

1919.  
NEW ZEALAND

# PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31st MARCH, 1919.

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*Presented to both Houses of the General Assembly in accordance with Section 47 of the Public Trust Office Amendment Act, 1913.*

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PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the attached report on the working of the Public Trust Office for the year ended 31st March, 1919.

The chief matters appearing in the report to which attention may be directed are,—

1. The record profit earned—viz., £70,155.
2. The accession during the year of nearly 4,500 (being at the rate of fifteen per working-day) new estates to be administered by the Office.
3. The control by the Office of assets and funds to an estimated value of £20,000,000, of which £10,000,000 has been received on behalf of estates and is held in the Common Fund or is specially invested; and £10,000,000 is held in the form of property, real or personal, which has not been realized.
4. The increase of £921,408 in the amount held in the Common Fund.
5. The increase of £797,199 in the funds invested by the Office.
6. The accumulation of Reserves to a total of £389,440, consisting of invested funds and Office property and equipment on which depreciation has been fully written off.
7. The improvements effected to Office premises and equipment.
8. The necessity for making provision for additional Office accommodation in Wellington and at other important centres.
9. The measures taken to accelerate the administration of estates.
10. The necessity for amending section 2 of the Public Trust Office Amendment Act, 1912, so as to enable delegation of administration to be extended to District Officers other than those in the four principal centres. Legislation will be required to render this condition effective, and the Public Trustee urges it to be a matter of vital importance and a necessary adjunct to decentralization.
11. The introduction of a scheme of decentralization of the administration of estates, which will permit of much of the work hitherto carried out in the Head Office being done locally.

12. The institution of a complete system of inspection as a corollary to decentralization.
13. The opening of District Offices at Dannevirke and Taihape officered by members of the Staff, and the proposed establishment of offices similarly controlled at Hamilton, Palmerston North, Blenheim, Ashburton, and Timaru during the next financial year, the arrangements connected with which are well in hand.
14. The intended transfer of the Estate accounting-work from Head Office to Hamilton, Gisborne, Napier, Hawera, Wanganui, Palmerston North, Nelson, Invercargill, and such other District Offices as may be determined upon.
15. The exceptional conditions created by the influenza epidemic.
16. The increase of 3,187 in the number of wills held in safe custody on behalf of living testators, making the total number on deposit 24,237.
17. The centralization of the Head Office estate records system.
18. The inauguration of a Reviewing Branch, which will provide for a continuous review of the administration of estates.
19. The further introduction of specially advanced machine processes to the accounting-work in the Head Office and at District Offices.
20. The proposed appointment of experts to act as Advisers of the Office in connection with the administration of estates possessing unusual features.

W. F. MASSEY,

Minister in Charge of the Public Trust Office.

Wellington, 3rd September, 1919.

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## Roll of Honour.

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### KILLED IN ACTION.

Brown, J. L.	Kellett, D. L.	McMillan, D. G.	Pearce, A. H.
Campbell, D. B.	Knapp, R. H.	Makeham, C. E.	Price, R.
Cannington, H. W.	Lyes, J. W.	Matthews, F. C.	Stanley, L. J.
Cole, R. H.	McGovern, J.	Maxwell, W. D.	Vial, G. G.
Jones, T. A.			

### DIED OF WOUNDS.

Baillie, R. I.	Mason, E. F.	Norton, R. H.	Sansbury, E. T.
Christensen, A. B.	Miller, A.	O'Sullivan, L. D.	

### ACCIDENTALLY KILLED.

McGinley, J. C.

### DIED AT SEA.

Carroll, T.

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### HONOURS CONFERRED.

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#### MILITARY CROSS.

Reeves, E. F. C.

#### MILITARY MEDAL AND BAR.

Whalley, G.

#### MILITARY MEDAL.

Brialey, E. S.	Matthews, F. C. (killed in action).	Myers, G.
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## REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31ST MARCH, 1919.

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SIR,—

I have the honour to submit a report covering the operations of the Public Trust Office during the year ended 31st March, 1919.

The Board has again to record a year of loyal and devoted service by members of its staff.

The progress of the Office has been well maintained, notwithstanding that during the year exceptional difficulties were met with.

There has been a large increase in the number of estates coming under administration by the Office, and the assets and funds controlled have shown a marked expansion.

The profit for the year—viz., £70,155—exceeds that earned in any previous year.

Particular attention has been paid throughout the year to effecting improvements to buildings, premises, and equipment to promote the efficiency and the comfort and convenience of the staff, both in the Head Office and at District Offices; to improving the status of officers, both permanent and temporary; and to developing a much needed policy of decentralization with respect to the administration of estates and the accounting connected therewith.

The Board has also devoted much time and thought in bringing into effect a system by which the winding-up of estates can be facilitated, consistent with observing the law and safeguarding the interests of beneficiaries.

