

passing into law of "The Public Service Classification and Superannuation Amendment Act, 1908." By this measure the teachers of the Dominion are brought more into line with other branches of the Civil Service. Under the law as amended the actual allowances payable to retiring contributors is considerably increased, though the age-limit of retirement is also extended. The amended Act gives contributors the option of accepting the new or remaining under the original Act. The Department is to be congratulated on its efforts thus to render the service more attractive by enabling members of the profession to make, if not adequate, at least partial provision for old age, or compulsory retirement on account of permanent sickness or disablement. Simply as an encouragement to thrift the introduction of a superannuation scheme such as now happily exists is not without its advantages, and the compulsory acceptance of its provisions by all qualified teachers who now or hereafter enter the service is highly beneficial.

BUILDING OPERATIONS.—The credit balance on the Board's Building Account at the commencement of the year stood at £3,834. This amount increased to £5,470 at the close of the year. The destruction of the District High School buildings at Riverton by fire in June last will prove a serious loss to the Board. A contract has been entered into for the re-erection of the building in brick. The total cost, including outbuildings, fencing, and levelling, is expected to approximate £3,800 or £4,000. To meet this abnormal expenditure a grant of £2,900 has been promised by your Department, leaving a deficit of approximately £1,000 as a charge against the Board's ordinary Building Account. Several works of considerable magnitude have been undertaken during the year. Contracts were entered into for rebuilding of teachers' residences at Dipton, Waianiwa, Bluff, and Limestone Plains, the old and worn-out structures to be disposed of to the best advantage. The erection of much required additions to the school buildings at East Gore, Greenhills, Kennington, and Otautau, at a total approximate cost of £2,700, has also been authorised. For most of these works a partial grant-in-aid has been approved by the Department. The following additional works will be undertaken during the coming year—viz.: The re-erection of the teacher's residence at Myross Bush (destroyed by fire during the year 1907); the erection of residences for the convenience of teachers at Waimahaka, Gladfield, and Waikouro; the erection of a new school and residence at Waikaka, and of a new school at Titipu; for each of which grants to cover cost, or in aid thereof, have been promised. To complete and carry out the programme of works mentioned will, it is expected, absorb a large proportion of the balance now standing to credit of the Building Account. It is scarcely necessary to mention that the general work of maintenance—repairs to buildings, erection of outhouses, fencing, and other conveniences—has been carefully attended to during the year. These latter, exclusive of painting, for which tenders are generally invited, are now carried out by a competent staff of workmen, acting under the direct supervision of the Board's Architect and his assistant.

FINANCE.—A perusal of the Board's general statement of receipts and expenditure during the year, a copy of which has already been transmitted to your Department, will afford full information concerning the state of the Board's finance. The total receipts, exclusive of credit brought forward from the previous year, were £56,008 3s. 9d., and the aggregate expenditure amounted to £52,719 15s. 2d.; the credit balance as on the 31st December being £10,075 12s. 11d., of which £4,605 4s. 7d. was in favour of the General Account, and £5,470 8s. 4d. in favour of that for buildings. These balances do not, as a matter of fact, however, represent the actual position of the Board's finances. To arrive at an approximate estimate of the true position, account must be taken of the statement of assets and liabilities. From this it will appear that a sum of £1,599 1s. is shown as a liability in respect of prepayment by the School Commissioners of Otago of primary reserves rents for the last quarter of the year. This amount will, of course, constitute a debit against the first payment on account of teachers' salaries for 1909. There is also in the statement of assets and liabilities(1) an amount aggregating £240 due to the Department in respect of the adjustment of teachers' salaries (primary and district high schools) for the last quarter of the year; and a further sum of £584 due to School Committees as School Fund allowance for the December quarter. The principal item in the assets column of the statement is a sum of £769 due to the Board in respect of manual and technical classes. For the first time it has been possible this year to furnish a statement of balances on all the separate accounts of the Board as set forth in its balance-sheet. From this statement it will appear that, while a sum of £9,742 stands to credit of the Ordinary School Buildings Maintenance Account, a debit amounting to £4,108 stands against the account for the erection of new public school buildings, additional class-rooms, furniture, &c. This latter is the accumulation of the operations of many years past, and is accounted for by the fact that special grants for the erection of new buildings rarely cover (very often fall considerably short of) the cost of these works. It is a question whether it will not be advisable to transfer a sum from the amount of credit of the one to cover the deficit in the other of these two accounts. The statement of balances here referred to covers almost the exact ground required in the special statement (balance-sheet) furnished to the Audit Department, and it appears to the Board that there is now no reason why these two Departments (Audit and Education) should require separate statements of accounts, the preparation of which for the former involves a considerable amount of unnecessary clerical work. If Return No. 5, slightly modified if necessary, could be accepted by the Audit Department, in lieu of the statement hitherto required, the difficulty existing for the past four or five years would be solved to the comfort and convenience of all concerned. The prospective liabilities of the coming year, especially in the matter of buildings, will be very heavy, but the Board anticipates no difficulty in meeting all its engagements.

The Board has again to express its appreciation of the courtesy and attention it has received on all occasions from the Department and its officers in the various matters requiring its attention during the year that is past. A similar note of appreciation is due in respect of its dealings with the School Committees throughout the district, no case of serious friction having arisen during the year.

I have, &c.,

THOMAS MACGIBBON, Acting-Chairman.

The Hon. the Minister of Education, Wellington.