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Rotorua, Ashburton, Taumarunui, and Blenheim. Owing to the difficulty of obtaining staff it has been possible so far to open the two first-named only.

Child Welfare Institutions.—Our child welfare institutions, including receiving homes,

Child Welfare Institutions.—Our child welfare institutions, including receiving homes, boys' homes, hostels, and the residential institutions for the training of older children, were kept full during the year. At the 31st March there were 261 children in residence at these places. The health of the inmates was very good.

Hostels.—The Girls' Hostel in Wellington provides accommodation for girls employed in the city in offices, factories, &c. The Matron reports that the general health of the girls has been excellent and all the girls were doing well. A good programme of leisure-time and recreational activities was provided. This hostel also serves a useful purpose in temporarily accommodating girls passing through Wellington.

The Boys' Hostel in Auckland provides for some of the working-boys in Auckland City. There were 10 boys in residence at the 31st March, and they were all doing well.

Girls' Home, Burwood.—During the year the programme of recreational and educational activities was further developed. The Senior Inspector of Schools in Christchurch and his staff, as well as many private persons, helped considerably in this connection. The programme of activities for the girls includes physical education, hand work, music and drama, dancing, organized games, singing, and first-aid classes. A film-projector was provided during the year. Ten of the girls are taking courses of instruction through the Department's Correspondence School, and one girl hopes to sit for University Entrance at the end of the year. The section for junior girls providing for day-school instruction was opened during the year.

Training Centre, Levin.—Additional sleeping-accommodation for inmates is now in the course of erection. These additions are being erected by the staff and the boys. At the 31st March there were 28 boys in residence, and during the year 47 were admitted and 59 were placed out in the community. The training at this institution is along positive lines and has already been productive of excellent results as shown by the response made by the boys themselves. A full programme of training and recreational facilities is provided. The work of the technical classes in woodwork, including general repairs to buildings and equipment, was further developed during the year.

New Institutions.—A property has been secured to enable better classification and training of older Maori girls to be undertaken, and this institution will be opened in the near future. Hostels for girls in two other larger centres have become an urgent necessity, and an endeavour is being made to secure suitable premises for the purpose. An institution with a school attached is being opened shortly to provide for young boys who require special training. Another institution to provide for the better classification of older delinquent boys is to be established as soon as suitable premises can be secured.

Placement in Foster-homes.—With a few exceptions requiring a period of institution training, children of school age are placed in selected foster-homes: this system works very satisfactorily. However, even although some increase was made during the year in the rates of payment for these children, we are still experiencing great difficulty, largely owing to war conditions, in finding sufficient suitable foster-homes. Teachers of schools, and honorary Child Welfare Officers, and the churches assist the Department very materially in the oversight of the children. I cannot speak too highly of the fine services rendered by foster-parents, over a long period of years in many cases, in giving homes to our State wards. I know of no finer service to the community. The children thus placed form contacts in the community which last them throughout life. They still keep in touch with their foster-homes long after they leave, and after marriage proudly bring their own infants along to show their foster-parents. There were 1,980 children placed in foster-homes at the 31st March. It has to be remembered that the majority of these children come under our care through no fault of their own. Their response to a good environment is one of the most gratifying features of this work, and, with very few exceptions, they turn out fine citizens.

Education.—The school-leaving age has now been raised to fifteen years, but even when it was fourteen we always tried to keep the children at school for a longer period, except in those cases where it was considered the child would be better and happier at work of some kind. At the 31st March, 287 children were receiving post-primary education—of these, 99 were taking technical courses; 19 commercial; 9 home science; and 8 Maori children were attending Maori colleges—the remainder were taking professional or other courses. The teachers and principals of the primary and post-primary schools take an active interest in our children.

Placement in Employment.—At the 31st March there were 1,486 young people placed in employment as follows: farm situations, 449; factories, 167; shops and offices, 112; domestic work, 173; and the remainder (585) in some 30 different occupations. Of the total number, 53 were apprenticed to trades and 338 were receiving some assistance—e.g., with their board, clothing, books, fees—from the Department in the early stages of their employment. It is satisfactory to note that, except in a comparatively few cases, State wards who are placed out are receiving standard rates of wages. In the few cases of under-rate payment it may be stated that the young people concerned are, for reasons of physical or mental handicap, unable to compete on equal terms with their fellows. In all such cases we keep in close contact with the local officers of the Labour Department. When the time comes for placing out, care is taken in choosing the right kind of employment and the right kind of employer to meet the needs of individual children. The services of the Department's Vocational Guidance Officers are freely utilized in this connection. All children placed in employment are now given their initial outfit free of cost, but they are usually charged for replacements. Part of their wages is banked for them and they are