The Board feels that much remains to be accomplished to render the organization more in accord with the duty which the Office is expected to render to the community, and during the forthcoming year hopes to be able to effect further improvements which will be of special benefit to the Office and those whose interests it serves.

The Board gratefully acknowledges the receipt of numerous suggestions from members of the staff for the improvement of the practice and routine of the Office. Such suggestions have at all times received the most careful consideration, and in cases where advantages would follow from their adoption they have been put into effect.

### FINANCIAL.

The balances at credit of estates now exceed £10,000,000, an increase of £1,000,000 during the year.

For the past five years the amounts at credit of estates have been,—

1915	..	..	..	£7,096,420
1916	..	..	..	£7,082,888
1917	..	..	..	£8,058,886
1918	..	..	..	£9,004,057
1919	..	..	..	£10,065,027

In a period of less than twenty years the balances at credit of estates have grown from less than £1,000,000 to over £10,000,000.

### BONUS.

For the past three years the Office has shared the profits with its clients; and for the year ended 31st March, 1919, has appropriated the sum of £33,000 as a bonus to estates under its administration, making the total appropriation under this heading to date £115,000.

## ASSURANCE AND RESERVE FUND.

The amount at credit of the Assurance and Reserve Fund is now £201,733, and this will be increased by a further £20,000, to be transferred from the Profit and Loss Account after payment of the bonus referred to above.

The figures for the past five years are,—

1915	..	..	..	..	£139,721
1916	..	..	..	..	£177,416
1917	..	..	..	..	£186,554
1918	..	..	..	..	£216,090
1919	..	..	..	..	£222,197

Apart from the increase of £6,000 in the amount of the fund during the year, a sum of £24,907, which would in ordinary course have formed part of the fund, has been expended in the purchase of freehold property, Office furniture, and equipment.

The amount provided to meet any possible depreciation in the Office securities now stands at £30,073.

The Office possesses freehold premises, furniture, and equipment to the value of £137,000 in addition to the Reserve Funds. The total of Office reserves is thus in excess of £380,000.

## SINKING FUNDS.

During the year the Public Trustee was appointed Commissioner of Local Bodies' Sinking Funds in an additional thirty-four cases. The funds amount to £358,656.

The total of Government sinking funds at the 31st March, 1919, was £3,632,194.

## SUPERANNUATION FUNDS.

The total of Government railway superannuation funds held in the Common Fund of the Public Trust Office on the 31st March, 1919, was £352,055, and of the National Provident Fund, £243,016.

Moneys at credit of the Teachers' Superannuation Fund were formerly held as an investment in the Common Fund of the Office, interest being allowed at the customary rates of  $4\frac{1}{2}$  per cent. on the first £6,000 and  $4\frac{1}{4}$  per cent. on the balance.

The Teachers' Superannuation Board approached the Public Trustee with the object of obtaining a larger return for the moneys invested, as it was found that with the current income the necessity would soon arise for the fund to be strengthened by additional payments from the Consolidated Fund.

As the result of the conference it was arranged that all moneys lodged with the Office by the Superannuation Board in future should be specially invested in securities bearing interest at  $5\frac{1}{2}$  and  $5\frac{1}{4}$  per cent. in the same ratio as amounts from the Common Fund invested in such securities.

It was also arranged that, in order to secure the special investment of the accumulated funds already held on behalf of the Teachers' Superannuation Board, an allocation should be made of existing mortgage and other securities bearing interest at varying rates in the ratio in which such securities are held as Common Fund investments, so that the Superannuation Fund should stand on exactly the same footing as the Office Common Fund so far as the proportion of securities bearing interest at  $5\frac{1}{2}$  per cent. and those bearing interest at lesser rates was concerned. Regulations to give effect to the arrangement were made and gazetted.

The whole management of the investments remains with the Public Trustee, who charges for his services a commission of  $2\frac{1}{2}$  per cent. on all interest collected under the mortgages.

The arrangement represents a substantial concession to the Teachers' Superannuation Board, and the Board has expressed its appreciation of the liberality with which its wishes have been met.

## GOVERNMENT FIRE-INSURANCE FUND.

The amount held by the Office at credit of this fund amounted on the 31st March, 1919, to £65,008.

The fund is constituted in terms of section 136 of the Public Revenues Act, 1910, and the amending Acts of 1912 and 1913, which direct the payment of an annual amount of £10,000 out of the Consolidated Fund until a sum of £100,000 is accumulated as a Fire-insurance Fund for the rebuilding or restoration of public buildings destroyed or damaged by fire.

The amount held is invested in the Common Fund of the Office.

The amount disbursed from the fund during the year was £845.

