

These instructions prohibited the expenditure of any portion of the fund on other objects than "for the purposes of the Act." Prizes, school feasts, &c., were specially excluded. The primary objects of expenditure were defined to be the cleaning of the school and outbuildings, and the supply of fuel for use in winter; and committees were empowered, with the sanction of the Board, to expend any unappropriated balance in improving the school property. In the case of certain small schools, the committees were authorised to supplement the teacher's salary by a small payment from the fund, and the amount so paid to teachers during the year was £608 17s. 10d.

The Board is obliged to report that the administration of this fund has not been entirely satisfactory. In more than one instance money has been expended on unauthorised objects, and in one district, within the Board's knowledge, the fund has been taken to pay for the stationery used by the children attending the school, while the cleaning of the school has been neglected, or at least inadequately provided for.

With these exceptions, however, the fund has been, for the most part, judiciously expended, and many small improvements to school property have been effected by its aid, thereby relieving to some extent the strain on the Board fund. At the end of the year, the unexpended balances amounted to £1,928 12s. 4d., which will provide a considerable fund for future requirements of this kind.

BUILDINGS.—The expenditure on buildings during the year was £32,899 9s. 7d. In addition to a large number of additions and improvements to existing buildings, thirty-one (31) new schools and thirteen (13) teachers' dwellings were erected or contracted for during the year. Towards the close of the year 1878, the Board received notice that its share of the £100,000 grant voted by the Assembly for school buildings for the current year was £18,000. The amount was considerably less than the Board had expected to receive, and the contracts and liabilities entered upon at the 31st December, 1878, exceeded by nearly £7000 the amount of grant which was intended to provide for all requirements up to that date, and for the next six months. Authority had been given to the Board to incur further liabilities in anticipation of the division of the second £100,000 grant voted by the Assembly for the succeeding year (1879–80), but the distribution of this grant was not made known until August. At the 30th June, the Board's liabilities in respect of buildings (over and above the expenditure of the first grant), amounted to upwards of £20,000; and a representation was made to the Government, accompanied by a list of further buildings still required—namely, forty schools and sixty teachers' dwellings, estimated to cost £38,000. It was pointed out by the Board that the distribution of the grant on the basis of population did not fairly meet the claims of this district, and that Auckland was entitled to special consideration until placed upon an equal footing with the other districts of the colony.

An additional sum of £25,000 was placed on the estimates, and out of the £125,000 so voted by the Assembly for the financial year (1879–80), Auckland received £25,000. Although the proportion allotted to Auckland was greater than in the distribution of the previous grant, the Board was obliged to remonstrate against this allocation, which left little or nothing available for further works after providing for existing contracts; and a statement was submitted to the department showing the comparative position of Auckland with that of other districts in regard to school buildings. The Board was now obliged to decline many urgent requests for buildings, and to postpone others, at a season the most convenient for building.

At the second session of the Assembly in October, a further application was made to the Government, setting forth in detail a list of requirements to the amount of £37,790, including £20,000 for teachers' dwellings, and showing by means of certain statistics, taken from last year's report, the reasonableness of the Board's request for a special grant to the Auckland district.

The Government promised to propose a vote "to meet the special circumstances of some districts including Auckland." A sum of £50,000 was accordingly voted; out of which Auckland is to receive £15,000, a sum which, though proportionately larger than previous grants, is considerably less than one-half of the amount returned as being actually needed to meet present requirements, altogether exclusive of prospective wants.

The Board has entered at this length into the subject in order to represent in the clearest possible light its actual position in regard to the want of buildings. It only remains to repeat briefly the reasons which prompt the Board again to ask for a special grant which will give to Auckland the advantages enjoyed by other districts, and enable the Board to administer the system efficiently:—

(1). While in other districts nearly all the schools are provided with dwellings for the teachers, in Auckland there are 120 schools which are not so provided.

(2). Forty-five (45) schools in this district are now held in hired rooms, churches, and other unsuitable buildings.

(3). Many buildings which were originally erected by private enterprise, aided by a small grant from the Board, are mere shells, requiring such improvements as lining, chimney, porch accommodation, fencing, &c.

(4). There is a demand for increased accommodation in the town and suburban schools. The Board has been obliged for want of sufficient accommodation to reduce the number of scholars at some of these schools.

(5). At the 31st December 1879, the Board had no unexpended balance of funds in hand. Every available pound was spent on buildings.

RESERVES.—The income received by the Board during the year from reserves for primary education was £978 12s. 5d. In the month of July, upon learning of the proposals for the transfer of the valuable endowment known as the "Albert Barrack Reserve" to the City Corporation, the Board addressed a petition to both Houses of the Legislature, setting forth the declaration of the trust, and praying that in any dealing with the reserve no action might be taken which would be detrimental to the interests of education. While acknowledging the provision made in the Act to secure to the Board for its own property the site of the Wellesley Street School, the Board cannot but regret the failure of the negotiations for preserving this property as an educational endowment.

SCHOLARSHIPS.—Lists of the scholarships held during the year, and full particulars regarding the examination for scholarships held in December last, are appended. At this examination girls competed for the first time, and won two scholarships out of eight. The expenditure on scholarships has exceeded