

If we exclude the expenditure on buildings and on scholarships and secondary education, which are dealt with below, the chief items of expenditure in 1907 and 1908 were as follows:—

	1907.	1908.
	£	£
Boards' administration .. .. .	37,832	39,730
Incidental expenses of schools .. .. .	38,320	38,077
Teachers' salaries .. .. .	484,673	489,042
Training of teachers .. .. .	20,086	19,949
Manual and technical instruction .. .. .	43,462	48,212

The increase in teachers' salaries is due to the increase in the number of schools; and to some extent the increase in the cost of the administration may be attributed to the same cause. The increase in the expenditure upon manual and technical instruction is due mainly to the increase in the number of classes for both manual and technical instruction, and in the number of centres at which classes were held.

The proportion of the expenditure by Boards for administration to their whole expenditure and the corresponding proportion of the incidental expenses of schools (through School Committees) for the last four years have been as follows:—

	Boards.	Committees.	Total.
1905 .. .. .	5.0	5.7	10.7
1906 .. .. .	4.5	4.8	9.3
1907 .. .. .	4.7	4.8	9.5
1908 .. .. .	4.7	4.5	9.2

On the whole, therefore, there is a slight tendency for the proportion of expenditure upon administration by the Education Boards and School Committees to decrease, and this is as it should be, for the cost of administration should not increase proportionately with the number of schools.

The corresponding percentages for the several Boards are given in E.-2. As might be expected, the percentage is generally higher in the case of the smaller education districts.

For convenience the funds granted to the Boards for building purposes and those granted for general purposes may be considered separately, as in former years. Table F1 in the special report (E.-2) shows the assets and liabilities of the Boards on the General Account; these may be summarised thus—

*General Account, all Boards, 31st December, 1908.*

<i>Liabilities.</i>	£	<i>Assets.</i>	£
Overdrafts .. .. .	677	Cash .. .. .	26,072
Due to Government .. .. .	17,499	Due from all sources .. .. .	36,197
Other liabilities .. .. .	14,704	Deficits .. .. .	Nil
Balances .. .. .	29,389		
	<u>£62,269</u>		<u>£62,269</u>

At the end of 1907 the deficits amounted to £939, and the balances to £24,906, leaving a net balance of £23,967, so that, taken altogether, the Boards have still further improved their position, which was already good, by £5,422. Auckland, Taranaki, Hawke's Bay, and South Canterbury showed smaller balances in 1908 than in the preceding year; all the other Boards either increased their credit balances or converted deficits into balances.

The Buildings Account refers to moneys granted for two purposes, which by parliamentary appropriation and by the terms of the grants made by the Department are quite distinct, namely,—

- (a.) Moneys granted for the general maintenance and replacement of school buildings out of the Consolidated Fund;
- (b.) Moneys appropriated by Parliament and granted out of the Public Works Fund specially for the erection of new schools and the extension of existing schools rendered necessary by increased attendance, and for building teachers' residences in certain cases where suitable houses cannot be rented.

Table F2 of E.-2 will show the assets and liabilities of the several Boards on this combined Buildings Account. It may be set forth in outline as follows:—