#### MAORI LAND BOARDS FUND.

Amounts totalling £385,270 and derived from sales of Native land are held as an investment in the Office Common Fund on behalf of Maori Land Boards. The amounts represent shares of Native minors or other Natives under disability, and interest on the funds deposited is paid to the Land Boards at fixed intervals for payment to the persons entitled thereto.

#### THE LAND SETTLEMENT FINANCE ACT, 1909.

The object of this Act is to promote the closer settlement of land by enabling groups of purchasers to buy private freehold property for subdivision among them, and to raise the purchase-money by means of a loan guaranteed by Government.

For this purpose any five or more persons may, by agreement, form an incorporated land-settlement association, and may purchase in the name of that association any estate consisting of not less than 250 acres.

The Public Trustee acts as agent of such associations, and raises the total purchase-money by the issue of debentures under the guarantee of Government. On the completion of the purchase the estate is transferred to the association, and the several allotments are then transferred by the association to the individual purchasers.

The minimum amount of cash required from each purchaser from the association is 4 per cent. of the purchase-money, and a mortgage is given to the Public Trustee for the balance.

The Public Trustee is charged with the collection of interest from the mortgagors.

Some of the associations have maintained their obligations, but in other cases considerable difficulty is being experienced by the Public Trustee in obtaining payment of interest.

#### INVESTMENT OF FUNDS.

The surplus moneys derived from the Common Fund of the Office have been kept closely invested during the year.

The total investments of the Office now amount to £9,816,108, showing an increase in twelve months of £979,199. Particulars of the investments are—

	£
Government securities .. .. .	910,661
Local bodies' debentures .. .. .	1,224,125
Mortgages .. .. .	7,127,659
Advances against the vested shares of beneficiaries in estates .. .. .	338,704
Land Settlement Finance Act debentures .. .. .	77,194
Fixed deposits at banks .. .. .	590
Freehold property, Office furniture, and equipment..	137,175
	<hr/>
	<u>£9,816,108</u>

During the year a further investment of £210,000 was made in the New Zealand Government war loans, making a total subscription by the Office of £660,000 to the 31st March, 1919.

The total interest collected during the year from investments amounted to £475,031.

### ADVANCES ON FREEHOLD PROPERTY.

Throughout the year the Board has endeavoured, so far as is consistent with the safe investment of its funds, to use the moneys at its disposal to assist settlement and development throughout the Dominion.

No difficulty has been experienced in finding suitable securities for advances by way of mortgage.

The Board has borne constantly in mind the needs of small settlers, and has given special consideration to applications from this class of applicant.

Advances on properties situated in town areas have not been entirely declined, but the great majority of the advances have been made on "broad acre" security situated in rural districts.

### ADVANCES TO LOCAL BODIES.

The Office has endeavoured as far as possible to meet the requirements of local bodies, and particularly of Hospital and Charitable Aid Boards for works which have been certified to as being of an urgent nature.

Under the provisions of section 91 of the Public Revenues Act, 1910, the Public Trustee has been enabled to advance funds to Hospital and Charitable Aid Boards upon a covenant that they will levy annually from their contributory bodies a sum sufficient to cover payments on account of interest and sinking fund on the sums advanced.

This power has enabled Hospital Boards to readily obtain money for necessary purposes which they might otherwise have experienced difficulty in raising.

The following statement indicates the amounts which have been advanced to various classes of local bodies :—

	£
Borough Councils and Town Boards .. ..	72,341
County Councils .. ..	57,373
Harbour Boards .. ..	22,500
Hospital and Charitable Aid Boards .. ..	57,000
	<hr/>
	<u>£209,214</u>

By section 23 of the Public Trust Office Amendment Act, 1913, in cases where the Public Trustee is Commissioner of the sinking fund of a local body, he may exercise all the powers of a Receiver in the event of failure on the part of the local body to make full and punctual payment of any instalment of the sinking fund.

The Board is pleased to report that no necessity to exercise this power has occurred during the year.

### EXPENDITURE.

Exceptional causes, arising partly from difficulties encountered through the continuation of hostilities, and partly from the abnormal growth of the Office, are responsible for an increase in the expenditure.

The chief contributory factors responsible for the increased expenditure were the payment to officers of salaries more commensurate with the responsibilities and status of their positions; the decision of Government to grant a war bonus; the necessity for ensuring that adequate protection was afforded to the Office property, &c.

Regarding the foregoing it must not be overlooked that the Office has been compelled to face a constantly increasing expenditure by reason of the necessity for higher rates of pay, and the abnormal increase in the cost of all equipment, stores, and requisites, and further that the scale of charges made for the administration of estates has remained unaltered.

