

the best class of Matron, it will be necessary to pay these officers in proportion to their responsibilities.

To the average number of patients per diem (1,566) in the general hospitals, there is a nursing staff of 185 trained nurses and 436 probationers, being an average of one nurse to 2·5 patients.

Fuel and light, £14,748; increase, £1,500. Here, again, much may be saved. As a rule very little economy is observed in the use of gas, which varies in price from 5s. to 7s. 6d. per 1,000 ft. In some hospitals it is not unusual to find the gas-jets flaring, especially in the ward kitchens, at all hours of the day. Enormous fires are also kept up in some of these kitchens, where, as a rule, the stoves are far too large for their purpose, and it would pay many Boards to replace them with stoves of less fuel-consuming capacity.

But, despite this waste, there is evidence that hospital authorities are beginning to realise the need for a more rigid economy.

The total increase in "maintenance"—i.e., the total expenditure less capital and miscellaneous expenditure—is only £9,695, as against an increase of £16,748 the previous year; and the daily average cost per patient is less by 1s. (6s. 0½d., against 7s. 0¾d. in 1907–8). This is so far satisfactory.

The average days' stay, which was twenty-eight days as against thirty-one the previous year, might be further reduced; and this could be brought about if hospital authorities ceased to use their institutions as convalescent or chronic homes. Chronic or incurable cases should not be allowed to occupy the beds to the exclusion of the acutely sick, but should be removed to chronic wards attached to the Old People's Homes, where they could receive excellent treatment at about one-third the cost. The authorities of our larger hospitals have recognised this, and have provided suitable chronic wards at their Old People's Homes. The smaller Hospital Boards might very well unite for this purpose.

In the expenditure table this year the cost of administration is shown separately, the cost being about £5 10s. per occupied bed. The total cost of administration is 4·9 per cent., as against 4·7 in hospitals of similar size in the United Kingdom. The present method of showing the cost of administration is not very satisfactory, as the lowness of the percentage of administration in regard to maintenance may in some cases be due to extravagant expenditure on the latter.

I propose next year to show the cost of administration per patient or per occupied bed. On the whole the cost of administration is not excessive.

For this report return forms were sent out, with detailed instructions as to compilation, and it is hoped, therefore, that a more correct distribution of the details has been made in Table III. Though the totals of this table may safely be taken as approximately correct for the last two years, yet the increase or decrease of the different items is not so reliable. There is little doubt that in the returns for the year 1907–8 the column for "Sundries" was in many cases used in which to place items which should have come under other headings, nor was a due regard given to the difference between capital and maintenance expenditure. The items "Bedding and clothing" and "Furniture and crockery" have not in every case been kept separate by hospital secretaries, and a comparison should be made of the two together rather than separately.

Table III has been altered somewhat in form this year, with a view to show hospital expenditure as follows:—

Maintenance,—	£	£	£
Provisions	42,485		
Surgery and dispensary .. .	16,959		
Domestic and establishment .. .	40,965		
Salaries and wages .. .	67,160		
Total maintenance .. .	—	167,569	
Administration,—			
Salaries .. .	4,764		
Other expenses .. .	3,967		
Total administration .. .	—	8,731	
Total maintenance and administration .. .			176,300
Capital expenditure .. .			55,837
Miscellaneous expenditure,—			
Rents, rates, and taxes .. .	1,227		
Sundries .. .	3,439		
Total miscellaneous expenditure .. .	—		4,666
			<u>£236,803</u>

The above headings are on the lines adopted in the model system of accounts recommended by Sir Francis Burdett. The governing authorities have been asked to show their expenditure next year upon these lines, in order that better comparisons may be made of the cost of the several departments and of the various items that go to make up the main headings. By such comparisons the Department and the Boards may be the better able to find out where the leakage is. The suggestion has met with little or no opposition—indeed, many of the hospital secretaries welcome it—in fact, I am indebted to Mr. Rutherford, the energetic Secretary to the Palmerston Board, who, to show that such analysis is quite possible, kindly filled in a return on these lines, which is shown in the Appendix.

As regards the item "Rent, rates, taxes, and pensions" in "Miscellaneous expenditure," this no doubt is really part of maintenance; but for the purposes of our comparison it has been thought better to keep it separate, as it would not have been fair that institutions burdened with heavy expenses