

*Object of Probation System.*

The object of the probation system is not only the reformation of the delinquent child in the natural surroundings of his own home, for in many instances it also assists in the amelioration of the home conditions and is the means of bringing the parents to realize more fully their obligations in respect of their children.

*Economies effected by Reforms.*

In addition to the benefit derived by the child from the application of the probationary system, the changes have also been the means of effecting considerable economies.

By the closing of certain schools and the reduction in the numbers maintained in other schools the annual saving is .. .. .	£
The increase in the annual revenue derived from farming operations due to more practical and systematic working is .. .. .	6,300
The annual saving through the establishment of a central store and the standardization of materials used, and the adoption of more business-like methods of purchasing is .. .. .	2,500
The saving effected in maintenance by the application of the probation system during the past twelve months was .. .. .	4,500
	6,050
Estimated total saving for the year .. .. .	<u>£19,350</u>

Since the end of the financial year substantial additional savings, amounting to approximately £3,500, have been effected by the further reduction of the numbers in residence at two of the industrial schools.

*Number of Children belonging to Industrial Schools.*

The total roll number of children belonging to industrial schools and receiving-homes at the 31st December, 1917, was 3,252. Of these, 1,934 were boys and 1,318 girls.

The children are classified as follows:—

In residence—	
In Government industrial schools .. .. .	365
In private industrial schools .. .. .	334
Total .. .. .	<u>699</u>
Boarded out—	
From Government schools (including receiving-homes) .. .. .	1,210
From private industrial schools .. .. .	9
Total .. .. .	<u>1,219</u>
Placed out in situations .. .. .	646
With friends on probation .. .. .	390
In private institutions, hospitals, absent without leave, in prison, &c. ..	<u>298</u>
Grand total .. .. .	<u>3,252</u>

*Expenditure on Industrial Schools and Probation System.*

The net expenditure for the last financial year, including expenditure under the probation system but exclusive of capital charges for additional buildings, works, &c., was £42,580, showing an increase of £1,276 on that of the preceding year. The number maintained at the end of the year was 2,054. It should be mentioned, however, that the increase during the year of the rate of payment for boarded-out children from 8s. to 10s. a week, necessitated by the increased cost of living, involved an expenditure of £5,000 in excess of the previous year's figures.

The contributions from parents under orders of Court, agreements, &c., amounted to £14,359, being at the rate of £7 per head of those maintained. This is an increase of £2 7s. per head over the rate of the preceding year.