In regulating the expenditure of the Office, especially in regard to salaries, three special features must be borne in mind :—

(a.) Persons placing their affairs in charge of the Office for administration have a right to expect that the work will be performed with the utmost care and diligence and with reasonable expedition.

(b.) It is also necessary that as far as possible the State shall be fully protected against all risk under its absolute guarantee.

Although Reserve Funds have been created as barriers against such a contingency, these funds should not be trenched upon. Therefore in carrying out the large and complex business of the Office the greatest circumspection must be exercised.

(c.) For the credit of the Office it is essential that the standard of excellence should be at least equal to that attained by the best commercial institutions.

The work of the Office is skilled and exacting to a degree, and calls for trained technical knowledge combined with ability on the part of officers if it is to be discharged with credit to the Office and satisfaction to clients and beneficiaries in estates and to the public generally.

Where such training and ability exists (and the Office is fortunate in numbering on its staff many officers who possess the requisite qualifications) the remuneration paid should be fully commensurate with the value of the services rendered.

It is the opinion of the Board, strengthened by a close and intimate experience of the work of the Office extending over a period of eighteen months, that the salaries paid in the past to officers performing the higher branches of the work have been inadequate. Whilst the Board has been enabled to effect some measure of justice in this connection, yet several officers occupying positions of responsibility in which they were trained by the Office found it to be to their advantage to accept outside employment.

Moreover, the Board is satisfied that apart from the more specialized portions of the administration of estates the work of the Office as a whole must be raised to a higher level. In the past the volume of work to be performed has outstripped the trained staff available to perform it. While the war lasted there was little opportunity to remedy this state of affairs, but now that men are returning to civil life the position must be faced and improvement effected.

In order that the special features in estates under administration may receive close and personal attention the staff must be increased in numbers.

All this will involve considerable expense, and the Board considers it desirable to indicate that the expenditure of the Office, especially upon salaries, must increase if the Office is to perform with satisfaction and credit the ever-increasing volume of work which is entrusted to it by the public.



COMPARATIVE TABLE INDICATING THE PROGRESS MADE BY THE PUBLIC TRUST OFFICE DURING THE DECENNIAL PERIOD 1909-1919.

Year ended 31st March.	Total Value of Estates in Office, including Unrealized Assets.	Funds at Credit of Estates and Accounts.	Interest credited to Estates.	Bonus granted to Estates.	Gross Income.	Expenditure.	Net Profits.	Assurance and Reserve Fund.	Investment Fluctuation Reserve Fund.
1910 .. ..	£ 7,358,947	£ 3,414,168	£ 85,716	£ ..	£ 41,433	£ 29,695	£ 11,738	£ 35,162	£ ..
1911 .. ..	8,112,342	4,287,195	104,098	..	46,069	34,828	11,241	39,621	562
1912 .. ..	9,493,959	5,070,305	172,907	..	64,873	38,954	25,919	50,832	2,595
1913 .. ..	11,268,311	5,799,446	202,439	..	72,067	44,156	27,551	59,753	4,765
1914 .. ..	12,282,883	6,366,707	230,062	..	82,517	53,295	29,222	112,209	7,915
1915 .. ..	13,580,936	7,096,420	256,806	..	88,296	55,788	32,508	139,721	11,439
1916 .. ..	13,598,744	7,082,288	281,700	25,000	103,763	57,655	46,108	177,416	15,047
1917 .. ..	15,065,583	8,058,886	287,818	27,000	129,008	70,146	58,862	186,554	19,344
1918 .. ..	17,153,031	9,004,057	317,633	30,000	162,614	94,012	68,602	216,090	24,373
1919 .. ..	19,242,347	10,065,027	352,783	33,100	194,452	124,296	70,156	222,197	30,073
Increase in preceding 12 months ..	2,089,316	1,060,970	35,150	3,100	31,838	30,284	1,554	6,107	5,700

**OFFICE BOARD.**

The work of the Board has proceeded smoothly throughout the year.

The increase in every branch of the business has been reflected in the volume of work which has fallen upon the Board to discharge. Meetings have been held on practically every working-day, and this has enabled branch and divisional officers to obtain immediate decisions on any matters of importance and urgency arising in the course of administration of estates under their charge.

The Board has instituted a system for the rapid despatch of Board decisions to District Offices, and in all cases of special urgency the telegraph is resorted to. The Board is assured that this promptitude is appreciated by the District Officers, and by business people and other persons having dealings with the Office.

A complete system is in operation for ensuring that all matters which require to be followed up are resubmitted to the Board on fixed dates, as directed.

The arrangements which exist for the record and preservation of decisions of the Board are satisfactory.

Among the matters relating to the administration of estates which have been dealt with by the Board during the year occur the following:—

The acceptance of administration of all estates.

The granting or continuance of allowances paid for the maintenance of minors.

The authorizing of extensive repairs to properties.

