The disposal of the total capitation grant of £4 is classified as follows:—

					£4	0	0
Cost of Board's administration		•••	•••	•••	0	2	10
Inspection and examination	• • •	• • •	•••	•••	0	3	2
Grants to Committees, including	rents		•••		0	4	11
Teachers' salaries and allowances	s, per head	•••	•••	•••	3	9	1
					£	8.	d.

The increased expenditure on office staff and inspection* was occasioned by the increase in the number of schools. A charge of £151 0s. 6d. was incurred for interest on bank overdraft, owing to the delay in the allocation and payment of the building grant for the financial year ending in March, 1885. The proposal to withdraw the extra capitation of 5s. is viewed by the Board with alarm. It would be quite impossible in this district to meet the ordinary cost of maintenance without this special grant. The cost is to a large extent regulated by the number of schools. The income of the Board is regulated solely by the number of scholars in attendance. It follows, therefore, that a district like Auckland, having a greater number of schools and a smaller aggregate attendance of scholars, is more severely taxed than a district like Otago, which has fewer schools and a larger aggregate number of scholars.

Buildings.—The following valuation was made of the schools, dwellinghouses, fittings, and

other property owned by the Board on the 1st September, 1884:—

				£	s.	d.
School-buildings		• • •		 83,932	2	6
Furniture and fittings				 10,763	0	8
Dwellinghouses				 28,289	2	0
School sites (1,089a. 3r. 1	.8p.)			 45,348	17	0
, .	- /					

Total value of buildings and land ... £168,333

In April, 1884, the building operations of the Board were brought to a standstill owing to the want of funds, and to the refusal of the Government to promise any further grant for buildings. The Board was compelled to decline all applications for grants, and to abstain from incurring any further liabilities beyond those already contracted. Even the most necessary works had to be further habilities beyond those already contracted. Even the most necessary works had to be postponed. Temporary school accommodation was, in one or two instances, obtained by renting buildings for the purpose. After a delay of nine months, the Board at length received notice of the allocation of a grant of £9,682 (since supplemented by an extra grant of £1,000) for the financial year ending in March, 1885. Of this grant, £5,000 remained available for appropriation after meeting the liabilities previously incurred. The immediate requirements amounted to more than £32,000. Considering that this Board has to depend entirely upon the grants annually voted by Parliament for building purposes, it is reasonable to urge that, in the distribution of these grants, due regard should be paid to the requirements of each district. The distribution is made, however, not according to actual requirements, not in proportion to the number of schools in each district, but on the simple basis of population. No consideration is given to the fact that all districts have not been equally supplied with buildings. In the southern districts of the colony—e. g., Otago and Canterbury—nearly every school has its proper building, and a separate residence for the teacher In the Auckland District thirty-seven schools are housed in buildings not belonging to the Board, many of them being out of repair, ill-ventilated, and generally unsuitable. In the Auckland District, also, no fewer than ninety schools are still unprovided with teachers' dwellings. Schoolbuildings are required for new districts, and to take the place of sheds, wheres, and other buildings, which are now made to serve as school-rooms. Residences are also urgently required for the location of teachers, and to prevent the frequent changes which are occasioned through the want of such accommodation. The Board repeats the assertion, made in previous reports, that a special grant is required in order to place Auckland on a more equal footing with the other districts of the colony. New wants are constantly arising through the growth of population. These include the enlargement of one city school and the building of another in the thickly-peopled district of Freeman's Bay. Children are being daily turned away from the school doors for want of room. Additional accommodation is needed at Ponsonby, Newmarket, and Devonport. New school-buildings are also wanted in the important townships of Tauranga and Opotiki, and in other country places. In view of these many urgent requirements, it is hoped there will be no delay on the part of Government in making known the amount to be placed at the Board's disposal for the financial year beginning in April, 1885. [Note.—The amount (£18,000) said to have been expended in Otago on the building of one school alone (the Dunedin High School) very nearly equals the whole amount of two years' building grants to the Auckland District.]

PLAYGROUNDS.—The accounts show an unexpended balance of £1,500 on "Playgrounds Account." This amount represents £1,000 reserved for the purchase, not yet completed, of a playground at Ponsonby, and £500 appropriated for the formation of a playground at the Wellesley Street School, which is now being carried out by the municipal authorities under agreement with

the Board. Training College.—Thirty-three students were maintained during the year; two of them left before the end of their term. There is a gradual increase in the number of male students. Arrangements are made for students to attend the lectures of the Auckland University College, and several have distinguished themselves at the annual examinations. The work of training is not limited to the students of the Training College. Classes for the instruction of all teachers and pupil-teachers within reach are regularly conducted by the Principal, assisted by the staff of

^{*} Details of expenditure are given on Table No. 3, p. 3, ante.

† The funds in this case were obtained from the High School Board's own reserves, and not from the Parliamentary vote for school buildings.