

M.—Cost per Head per Year (Daily Average, 218).

	£	s.	d.
Provisions	2,108	4	2
Crockery, mess utensils, knives, forks, cloths, &c.	60	0	3
Clothing, including tailors' wages	758	19	11
Stores, rope, paint, wood, &c.	211	19	1
School stationery, library, recreation, good-conduct awards, and repairing band instruments	122	11	11
Salaries (including two teachers for school duties)	1,801	2	3
Fuel and light	87	15	10
Boats, oars	32	10	0
Medicines, medical comforts, and surgeon's salary	64	7	1
Bedding, blankets, and hammocks	68	15	0
Repairs generally	254	7	8
Various petty charges	45	14	6
Gross cost, only those on board	5,616	7	8
Deduct contributions	314	1	0
Net cost	5,302	6	8

Or £24 6s. 5d. each, being £2 7s. 3d. less than last year.

Expenses of Apprentices.

	£	s.	d.
Proportion of salaries	200	0	0
Visiting, &c.	46	16	10
Cost	246	16	10

Net Cost to State of all "Vernon" Boys under Control.

	£	s.	d.
Average number on ship, 218—cost	5,302	6	8
" " apprenticed, 420—cost	246	16	10

Total cost of 638 maintained 5,549 3 6

Cost per head per annum, £8 13s. 11d., or 5½d. daily.

The SUPERINTENDENT, Nautical School-ship "Vernon," to the UNDER-SECRETARY of PUBLIC INSTRUCTION.

SIR,—

Nautical School Ship "Vernon," Sydney, 2nd May, 1889.

I have the honour to submit my annual report upon the nautical school-ship "Vernon" for the year ended the 30th April, 1889. The institution was established at the commencement of May, 1867, and has thus completed its twenty-second year.

2. The work of the institution continues to steadily increase, and the year's operations showed a larger number of admissions and discharges than in any previous year. There were 209 boys admitted, and 207 left the ship. In all, 436 boys were dealt with on board during the twelve months.

3. The accommodation has been severely strained throughout, and the ship has been overcrowded. Notwithstanding, the health has been excellent. No deaths have occurred and no serious sickness. An unusual number of newcomers were found suffering from itch on arrival, and that complaint has principally made up our sick-list. At the present time we are entirely free from any illness whatever. It may be here mentioned that only two deaths have taken place during the last thirteen years, out of 1,784 boys who have been on board. Both deaths were from heart-disease, with which the two lads were severely suffering when admitted.

4. The conduct of the inmates has been admirable. No abscondings have taken place. The gravest offences have consisted of apprentices having to be returned to the ship for misconduct at their situations. There are now only eighteen lads, including newcomers, in the lowest-conduct class. The boys have been cheerful and contented, and a healthy public feeling has been maintained amongst them.

5. The apprentices have increased, and the daily average of these under my control was 450. Few complaints have reached me respecting them, and the reports of a recent inspection, together with the letters of masters, visitors, and boys, give the following results:—

Total number of apprentices	450
Favourably reported upon	420=93 per cent.
Unfavourably reported upon	30=7 "

Some of these lads have been upwards of five years away, and some of them now doing well were unfavourably reported upon in the preceding year. These latter were brought back to the ship, and after another period of probation were placed in other situations with good results. That so many of our boys do well at service is very largely attributable to the great assistance rendered by the Inspector-General of Police, and by the benevolent persons who so kindly visit the lads.

6. Particulars of the school-work done on board will be found given in Table I. Nearly a third of the newcomer lads received no education prior to being sent on board; and three-fourths of the remainder could barely read. Every boy receives three hours' school instruction daily. Mr.