The granting of overdrafts to estates and beneficiaries.

The expenditure of amounts on improvements or development of property under the powers given by section 21 of the Public Trust Office Amendment Act, 1913.

The approval of subdivisional schemes for the sale of any real or leasehold property.

The exchange, partition, sale, or purchase of real or personal property.

The raising of money by way of mortgage.

The granting of leases or tenancies for a period of more than six months.

Apart from special matters bearing on the administration of estates the Board has freely directed time and attention to the general organization of the Department. In particular the provision of trained staff in sufficient numbers to cope with the work has been a fruitful source of anxiety.

**PUBLIC TRUST OFFICE INVESTMENT BOARD.**

The Investment Board, which is composed of the Secretary to the Treasury, the Valuer-General, the Government Insurance Commissioner, and the members of the Public Trust Office Board, has met at weekly intervals throughout the year.

Applications to the number of 437, and of a total value of £3,935,663, have been considered by the Board, and loans to a total value of £2,497,442 have been granted.

**STAFF.****COMPARATIVE STATEMENT SHOWING STAFF OF THE PUBLIC TRUST OFFICE ON 31st MARCH, 1918 AND 1919.**

				31st March, 1918.	31st March, 1919.
Permanent—					
Public Trustee	..	..	..	1	1
Assistant Public Trustees	..	..	..	2	2
Professional Division	..	..	..	10	28
Clerical Division	..	..	..	283	295
General Division	..	..	..	86	124
				—	—
				382*	450†
Temporary	..	..	..	151	151
				—	—
				533	601

\* Including 107 on active service.

† Including 72 on active service.

The statement shown above includes the number of officers absent on military service.

The following statement indicates the number of staff engaged in the work of the Department on the 31st March, 1918 and 1919, at the Head Office and at the District Offices:—

HEAD OFFICE.						
On 31st March, 1918.			On 31st March, 1919.			
Male.	Female.	Total.	Male.	Female.	Total.	
Permanent .. 89	61	150	Permanent .. 120	86	206	
Temporary .. 59	45	104	Temporary .. 45	35	80	
— 254			— 286			

DISTRICT OFFICES.						
On 31st March, 1918.			On 31st March, 1919.			
Male.	Female.	Total.	Male.	Female.	Total.	
Permanent .. 85	40	125	Permanent .. 115	57	172	
Temporary .. 28	19	47	Temporary .. 41	30	71	
— 172			— 243			
— 426			— 529			

#### *Principal Staff Changes.*

On the 19th October, 1918, Mr. E. P. Hay, Office Solicitor, left the service of the Department to enter into the private practice of his profession. The vacancy was filled by the appointment of Mr. G. G. Rose, Assistant Solicitor.

The vacancy caused through the promotion of Mr. Rose was filled by the appointment of Mr. O. E. Bowling, formerly of the Justice Department, Auckland.

Mr. M. C. Barnett has been transferred from the position of Chief Accountant to the position of Chief Inspector.

The duties of Chief Accountant are being carried out by Mr. Inspector Barr.

Mr. G. P. Purnell, Controller of the Wills, Trusts, and Agencies Division of the Head Office, resigned from the Service on the 31st March, 1919, to enter into private practice as a solicitor.

#### *Particulars regarding Military Service of Officers.*

Total number enrolled in Expeditionary Force	..	..	135
Killed in action	..	..	17
Died of wounds	..	..	7
Accidentally killed	..	..	1
Died at sea	..	..	1
			— 26
Resigned before resuming duty..	..	..	6
Resumed duty	..	..	31
Still absent on military service or on accumulated civil leave			72
			— 109
			135

Apart from the special outbreak of influenza the year has been marked by a great deal of sickness amongst the senior officers of the Department, who for several years past have borne a heavy burden of work.

#### OPERATION OF PUBLIC SERVICE ACT.

The following remarks on the subject appeared in the last report of the Board:—

The Board reports that its experience of the working of the Department over a period of several months has demonstrated that the conditions essential to its well-being cannot be realized whilst the provisions of the Public Service Act control the employment of officers of the Public Trust Office. However suited the Act may be to the needs of those general Departments of the Public Service where the work is more or less routine in character and

stationary in volume, its operation in such a Department as the Public Trust Office, where the work is highly specialized and complex in character, and manifests a rapid and continuous expansion in volume, impedes the safe and efficient conduct of the Department.

The Board has had further experience of the working of the Act, and has seen nothing which would lead it to modify its previous opinion.

The Board gratefully acknowledges the consideration and expedition which the Public Service Commissioner, so far as the restrictions imposed by the Public Service Act permit, has given to the numerous and important requisitions made in the matter of staff; but the Board regards the machinery of the Act as wholly unsuitable in its application to a business office, tending, as it does, to constant and vexatious delay in the settling of appointments, which seriously impairs the efficiency of control.

