

(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.

The moneys so granted in the year 1911 for the respective purposes named are shown in Tables F7, F8, and F9.

Table F10 shows the assets and liabilities of the Boards on the combined buildings accounts. The following is a summary :—

COMBINED BUILDINGS ACCOUNT (a) AND (b), ALL BOARDS, 31ST DECEMBER, 1911.				
<i>Liabilities.</i>		£	<i>Assets.</i>	£
Overdrafts .. .. .	.. .. .	12,323	Cash	31,117
Other liabilities .. .. .	.. .. .	57,655	Due from all sources	69,082
Balances .. .. .	.. .. .	41,342	Deficits	11,121
		£111,320		£111,320
			Net balances 1st January, 1911 ..	£30,221

The net balance in the Buildings Account at the close of the year 1910 was £33,692. From the above summary it will be seen that at the end of 1911 the net balance was £30,221, a decrease of £3,471. This decrease is entirely accounted for by the very considerable building operations undertaken by the Wanganui Education Board under the provisions of the Wanganui School Sites Act, 1909, and its amendment of 1911.

In recent reports attention has repeatedly been called to the fact that during the last few years Boards have gradually diverted to other purposes amounts voted by Parliament and distributed by the Government specially for the purposes of maintenance and rebuilding. In view of the necessity of expending in the near future a very large sum on the replacement of worn-out and dilapidated schools, it seems advisable to once more bring the question under notice.

From an examination of the grants made to the Boards for the maintenance and replacement of school buildings—see (a), above—and their returns of expenditure under these heads, it has been found that the School Buildings Maintenance Account should stand as shown in Table F11, a summary of which is given below :—

SCHOOL BUILDINGS MAINTENANCE ACCOUNT, ALL BOARDS, 31ST DECEMBER, 1911.			
			£
Cash balances .. .. .	.. .. .		£86,290
Net excess of amounts due by Boards over amounts due to Boards ..	.. .. .		76
			£86,214
Net balance, 31st December, 1911 .. .. .	.. .. .		£86,214

Since the cost of maintenance and repairs of school buildings, as well as the cost of actual replacement during the year 1911, has been taken into consideration in the above statement, it would appear that there was the sum of £86,214 available on the 1st January, 1912, for rebuilding worn-out schools, for replacement of worn-out furniture and fittings, and for maintenance of school buildings and residences. But from the Combined Buildings Account it will be seen that the actual net balance is only £30,221. This amount, then, represents all that is available for maintenance and rebuilding, and Boards have diverted to other purposes amounts totalling £56,000. In accordance with the recommendation of the Education Commission, the Department has informed Boards that it has no objection to a transfer of 7 per cent. from maintenance to new buildings to cover the cost of small additions and alterations coming within the meaning of the appropriation which defines the maintenance grant as a grant "for general maintenance of school buildings, and for additions to buildings, alterations, rebuildings, furniture, fittings, fencing, rents, additions and improvements of sites, &c." The circular notifying Boards of this concession stated in clear terms that due provision had first to be made for main-