General Fund.—By the Education Amendment Act of 1919 the Board's income for general expenses was seriously diminished. The capitation grant of 5s. formerly allowed to Boards was curtailed to 3s. 9d., together with a basic grant of £750. This curtailment resulted last year in a diminished revenue to the Board, for general purpos s, amounting to £2,936 12s. This has had somewhat serious effects. The Board has been unable to render help to Committees out of revenue as formerly, and was compelled last year to intrench upon its General Fund in order to do so. During the year the School Fund allowance to Committees was increased, but the increase was not sufficiently high to enable Committees to carry out their important duties without calling upon the Board for assistance. In some cases School Committees resigned as a protest against the inadequacy of the funds at their disposal. The Board, with a diminished revenue, is, however, not in a position to continue a system of grants, and hopes that the Legislature will see its way in the near future to increase still further the School Fund allowance to Committees.

Training College.—There has been a considerable increase in the number of students at the Auckland Training College. At the present time 278 students are in attendance—viz., 206 women and 72 men. The arrangement brought about by the Minister between the Board and the Auckland City Council whereby the Board has been able to obtain the use of the building known as the annexe in the Domain grounds for a period of three years, as auxiliary accommodation to the Auckland Training College, has enabled the Board to make provision for the training of so large a number of young teachers. The Board cannot, however, too strongly impress the necessity for the erection in Auckland of a permanent training college capable of training a sufficient number of young people to meet the requirements of this rapidly growing district. Nor can the Board too strongly urge the necessity for the provision of hostels to provide a home for those coming from a distance. At present the students are taught in two separate buildings, and practice teaching in a large number of other buildings. The question of a site for a new training college has not yet been determined, but is now under the consideration of the Board and the Minister. For the purpose of affording extra facilities for the training of training-college students in country-school work the Board established model schools at Richmond Road and Eden Park, and a junior model school at Richmond Road. For the purpose of affording training to uncertificated teachers and to pupil-teachers and probationers who have completed their course but are not prepared to enter the Training College the Board has in contemplation the establishment at as early a date as possible of model schools in various centres. It is hoped that such a course will bring nearer the day when assistants may be substituted for pupil-teachers in all our larger schools.

District High Schools.—During the year the Board continued to give serious attention to the district high schools under its jurisdiction, with a view to their improvement, particularly in respect of staffing. To this end it obtained the permission of the Department for some of the Inspectors to furnish a special report upon district high schools. Their reports indicate that some advancement has already been made, and the Board hopes that this advancement will continue. During the year district high schools were established at Te Awamutu and Whakatane. The Board is satisfied that work of high educational value can be attained in district high schools.

Organizing Teachers.—The system of appointing organizing teachers in rural centres has now been in operation for more than a year, and from reports to hand the Board is satisfied that the cause of education in rural areas has been much advanced by the introduction of the system. The Board proposes at an early date to obtain a report from the teachers who have come under the guidance of the organizing teachers, with a view to instituting a comparison between their present and their former efficiency.

Aided Schools.—The Board records with much satisfaction that the provision made for aided schools has been increased. The teacher of an aided school now receives £15 per capita on the average attendance instead of £12. In this connection it is interesting to note that the Board has appointed an itinerant teacher at Onoke to teach the children of scattered settlers in an isolated district who otherwise could not obtain the benefits of education.

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Exchange of Teachers.—Under the "Hands across the Sea" movement an exchange of two Auckland teachers was effected with two Canadian teachers. The reports indicate that the experience gained in another land by the Board's teachers will be of value to education in the Dominion. Exchange of teachers is one of the best possible means of promoting the knowledge of, and friendly interest in, the educational activities of a sister nation.

Supply of School Stationery.—During the year the Board set up a committee to consider the question of the supply of school stationery and requisites to schools at a reduced cost. It has already concluded that a very material saving can be effected to School Committees and parents by the setting-up of a stationery department as part of the Board's activities. The committee is now considering the best means by which it can be effected.

School Holidays.—The Board has resolved, from the beginning of 1922, to synchronize as far as possible the primary-school with the secondary-school holidays. This, it is believed, will be a great convenience both to parents and scholars.

The Hon. the Minister of Education, Wellington.

I have, &c., E. C. Banks, Chairman.