So long as the staffing arrangements are subject to the conditions of the Public Service Act and regulations and the voice of the Board responsible for the management of the institution becomes, according to law, only of secondary importance, then so long must there be a loss of efficiency impossible of being denoted in sterling value.

The Board raises no objection to the application by any reasonable process of those safeguards adopted in modern times for preserving rights and privileges so as to ensure that merit and seniority of those in its employ are given proper consideration, but, being *de facto* responsible for the policy and development and business success of the institution, considers that it should not be hampered by the restrictions that now apply, more particularly the injurious effects arising from a division of responsibility of control, the evils of which must be apparent to any reasonably minded person who has had experience in the business management of a commercial undertaking.

#### DECENTRALIZATION.

The policy of decentralization of the work appertaining to the administration of estates which was inaugurated by the Board during its first year of office has been steadily pursued during the year. It is a matter for regret that an opportunity has not yet occurred of obtaining the further legislative sanction which was forecasted in last year's report.

Within the limits of the existing powers every possible means has been adopted of having the administration of estates transacted in close proximity to the clients and other interested persons.

The difficulties attendant upon decentralization are accentuated by the large volume which the work has now attained. The Board is of opinion that it would have been of the greatest possible benefit to the Office if decentralization had been carried out years ago before the work had assumed such large proportions.

During the year practically all new estates reported from Auckland, Wellington, Christchurch, and Dunedin have been delegated to the Local Deputy Public Trustees at those centres for administration, and this action has served to accelerate the winding-up of the estates and the distribution of the assets to beneficiaries. The wisdom of this course was amply demonstrated in connection with the sudden and large influx of work as the result of the epidemic at a time when the staff was seriously depleted. The work was disposed of with commendable promptitude, but if all the estates which came to the Office as the result of the epidemic had been administered from the Head Office as under the old system, with its constant cross-correspondence and traffic of documents between Head Office and District Offices, and *vice versa*, it is difficult to see how complete congestion of work could have been avoided.

In addition to newly reported estates the administration of many old estates has been transferred from the Head Office to the four principal District Offices during the year. Previously the rule had operated that the administration of estates exceeding £1,000 in value should be retained in the Head Office, except in special cases. This rule was not satisfactory, since the value of an estate is no true criterion of its difficulty: a very large estate may possess no features of special difficulty, whilst a comparatively small estate may from its complexity present problems of administration which do not lend themselves to ready solution.

The Board has recognized the fact that in regard to the delegation of administration what is required is not an arbitrary limit as to the value of estates which shall be delegated, but a definition of those matters in the administration of all estates, large or small, which should be excluded from the general powers granted to local officers and reserved to the Board for decision.

Action has therefore been taken to define in reasonable detail the powers which may be exercised by Local Deputy Public Trustees in the administration of delegated estates, and those which are reserved to the Public Trustee.

During the year every effort has been made to enable the Local Deputies' Offices to become self-contained. District Accountants have been appointed at Auckland, Wellington, Christchurch, and Dunedin, and all accounts relating to delegated estates are now prepared, examined, and despatched from those Offices.

District Solicitors have been appointed at Auckland, Christchurch, and Dunedin, and much legal work is now transacted at those offices, with a considerable saving of time and corresponding satisfaction to clients and others with whom the Office transacts its business.

The system adopted has, undoubtedly, relieved the Head Office of a considerable volume of work. Simultaneously, however, the increase of business from other districts where delegation does not exist has practically equalled the amount taken over from the Head Office by the Local Deputy Public Trustees, so that no positive advantage has been experienced at the Head Office.

At the present time the appointment of Local Deputy Public Trustees is confined by statute to the four principal centres, but it is hoped at the first opportunity to obtain legislative authority which will enable District Public Trustees to be constituted at all important centres throughout the Dominion, possessing the powers of administration which are at present confined to the four Local Deputy Public Trustees.

No special legislative authority is necessary for the keeping of estate accounts at District Managers' Offices, and the transfer of the accounts from Head Office will shortly be given effect to in the case of the Offices at Napier, Hawera, Wanganui, Nelson, and Invercargill. Similar action has been decided upon in the case of Hamilton, Palmerston North, and Gisborne. Further reference to the change will be found under the heading "Accounts" on page 20 of this report.

Constant and rigorous inspection of the District Offices by competent Inspectors will be indispensable to the success of any system of decentralization. The provision of such an inspection is now being undertaken by the Board.

### ESTABLISHMENT OF DISTRICT OFFICES.

During the year the Office Agencies at Dannevirke and Taihape have been terminated, and new District Offices in charge of permanent officers of the Department have been opened.

