Expenditure—					${f \pounds}$	<b>5.</b>	đ.
Salaries	•••	•••	•••		1,573	12	10
Rent of premises	•••		***	•••	200	0	0
Contingencies	•••	•••	•••	•••	<b>241</b>	14	3
Total					£2.015	7	1

There is thus a deficiency of £416 3s. 9d. in the ordinary working of the school. In 1879 there was a further expenditure of £755 5s. 8d. on buildings and furniture. The total deficit thus produced was partly met by a sum of £105 13s. 4d., received out of the proceeds of the reserves for secondary education, and partly by the capitation allowance above referred to, which amounted to £886 2s. 6d. The salaries have since been increased to £2,030.

The highest number of pupils on the roll for 1879 was 245. The number of teachers on the general staff is nine, and there are visiting teachers for French, German, drawing, and fancy work.

Table of attendance, staff, and fees.

The following table contains a summary of information respecting the attendance, staff, and fees of the several schools to which we have referred.

		1879.					
School.	Attendance.	Staff.		Scale of Fees per Annum.			
	Attendance.	Regular.	Visiting.				
Auckland College and Grammar Sch	ool 210	7	2	£ s. d.			
Wellington College	*109	4	2	{ Upper School 10 4 0 Lower School 8 12 6			
Nelson College	134	4	1	12 10 0			
Christ's College	187	8	3	{ Upper School 15 15 0   Lower School 12 12 0			
Dunedin Boys' High School	188	6	4	8 10 0			
Dunedin Girls' High School	144	6	†8	{ Upper School 10 0 0   Lower School 8 0 0			
Christchurch Girls' High School	89	5	†6	Above 12 years 12 12 0 Under 12 years 9 9 0			
Auckland Girls' High School	245	9	4	{ Upper School 8 0 0   Lower School 6 0 0			

Financial difficulties of some schools. From the account which we have given of the state of these schools, it will be seen that several of them are to a greater or less extent in a condition of financial embarrassment. The income of the Auckland College and Grammar School is fairly adequate. Nelson College and Christ's College Grammar School are also independent of external aid: but in the former school too small a staff is maintained, and inadequate salaries are paid to the junior masters; while the latter has found it necessary to increase its income by raising the fees. The Auckland Girls' High School may anticipate some difficulties from the withdrawal of the aid which it has hitherto received from the Education Board; and the Girls' School at Christchurch, which last year had a deficit of £819, will be placed in a straitened position by the necessary diminution of the grants from the School Commissioners. The accounts of the Wellington College and the Otago High Schools show yearly deficits of about £1,200 and £1,800 respectively; and hitherto these schools have been largely maintained out of annual votes.

Recommendation to grant power to sell reserves.

We think that the practice of meeting the continually-recurring deficiencies in the income of the schools by special votes of the Assembly, although necessary in some cases as a temporary measure, is eminently unsatisfactory; more especially as we are persuaded that in several instances the resources of the schools would be sufficient for their requirements, if power were given to the governors to deal with their endowments to the best advantage. We therefore recommend that the governing bodies of secondary schools be empowered, subject to the approval of the Governor in Council, to dispose of their rural reserves, which bring in comparatively little revenue, placing the proceeds on mortgage, or investing them in approved securities. In cases where the capital value of the reserves is sufficient to warrant such a course, a portion of the proceeds should be applied to extinguish

<sup>\*</sup>Including eleven girls in special classes.

<sup>†</sup> Four of these are teachers of music.