

*Financial Results.* The details of the year's expenditure are given in Tables XX and XXI. Contrasting these tables with those of the previous year, it will be found that the headings in some cases have been slightly altered, according to suggestions made by the Audit Department.

There was an average increase per head of 5s. 7½d. for provisions, due to the following causes: An all-round increase in the price of butter and flour, an increase in the price of meat at Auckland and Seacliff, and of potatoes at Hokitika. A decrease of 10s. 4½d. in salaries. The proportion of staff to patients did not keep pace with the large increase in the number of patients towards the end of the year, and some attendants and nurses with several years' service retired, their places being taken by others less highly paid. There was an average increase of 6s. 10½d. per head for bedding and clothing. This is one of those items which adjusts itself over a few years—the stock going low in any one institution one year means a large expenditure the next. Ordinarily one tries to keep the stock at an average level, but fluctuations in the admission-rate and the class of patients (whether destructive or not) tend to upset estimates. Among the unexpected items last year was the replacing of stock destroyed by fire at Christchurch.

Fuel, light, water, and cleaning is one of the amended headings: the two last items used to be included under "Miscellaneous," which has decreased by 1s. 5½d. The increase under the new heading is 14s. 1¾d. over fuel and light last year.

For surgery and dispensary there is an average decrease of 2½d., and for wines and spirits of 5½d., per head.

For the farms there is an average increase of 8s. 7½d. The large increase was in Christchurch—£1 9s. 3d. and was due to the purchase of stock to replace the dairy herd which was sold. The next highest increase—10s. 4d.—was at Seacliff, and represents £378; but as the value of the produce consumed and sold was £903 greater than the previous year there is £525 to the good.

The item of building and repairs is practically the same as in 1907.

In the last report the following statement was made: "As the last-named cause (higher tendering for our contracts—a more or less general rise, especially marked in certain directions) has only operated for four months in some contracts and nine months in others, we must look for a further rise in the gross cost during the next year."

In the following table, contrasting the gross and net cost per patient in 1907 and 1908, it will be seen that the anticipation was justified; in fact, the difference would have been greater still had it not been decided in some instances to buy butter in the open market rather than accept tenders which were deemed to be absurdly high:—

Mental Hospital.	1908.			1907.			1908.			1908.							
	Total Cost per Patient.	Total Cost per Patient, less Receipts for Maintenance, Sales of Produce, &c.		Total Cost per Patient.	Total Cost per Patient, less Receipts for Maintenance, Sales of Produce, &c.		Decrease.	Increase.									
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.					
Auckland ...	26	9	3½	19	11	9	26	2	4½	18	11	5½	1	0	3½		
Christchurch ...	38	18	1	26	17	6½	35	14	4	20	11	5½	6	6	0½		
Seacliff ...	43	3	11¾	30	1	1¾	41	2	7	30	4	6½	0	3	4½		
Hokitika ...	26	1	4½	23	14	0½	27	2	2	24	18	0¾	1	4	0½		
Nelson ...	32	7	3	24	9	2¾	32	8	4¾	20	10	4	...	...	3	18	10¾
Porirua ...	34	18	0¾	25	10	10½	34	7	2½	26	9	4	0	18	5½	...	...
Wellington ...	42	7	8¾	29	8	6¼	40	19	6	30	11	2¾	1	2	8½	...	...
Averages ...	35	10	9¼	25	12	7¼	34	7	9¼	24	11	8½	...	...	1	0	10¾

In the above table Head Office salaries and expenses (£1,729 19s. 11d.) and medical fees (£1,162 7s.) are omitted. Giving these value, the net annual cost per patient is £26 10s. 8½d., as against £25 11s. 10½d. for 1907, an increase of 18s. 10d.

In stating the cost per patient above, interest on capital expenditure is omitted, and also for repairs charged to the Public Works Consolidated Fund. Adding these items, the approximate full cost per annum per patient will be—

	s.	d.	£	s.	d.	
Average gross cost in mental hospitals ...	...	...	35	10	9½	
Proportion of Head Office salaries and expenses ...	10	10				
" fees for medical certificates, &c. ...	7	3				
				0	18	1
" interest (averaged at 4 per cent.) on Public Works expenditure from July, 1877, to 31st March, 1909	...	...	7	1	5½	
Proportion of interest (averaged at 4½ per cent.) for capital cost previous to above period ...	...	...	0	15	6¾	
Gross cost ...	...	...	44	5	10½	
Less receipts for maintenance and sale of produce ...	...	...	9	18	2	
Net cost ...	...	...	£34	7	8½	