Arrangements are also complete for the establishment of permanent District Offices at Palmerston North, Hamilton, Blenheim, and Timaru. Suitable office accommodation has been obtained, and District Managers, who will take up duty shortly, have been appointed.

A considerable amount of preliminary work has been done and expenditure incurred in the establishment of the Offices, but the Board has no doubt that the action taken is a step in the right direction. It will bring trained and competent officers into direct relations with those persons with whom the Office transacts its business.

Although the Office has every reason to be grateful for the loyal and efficient service which is rendered by its non-permanent Agents, it is found that when the business reaches a certain standard very satisfactory results follow from the appointment of permanent officers.

It is confidently anticipated that there will be a marked increase in the volume of work coming to the Office as the direct result of the appointment of these officers.

The movement forms part of the general scheme of decentralization which was decided upon by the Board some time ago, and it will lead to the major portion

of the Department's work being performed where it ought to be performed—that is, in close connection with the clients and interested persons.

District Managers are encouraged to think and act for themselves in cases where matters requiring attention are within their powers, and in those cases where it is necessary to seek the direction of the Board the necessary machinery is provided.

Under these circumstances the work of the Head Office should be to some extent relieved.

There still remain a few centres at which permanent offices should be opened. As soon as suitable officers for appointment to those offices become available the organization may be regarded as reasonably complete.

#### BRANCH OFFICES.

Arrangements are also in contemplation to place the work at Ashburton under the charge of a permanent officer, who will work under the direct supervision and control of the Local Deputy Public Trustee at Christchurch.

A similar arrangement is already in force at Hastings, where the Officer in Charge is controlled by the District Manager, Napier.

Large as is the volume of work performed by the Office, it is felt by the Board that much more could be attracted if further facilities were provided for the public. It is only by the adoption of a progressive policy that the Office can take that position in the life of the community that it should take.

The Board is of opinion that something must soon be done to extend the activities of the Office in the four principal centres. Although large offices exist in each of these centres, it is essential that some means should be adopted of reaching people residing in the suburbs, and the opening of Branch Offices in suburban districts is now under consideration.

Such offices would prove most useful both to the public and to the Office. Each would serve as a bureau of information regarding the work performed by the Office, and would afford the public an opportunity of setting their affairs in order. This is a duty that appears to be almost entirely neglected by the greater portion of the community, and the removal of this neglect should be one of the primary aims of the Office.

#### OUTBREAK OF INFLUENZA.

At the end of 1918 and in the early months of 1919 the work of the Office was seriously affected by the epidemic of influenza which swept through the Dominion.

The pressure on the staff, both at Head Office and at the District Offices, was very severe. In the Head Office the staff was heavily depleted over a considerable period, and at the height of the outbreak no less than 218 officers out of a total staff of 264 were absent from duty.

The dislocation resulted in a large accumulation of work, which was reduced only by strenuous efforts on the part of the staff. The difficulties of the situation were increased by the sudden influx of estates of persons who died during the epidemic.

The information so far obtained and collated indicates that between nine hundred and one thousand estates were reported for administration as the result of the outbreak.

The Board is pleased to report that the unremitting exertions of the staff enabled the whole of the accumulated work to be cleared before the close of the financial year.

#### COMMITTEES OF ESTATES CLERKS.

Reference is made on page 19 of this report to the services rendered to the Office by the Committee of Accountants. The Board has considered it desirable that similar bodies should be formed in the other Divisions of the Office. The suggestion has been cordially received by officers, and Committees of Estates Clerks have been constituted in all the Divisions for the consideration of matters

referred to it by the Board, or matters of special importance or difficulty which occur in the daily work of each Division.

A General Committee, comprising representatives from all the Divisions, is also in process of formation. This Committee will consider and discuss questions of a general nature affecting the Divisions as a whole.

The Board desires to express its appreciation of the ready and effective co-operation of officers in this proposal.

### INSTRUCTION-BOOKS.

The absence of instruction-books for the use of the staff was referred to in the last annual report, and it was then indicated that a commencement would shortly be made with the work of preparation.

Owing to special hindrances which have operated during the past year this important work has made but little progress.

The work of compilation has, however, now been put in hand. In view of the magnitude of the task the Board considered it essential that the interest and assistance of all officers should be secured, and that the experience of the members of the staff of every grade should be drawn upon.

All officers have been acquainted with the scope and purpose of the books, and have been invited to freely co-operate in their preparation.

Arrangements have also been made for an experienced officer from each Division to be specially associated in the preparation of the book relating to his Division.

The preparation and issue of the books will involve a considerable expenditure of time and money, but, in view of the rapid growth of business, it is essential that the practice of the Office should be standardized, and that information should be accessible to all officers in a concise and intelligible form.

