

on the 1st January, 1911, for rebuilding worn-out schools, for replacement of worn-out furniture and fittings, and for maintenance of school buildings and residences. But from the Combined Buildings Account it will be seen that the actual net balance is only £33,692. As the cost of building new schools and residences, and of additions to schools and residences already existing, should have been met by special grants already paid for that purpose, it is obvious that this balance of £33,692 represents the total amount available for the purposes of maintenance and rebuilding. Apparently, then, the Boards have diverted to other purposes over £56,000 voted by Parliament and distributed by the Government for the purpose of buildings maintenance grants. As pointed out in last year's report, the Boards have been informed that in accordance with the recommendation of the Education Committee sums amounting in the aggregate to not more than 7 per cent. of the buildings maintenance grants might be spent on "additions and alterations," but the circular conveying that information further stated in clear terms the condition under which any part of the grants could be used for additions and alterations—namely, only after due provision had been made by the Boards for maintenance and rebuilding. During the six years 1905–10 the total maintenance grants have amounted to £333,866, and if, even on the most liberal interpretation, the Boards had expended 7 per cent. of this amount on "additions and alterations" the sum so expended would have amounted to only £23,370. It would appear then that, since the issue of the circular in 1905 referred to above, the Boards have diverted at least some £33,000 from the purpose for which it was originally granted. It is pleasing to note that this amount has been reduced in one year by £15,000, as there can be no room for doubt that in the next few years the Boards will have to expend a very large sum on the replacement of worn-out and dilapidated schools. As already pointed out, some relief might be obtained by transferring to the Maintenance Account part of the credit balances in hand on the General Administration Account, as provided by paragraph (b) of section 52 of the Education Act, 1908.

The above calculations have been made on the total of the buildings accounts of all Boards taken together. It must not be inferred by any means that these remarks refer to any Board in particular.

Considerable difficulty has been experienced in the endeavour to present a clear view of the state of the Boards' finances, due in great measure to the fact that in their statements of receipts and expenditure several Boards have grouped under a single heading a number of accounts which ought to have been shown separately. It is hoped that in the future Boards will arrange that the respective accounts shall be clearly set out.

EDUCATION RESERVES.

(E.-2—Appendix B; and E.-6—Table K7.)

On the 31st March, 1911, the School Commissioners ceased to hold office, under the provisions of the Education Reserves Amendment Act, 1910, which provided, *inter alia*, that on the 1st April, 1911, the date on which the Act came into force, the School Commissioners appointed under the principal Act should cease to hold office, and that all reserves and endowments hitherto vested in them should be vested in the Crown and dealt with by the Land Board of the district in which they were situated. Accordingly in future years the statistics in regard to education reserves will be set out in the report concerned (E.-2) in a somewhat different form.

The cordial thanks of all those interested in the progress and development of education in this Dominion are due to the gentlemen who have so ably and unselfishly carried out in the past the important work of administering the education reserves, primary and secondary, in the several districts.

Tables G1, G1A, and G1B give a summary of the accounts of the School Commissioners, which are also given in full in the same appendix.* These accounts may be presented in outline as follows:—

*Appendix B of E2.