st March, 1937, Messrs. T. R. Barrer and J. M. Ellis thus retired from the Board, Mrs. M. E. Tripe, Mr. N. Isaac, and Mr. J. M. Ellis retired from the Art Gallery Management Committee, and Mr. T. R. Barrer from the Museum Management Committee. Dr. E. B. Gunson acted