

effected out of the funds specially available for works of this nature. There are many of our school buildings that stand in urgent need of considerable expenditure in this direction, but the Board hopes to meet these demands during the present year out of the balance of the building grant yet to be received for 1888; and to provide much needed accommodation at Mangatainoko, Hastwell, and all the townships along the Manawatu Railway-line, where the rapid growth of settlement gives promise of a large increase of population at a very early period. In most of these cases it would not be an economical step to provide for the present attendance only as experience has clearly shown that extra provision will undoubtedly be needed almost immediately any means of education are available, and to have to make a second contract to meet these demands means much additional outlay in excess of what would be called for if the future attendance were moderately considered where ultimate progress is so assured. In these cases there will probably be demands made for teachers' residences. If good permanent teaching is to be obtained residences are a necessity. The want of residences in many of the older districts has considerably restricted the selection of teachers, and here it will most assuredly apply with much greater force. While means for the education of the children must always have the first claim, yet consideration for those who are called upon to give the requisite instruction cannot be entirely overlooked if any inducement is to be held out to first-class teachers to accept these appointments.

In order to carry out the provisions of the Act with the reduced revenue available in consequence of the abolition of the working average, and the payment of the statutory grant on the basis of the strict average, calculated without reference to the many influences that at times make the day's average so small—more especially epidemics and excessive bad weather—the Board most carefully took into consideration the question of expenditure, and, with a view to impose the least possible hardships on those teachers in its service, issued new regulations by which the classification of its teachers was remodelled, and the salaries and allowances calculated on a lower scale than had been in force. By these means the salaries of teachers were evenly reduced, and future appointments fixed at a much lower rate. Teachers in the Board's service were not called upon to enter under the new scale where such would have meant extreme reduction, the intention being to bring the whole scheme into gradual operation. The wisdom of this course has already shown itself, for while the actual saving on this item has not effected very extensive saving on the year's work, still the annual rate of salaries at the close of the year is considerably below the rate at which salaries would have been paid under the former scale. This shows most clearly that the saving on next year's work (1889) will be most marked, whilst the efficiency of the service has not been impaired. It seems an injustice to the teachers to make them the sole sufferers for irregularities of attendance over which they have no control, and for which they cannot in fairness be held responsible. In all other items of expenditure the strictest economy has been exercised throughout.

The adoption of the pupil-teacher regulations issued by the Education Department has also enabled the Board to effect a fair amount of saving on the salaries of those pupil-teachers who enter the service under the new classification. The great advantage to be derived from these regulations is the gradual working towards the certificate examination, the obtaining of which is absolutely necessary if the pupil-teacher is to remain in the Board's service. The Board hopes that the time is now not far distant when no uncertificated teacher will be found in this district, even as assistant or teacher in charge of a small country school.

Under the new regulations the scholarships are confined to children attending the Board's schools, and are distributed evenly among children in the town or country. This year eight scholarships of £30 each, and twenty of £15 have been awarded. The scholarships, as in previous years, are tenable for two years. The examinations were held at Wellington and Greytown simultaneously, and were conducted by Dr. West and Mr. Angus Macgregor, M.A.

The Inspector's report deals fully with the result of the examinations and the qualifications of the teaching staff. Where the work has not met reasonable requirements, the teachers have had distinct notice given that unless the work at the next examination is in every way satisfactory their appointments will be terminated. Where the work has been quite unsatisfactory the teachers have been dismissed. The Board has determined to do its utmost to provide thoroughly satisfactory teachers for every school, so far as lies in its power; and where full requirements cannot be met, requisite action in this direction will at once be taken.

The result of the year's work is considered satisfactory on the whole. Seventy-one schools, representing 10,008 children, were examined.

The School of Design has been a great success, and its usefulness has only been restricted by the want of accommodation. Its benefits have been availed of by all classes, and outside of its most important function—the training of teachers—by youths and apprentices engaged in the constructive and decorative callings and trades. The report of the drawing master, Mr. Riley, attached hereto, gives full information on the subject of drawing as taught in the public schools, and the technical work carried on at the School of Design. The total number receiving instruction, including teachers in the Board's service, at the end of the year was 297.

The Hon. the Minister of Education.

I have, &c.,
J. R. BLAIR, Chairman.