

In the case of conveyance and board of school-children, free school-books, and scholarships, it will be noticed that the balance or deficit at the end of the year is accounted for by a corresponding liability or asset. For the above items, and for teachers' salaries and house allowances the Department makes grants to cover the actual cost.

The unclassified items grouped under heading 7 (e) include the following: Income—Rents (Hawke's Bay and South Canterbury), £188 8s. 6d.; school material (Nelson), £73 18s.; interest on fixed deposits (South Canterbury), £80. Expenditure—Motor-cycle for Truant Officer (Wanganui) (to be refunded), £77 10s.; truancy expenses (Marlborough), £62; school material (Nelson), £45 9s. 3d.; gymnastic instructor (Otago), £136 10s. 1d.

It will be noticed that transfers have been made to the extent of £34,683. This sum represents the actual amounts transferred in the separate balance-sheets presented by the Boards, but a glance at Table F will show that the net total of the transfers is very much less. For instance, referring to "Manual and Technical Instruction," we find that £5,663 was transferred to other items, and £5,023 was transferred from other items, the net transfer being thus only £640.

The question of transfers from item to item, depending as it does on the individual discretion of the Secretaries to the Boards, must always be a somewhat vexed one. In the first place, all moneys received by a Board from any source whatever are, under section 50 of the Education Act, payable into one account—the Education Board Account; but such funds must, in the main, be expended for the purposes for which they were voted by Parliament, and paid over by the Department. It is only reasonable, however, that Boards should transfer to their Administration Account a fair percentage of the money expended under, for instance, the Manual and Technical Account, for such a transfer might fairly be expected to cover the cost of administration in such a case.

Table F3 shows the salaries and allowances paid to officers of Education Boards other than teachers. Tables F4 and F5 give a summary of the receipts and expenditure of Education Boards from 1877 to 1911.

Excluding the expenditure on buildings, which is dealt with separately below, the following summary shows the chief items of expenditure for the past four years:—

	1908.	1909.	1910.	1911.
	£	£	£	£
Board's administration .. ..	39,730	42,392	41,396	43,697
Incidental expenses of schools .. ..	38,077	40,374	37,394	42,831
Teachers' salaries* .. ..	489,042	554,012	582,288	608,958
Training colleges .. ..	19,949	22,425	27,467	28,992
Scholarships and district high schools .. ..	31,892	32,136	32,811	32,620
Manual and technical instruction .. ..	48,212	47,927	56,049	65,195

The increase in the expenditure on teachers' salaries is due partly to the increased number of children under instruction, and partly to the yearly increment of £5 in teachers' salaries provided by section 7 (3) of the Education Amendment Act, 1908. It is anticipated that there will be a still more noticeable increase this year (1912) owing to the replacement of most of the pupil-teachers in schools with an attendance of 81 to 160 by adult assistants. The increase in the manual and technical expenditure must be attributed to the increased number of students, the establishment of day technical schools to replace the day classes previously conducted at the schools, and the rural courses given in many of the district high schools.

The following table shows the proportion of expenditure on administration to the whole expenditure, and the corresponding proportion of the incidental expenses of schools (through the School Committees), the figures for the five years previous being also entered for purposes of comparison:—

	Boards.	Committees.	Total.
1906 .. ..	4.5	4.8	9.3
1907 .. ..	4.7	4.8	9.5
1908 .. ..	4.7	4.5	9.2
1909 .. ..	4.6	4.4	9.0
1910 .. ..	4.5	4.0	8.5
1911 .. ..	4.3	4.2	8.5

\* House allowances excluded.