

practising department of the Normal School, was £39,989 1s. 1d. Before the present Education Act came into force, the salaries of teachers were derived partly from certain grants made by the Board, and partly from school fees. A fixed amount was paid by the Board to the head teachers of all schools of the same grade (main or side schools) without regard to size, while lesser amounts were paid to assistants, according to the position they held. The rest of the salaries was derived from school fees. From these a sum sufficient to meet current expenses was withdrawn, and the surplus was paid to the teacher where there was but one, or was distributed in various proportions between the headmaster and his assistants. In all the larger schools the fee element in the salaries was the more important, for the Board's contribution to the salary of the headmaster of a school of 500 was no greater than to that of a school of 50. Under this system, the remuneration of teachers similarly situated was subject to great inequalities, owing to variations in the rates of fees charged, to the numbers of pupils attending the schools, and also to the manner in which they were apportioned by Committees. The entire abolition of fees by the Act of 1877 made it compulsory for the Board to reconsider the whole question of salaries. The establishment of a fair, and, as far as possible, of a liberal, scale of salaries for teachers, was a question which received anxious and patient consideration. After mature deliberation and a careful approximate estimate of the Board's probable income and expenditure, the method of payment now in force was adopted by the Board. The present method of computing salaries involves a new principle to which the Board attaches considerable value—namely, the payment of an annual bonus, increasing according to the classification, in addition to a fixed payment based on the average attendance at the schools. It is believed that this arrangement will operate in the direction of improving the scholarship and general qualifications of the teachers, and that many will by this means become entitled to an addition to their salaries. On the introduction of the new system there was a great demand for additional teachers. In order to deal with such applications on fixed principles, the Board had to consider the best method of allotting the teaching staff in proportion to the number of pupils attending the schools. In adopting the present method of allotment, the Board was influenced by the feeling that it was better for the interests of education in the district to have liberally paid and more efficient teachers, than a larger number of teachers less liberally paid and presumably less capable. The smallness of the sum available for paying salaries, the uncertainty of its amount, which depends on the average attendance, and the difficulty in accurately estimating the expenditure, made it necessary for the Board to act with caution in fixing this scale. It has every expectation, however, that its prospective income, owing to increased attendance, will enable it at an early date to fix the scale of staff and salaries on a more liberal footing. In connection with this, the Board desires to express its conviction that, for many reasons, some system by which parents would be liable to contribute directly towards the expense of the education of their children, either by paying school fees or by a capitation tax, would be much preferable to the present system. It believes that a number of the parents in the district are desirous of such an alteration, and would be glad to see an amendment of the Act in this direction. A table is appended showing the scale of staff in a number of countries where popular education receives much attention, from a perusal of which it will be seen that that adopted by the Board is relatively not illiberal.

INSPECTION.—The reports of Messrs. Petrie and Taylor, the Board's Inspectors, are given in full in the Appendix. These reports are of a highly satisfactory character, and give evidence of steady improvement in the efficiency of the schools as a whole. The scanty supply of trained teachers, to which the unsatisfactory condition of a number of schools is attributed, has caused some difficulty and no little anxiety. In the early part of the year, particularly, a number of vacancies had to be filled up by persons who, although possessed of sufficient educational abilities, had no experience in, or training to, the work of teaching, with the result that several, by natural aptitude and diligent application, have proved useful teachers, while others have failed to discharge satisfactorily the duties undertaken by them, and are only retained until they can be replaced by more qualified teachers. During the latter part of the year the Board's efforts to secure the services of trained and experienced teachers have been attended with greater success, and it is expected that the inducements held out will, in future, secure a sufficient supply.

NORMAL SCHOOL.—The report of the Rector of the Normal School is appended. As in past years, owing to the great demand for teachers in the country districts, the majority of the students in the second year's course of study have been required for various appointments, and had to leave before their course of training was completed. Four model schools and a gymnasium are now being added to the school, which will render its equipment much more complete.

DRAWING-MASTER'S DEPARTMENT.—The report of the headmaster of the Drawing Department follows the report. The total number that received instruction in drawing during the year 1878 was 3,710, being an increase of 256 over the previous year. The classes were attended by 303 students—namely, 64 teachers and pupil-teachers; 41 lady-students at the afternoon classes; and 198 artisans and other students in the evening. During the year it was found necessary to increase the staff of the school by the appointment of two pupil-teachers. On the recommendation of the headmaster, Mr. Alfred Walsh and Miss Louisa Burnside, two of the most promising pupils of the school, were appointed. There are now five teachers of drawing—three males and two females. The total expenditure on this department for the year was £800 16s. The sum of £110 was received as fees (ladies' class).

SCHOLARSHIPS.—There were no scholarships in connection with the Board at the end of the year 1877. The liberal provision made for the establishment of scholarships throughout the colony enabled this Board, early in the year, to intimate that 12 scholarships—6 junior and 6 senior—would be open for competition in December. The examinations were held at various centres throughout the education district on the 17th, 18th, 19th, and 20th December, when 72 candidates presented themselves—21 senior and 51 junior.

SCHOOL-BUILDINGS.—The sums expended on school-buildings during the year ended 31st December, 1877, amounted to £13,122 13s. 11d. At the beginning of the financial year, the Board furnished you with a detailed estimate of the amount of money required to meet the claims lodged with the Board by Committees for the erection, enlargement, repair, and completion of school-buildings. This estimate