

this last work one-half the cost was contributed by the inhabitants. The school at Upper Kokatahi has been enlarged, as also the teacher's cottage. At the Lower Kokatahi school a verandah has been added, and tenders for painting all the buildings have been invited. At Upper Arahura the new school, which was left in an unfinished state last year owing to want of funds, has been completed. A new school and teachers' residence have been erected at the South Beach. Extension and unavoidable repairs were effected at the teachers' houses at Hokitika and Ross, and at several school buildings. Other buildings were painted to preserve them from premature decay. The new building at Hokitika, after some unavoidable delay both before and since letting the contract, is rapidly approaching completion, and the Board hopes to take possession in about two months from the present time. After much careful consideration, and having asked for and obtained the opinion of persons who had already adopted Asbury's system of warming and ventilating large buildings, the Board decided to adopt that system, and to do away with the open fire-places. It is expected that by this alteration a considerable saving will be effected in the annual expense of fuel and cleaning, whilst at the same time the perfect ventilation of the whole building will be secured. The expense incurred by the adoption of this method of warming the building will be met to a great extent by the omission of chimneys and fire-places, with their furniture; and the Board feels confident that the small addition to the contract price which the charge will involve will be readily sanctioned by the Minister.

SCHOOL DISTRICTS.—Two alterations in the boundaries of school districts have been made during the year. The name of the Bruce Bay district was changed to "Gillespie's," and the southern boundary was altered to exclude Bruce Bay, where an aided school has been established. This change was made chiefly on account of the distance (twenty-five miles) between the two places, which completely prevented the two schools being managed by a single Committee; and, at the same time, the new school was thus placed exactly in the position provided for in the 88th clause of the Act as an aided school. For similar reasons the boundaries of the Okarito School District were altered so as to exclude the basins of the Waitangi and Wataroa Rivers; thus throwing the Waitangi school outside a regular school district, and leaving it to the management of the inhabitants as an "aided" school under the 88th clause of the Act. The number of school districts in Westland therefore remains the same, but there are now four "aided" schools outside of these districts. The returns forwarded to the department in advance of this report contain the usual full information as to the number of children on the school rolls; the average attendance; the number, status, and emoluments of the teachers, &c.; therefore there is no necessity to repeat it here.

STAFFS AND SALARIES.—At the commencement of its existence at the beginning of the year 1885 the Board, in order to guard against the danger of exceeding its probable income, felt bound to make some reductions in the scale of expenditure previously in force, until experience should show how far the funds at its disposal could be made, by economical and judicious management, to meet the requirements of the district. Towards the close of the year just expired the Board found that it was in a position to warrant a little more liberality towards the teachers and Committees. A bonus was therefore distributed among the teachers, at the rate of 10 per cent. on salaries below £80 per annum, $7\frac{1}{2}$ per cent. on those between £80 and £130, and 5 per cent. on those above £130. An additional vote of £25 was also made to the Secretary and Inspector, whose regular salary for the joint offices is less by £100 than the lowest salary paid to any Inspector in the colony. The Board has had under consideration for some time a revision of the scale of staffs and salaries, and has lately adopted a new scale, which gives greater advantages to the small schools. The amounts payable to Committees as the Board's contributions to the school funds have also been increased; the salaries of teachers have been somewhat increased on the whole, though a few suffer a decrease, but this is only in the larger schools, where a small increase of attendance will raise most of them to their former amounts. The total effect will be to increase the expenditure on salaries by about £200 and Committee grants by about £85. These alterations are to come into force on the 31st March, and it is to be hoped that, by a strict attention to economy in other directions, and if no unexpected diminution of attendance and consequently of income takes place, the increased expenditure thus resolved upon will not be found, at the end of the year, to have been unwisely incurred.

SCHOLARSHIPS.—There are now three scholarships held under the Board's regulations; two of these will expire on the 31st March next, but, as another will commence on the 1st January, there will be four scholarships current during the first quarter of 1887; but thereafter there will be only two. The value of the Board's scholarships is £50 per annum, and they are tenable for two years. In the absence of any secondary school in Westland a smaller amount would be of no service to the winners of scholarships; but, in the event of a good high school being established in Hokitika, it may be possible at some future time to increase the number of scholarships by reducing their money value. Seeing that the funds devoted to the establishment of these scholarships are derived from the taxpayers of the colony as a whole, the Board is of opinion that the present system of distributing the grant amongst the education districts in proportion to the average daily attendance of scholars not only gives an undue advantage to thickly-populated districts, but is also altogether wrong in principle. It is particularly unfair to Westland and similar districts, inasmuch as the older and wealthier provinces are already possessed of valuable endowments for secondary education derived from large reserves of the public lands of the colony. It is presumed that the object of devoting public money to the foundation of scholarships is to assist in discovering and developing, for the benefit of the whole community, the best youthful talent in the colony wherever it may be found; but, under the present management, not only is there no guarantee that these prizes shall fall to the lot of the most deserving youths of the colony, but, as each district has its own scholarship regulations, it is highly probable that the successful candidates in one district may be much inferior in ability to some of the unsuccessful ones in another. It appears to the Board that the expenditure of large sums of money for this purpose can only be justified on the assumption that the