

In valuing prison labour for costing purposes many difficulties arise, but for the purpose of proper costing and accounting the principle of making due allowance for the value of a prisoner's services as a part of cost is unquestionably sound, and a system of cost accounts embodying this factor has now been instituted in connection with the Department's undertakings. The policy followed is that whatever a prisoner is engaged upon, whether on domestic duties, erection of his own or his successor's accommodation, or on an industry, his work is assumed to have value. Broadly speaking, while in many cases the prisoner's labour is valuable and zealously performed, it is for obvious reasons usually not to be compared with free labour, and this is chiefly where the difficulty lies from the accountancy standpoint. Consideration must be given to the fact that in most cases a strong quota of manual labour is required to be made use of where in its absence machinery would be used at a minimum of manual effort. Again, the value of a particular class of labour in one institution often bears no comparison with that in another where the class of inmates are essentially of a different age or sex. The scale of labour-values adopted by the Department is set out below and is on a low standard in comparison with outside values. This is necessary, as frequently labour charged at the minimum rates of 2s. 6d. per day gives a return of actual services in no way commensurate with the cost of maintenance. This point of labour-value as opposed to labour-cost should be borne in mind when considering the question of competition with free labour or the earning-capacity of prisoners in relation to the question of dependants' allowances.

<i>Scale of Labour-values for Costing Purposes.</i>							Per Day.	
							s.	d.
Selected prisoners, prisoners employed on special industries, and tradesmen ..							8	0
General labour .. .. .							6	0
Farm and garden hands .. .. .							5	0
Domestic duties .. .. .							4	0
Females and frail male prisoners .. .. .							2	6

The method adopted for the charging of the above rates is as follows: Each institution is regarded as responsible for accommodating, clothing, feeding, and supervising the inmate, and this is regarded as the initial institutional maintenance cost. The institution supplies labour to its farms, gardens, construction of buildings, and its other industries. The value of this is treated as an expense of such industry and as a credit to the institution. Whether the industry shows a profit or a loss, such profit or loss is finally shown as part of the total or net cost of the institution. Thus are shown (1) the initial cost of maintenance, (2) the value of all labour as a set-off against such expenses, (3) the profit or loss on each industry, and, finally, (4) the net cost to the Treasury of each institution and all its industries.

The following table gives an analysis of the value of labour for the year just past, together with the previous year's figures in total :—