

As provided for in the regulations, the Board in allocating these scholarships was actuated by a desire to make an equitable distribution in value as between town and country competitors, especially so in consequence of the new regulations affecting high schools, by which absolutely free secondary education is offered to ordinary pupils in the public schools who pass the Sixth Standard under fourteen years of age. This liberal provision makes it possible for every pupil of average capacity resident in or near Invercargill to obtain a high-school education at but a small cost to the parent for books, &c. Consequent on this innovation, it becomes desirable that the Board should consider the propriety of again revising the scholarship regulations with the view of widening the scope and increasing the benefits of the scholarship system.

The sum spent on scholarships during the year amounted to £666 7s. 10d. of which £655 13s. 4d. was paid to holders, the balance being absorbed in the payment of examination expenses.

**MANUAL AND TECHNICAL EDUCATION.**—Under this heading the Board has a very satisfactory report to submit. The work of technical education has been carried on in all its varied aspects to a successful issue during the past year. The progress of the work has been most marked, and its financial results most encouraging. The revenue for the year from all sources amounted to £885 17s., and the disbursements to £751 17s., as against an income and expenditure of £399 11s. 4d. and £418 7s. respectively for the preceding year. Of the gross receipts no less than £205 11s. 6d. was received as fees from students in attendance. These figures do not of course present an absolutely correct estimate of the year's financial results, as very considerable amounts were due by the Department in respect of the various claims submitted; and, similarly, many payments to teachers and others were due but could not be made until the data on which such payments were based could be collected. It may, however, be safely assumed that the year's operations will result in a substantial balance to the credit of the Technical Account as a whole.

The report of the Board's Director of Technical Instruction gives detailed information respecting the various classes in operation in this department of educational activity in this district.

**BUILDING OPERATIONS.**—To the credit of the Building Account at the commencement of the year there stood a sum of £377 11s. 11d., to which has to be added the receipts, the items of which are as follows: Ordinary grant for buildings £3,400; special grants for the erection of a new school at Lower Hedgehope and an addition to the school at Mataura, £625 8s. 6d.; grant for reinstatement of school furniture destroyed by fire, £10; amount derived from the sale of old school sites and buildings, £570 13s.; and £60 2s. 8d. received as donations and subscriptions: making a grand total of £5,043 16s. 1d. In this account the principal items of expenditure were as follows: New buildings, £1,805 1s. 6d.; repairs and improvements, £2,061 16s. 3d.; furniture, £80 19s. 3d.; sites, £34 4s. 9d.; plans, supervision, &c., £369 15s. 10d.; advertising tenders, £32 1s. 6d. These show the aggregate expenditure for building purposes to have been £4,383 19s. 1d., leaving a balance to credit at the close of the year's operations of £659 17s.

Early in the year the Board finally decided on the erection of a new school at the Bluff, and in July last a tender for the work at £1,630 was accepted. The old building and site had previously been disposed of for £402, the receipt of which sum materially diminished the strain on the Board's finance in having to undertake this expensive work. The building, which is constructed on the most modern principles, was almost completed at the end of the year, and occupation was given at the expiration of the Christmas holidays. The works next in importance carried out during the year were the erection of substantial additions to the schools at Mataura and Gore respectively and a smaller addition to the school at Thornbury. Tenders were also accepted for additions to the schools at Orepuki, Fortrose, Wendon, Maitland Village, Colac Bay, and Waimatuku, the works to be completed early in 1903. Small residences for the use of the teachers at Waipounamu and Redan Valley were also built, and additional rooms added to the residences at Oteramika Gorge, Otatara Bush, Haldane, and Pyramid Siding.

It may be mentioned here that the possession of a small residence in districts where the average attendance at the school exceeds twenty is not always an unmixed good, as the provision of such a necessary convenience, though its rental value may not amount to more than a few pounds per annum, deprives the teacher of the right to claim a twenty-pound house allowance as part of his emoluments. Some equitable regulation should be framed whereby the occupier of such a humble cottage should be entitled to a *pro rata* payment in respect of house allowance—the difference between the actual rent-value of the residence provided and the amount to which he is entitled under the Public-school Teachers' Salaries Act would be fair and reasonable. The Board is aware of the difficulty of making suitable provision for every contingency that may arise in the administration of the new Act, and any apparently adverse criticism of the existing condition of things is submitted with a sincere desire to assist the Department in making more perfect a system of payments that has so much to commend it.

**PHYSICAL TRAINING.**—The Board, acting in conjunction with the High Schools Board, has devoted considerable attention during the year to the subject of physical training as applied to the teachers and pupils of the schools of the district. A competent instructor, Mr. J. V. Hanna, has been appointed to carry on this work, this Board contributing at the rate of £100 per annum, with travelling-expenses, towards the salary.

The High Schools Board undertook the responsibility of erecting a suitable building in Invercargill, properly and fully equipped, to be used by both Boards as a gymnasium, and towards its support this Board makes an annual payment of £50. Thus has a long-felt want been supplied, and it is confidently anticipated that a general improvement in the physique of both teachers and pupils will be the result. During the coming year, Mr. Hanna will devote at least three-fourths of his time to the instruction of teachers and pupils of the public schools.