

13. The two main items which caused an increase in expenditure were "Salaries" which increased by £16,000 and "Overtime" which increased by £6,000 both as compared with the previous year. The "Salaries" item for 1949-50 carried the general increases in salaries which were £22 per annum from 1st July, 1948, and £13 or £8 (depending on salary maxima) from 1st June, 1949. The charging of these to the one year's expenditure accounts for practically all the increase. The increase of £6,000 in "Overtime," which item covers overtime, penal rates for week-end and holiday duty, and shift allowance was due to the continuing shortage of staff, with the consequent need for the employment of officers beyond the normal weekly roster duty.

14. The increase of £11,000 in receipts was due to increased credits under the heading "Prison Industries." There was an increase of £12,000 in the "Farms and Gardens" item and £1,000 in the item "Roadworks," with a decrease of £2,000 in "Bootmaking." The increase of £12,000 in "Farms and Gardens" was due to increased output and increased prices for farm products, whilst the £1,000 increase in "Roadworks" was due to a greater output of work on road maintenance at Waikune. The decrease of £2,000 in "Bootmaking" was caused largely by a temporary shortage of orders due to some extent to the use by other Departments of Armed Forces surplus stocks.

15. It was mentioned in last year's report that departmental receipts for 1948-49 were a record at £114,258. For 1949-50 they totalled £125,622, making a new record figure with an increase of £11,364 on 1948-49. Of the departmental credits of £125,622, only £8,009 relates to the more purely institutional side of the Department whereas the balance of £117,613 is derived from the employment of inmate labour. This £117,613 is made up under the following heads:—

	£
Block and pavement making	67
Bookbinding	1,241
Boot making and repairing	3,656
Farm and garden production	80,855
Repair and washing of mail-bags	1,326
Quarrying and metal-production	16,676
Road maintenance	11,750
Tailoring and clothing manufacture	1,783
Miscellaneous industries	259

16. There has not been any major change in the method of employment of inmates during the year under review. The main industries carried on in the institutions under the control of the Department have been tailoring, bootmaking, concrete-post and pavement-block making, quarrying, farming, gardening, printing, bookbinding, road maintenance, laundering, tobacco growing and manufacture, furniture-making, tin-smithing, building construction and maintenance, as well as the institutional employment on breadmaking, cooking, and cleaning.

17. The employment of labour both in prisons and Borstals is a continuing problem by reason of the policy of avoiding entry into competition on the open market. Employment is largely restricted to the manufacture of articles for other Departments or to the production of primary produce where the output is absorbed without conflicting with the output of free labour.

18. Although much has been done to use the institutional labour to best advantage, it is felt that there is still room for a more effective marshalling and use of this labour. Much of it is of fairly low standard, but with the building of new shops and the equipping of these with up-to-date machinery more could be done. There is, too, the ever present problem of the use of machinery by inmates, but it is thought better to take the risk of deliberate damage than to use out-of-date methods.

19. The figures quoted previously refer only to cash receipts and payments as the accounts to 31st March, 1950, on a trading basis, have not yet been completed.