The books, when completed, will practically become text-books, illustrative of the organization and work of the Office in all its phases.

The first book, comprising notes on the acquisition of the right to administer deceased persons' estates, has been completed and issued. The next book to be put in hand will be that dealing with general correspondence.

Pending the issue of the standard instruction-books the duties of specially important officers have been defined in detail, and statements of the duties have been compiled and issued. The statements have proved of great value whenever a change of officers has become necessary.

### OFFICE AGENCIES.

During the year additional Agencies of the Office have been opened at Raetihi and Kohukohu.

The Agencies at Dannevirke and Taihape have been terminated, and District Offices established under the charge of permanent District Managers, as referred to on page 13 of this report.

Similar action will be taken shortly regarding the Agencies at Hamilton, Palmerston North, Blenheim, Ashburton, and Timaru.

The Board desires to express its sincere appreciation of the loyal and valuable services rendered by the Agents of the Office throughout the Dominion.

### ESTATES ADMINISTRATION.

#### APPOINTMENT OF ADVISERS.

The Board will require to take into serious consideration almost immediately the important question of securing the services of experts in the principal centres who are qualified to act as Advisers to the Local Deputy Public Trustees and District Managers in respect to businesses forming part of estates under administration.

A large portion of the remuneration of the Advisers will be met by the Office, the balance being recovered from the estates in which their services are employed. Although this action will add to the annual expenditure of the Office without producing any compensating income, the Board feels that the step should be taken in order to secure to estates the benefit of the best expert opinion available.

It is anticipated that this departure will specially commend itself to prospective clients of the Office in farming districts.

#### ADVANCES TO ESTATES AND BENEFICIARIES.

During the year the Office has continued to make advances from the Common Fund of the Office both to estates, in order to discharge urgent liabilities, and also to beneficiaries, in anticipation of legacies or other shares in the estate due to them.

The course of making an advance to meet liability for stamp duty is often adopted in cases where estates possess few liquid assets.

The system greatly benefits estate and beneficiaries in the following ways :—

- (1.) By making it possible to avoid forced realizations of property at a disadvantage, and enabling it to be preserved until a suitable opportunity occurs for disposing of it profitably.
- (2.) By the liquidation of bank overdrafts and the repayment of mortgages bearing high rates of interest.
- (3.) By enabling beneficiaries to raise amounts against their vested shares at reasonable rates of interest.

The usefulness and popularity of this feature of the Office administration is demonstrated by the frequency with which it is resorted to.

On the 31st March, 1919, the amounts on loan to estates and beneficiaries by way of overdrafts totalled £338,704.

#### CONTROL AND INSPECTION OF TENEMENTS BELONGING TO ESTATES.

Much undeserved odium is sometimes cast upon the Office owing to the condition of residential tenements belonging to estates under its control, and it is desirable that some of the difficulties which surround the administration of such properties should be made known.

The Public Trustee frequently finds himself called upon to administer estates in which an asset consists of property in a condition of disrepair and situated in areas which are not regarded favourably by better-class tenants. The Public Trustee is bound to undertake this duty to the best of his ability.

Many special difficulties occur in such a case, the nature and extent of which are not fully appreciated. It frequently happens that, although repairs are urgently needed, there is no money in the estate to allow of their being carried out; and where such repairs are a charge against income it is impossible to raise the necessary funds by charging the capital property therewith.

Again, it may happen that the income from the property is the sole support of a widow in straitened circumstances and with infant children to support, so that it is impossible to divert any of the funds to the carrying-out of repairs.

In many cases, owing to the provisions of the will under which the estate is being administered, the properties cannot be disposed of by sale.

The opinion appears to be widely held that the Public Trust Office as a Government Department should set a better example in repairing tenancies under its control. The fact is, however, that in this matter the Public Trustee is like any other trustee and can proceed only so far as the assets in the estate and powers of the trust permit. Subject to these restrictions, the Office endeavours to see that all tenancies under its control are maintained in as good a condition as possible.



In every case inspections are made at regular intervals by qualified men, and the Board has recently resolved to appoint additional Property Inspectors in the principal centres to ensure that this essential work shall be satisfactorily carried out. It has also arranged for inspections to be made by qualified tradesmen where necessary, and for repairs to be carried out under their supervision.

The Board feels that these facts should be placed on record, particularly in view of certain statements which were made public as the result of inspections carried out under the direction of civic authorities at the time of the influenza epidemic.

### CONTROL OF ENEMY PROPERTY.

The scope of the duties imposed upon the Public Trustee from time to time by War Regulations are as follows:—

- (a.) *Custodian of Enemy Property.*—Practically all goods imported from enemy countries into New Zealand and not taken over by the consignors prior to the war have been sold.

Stocks, shares, &c., the property of enemy subjects, have been realized.

All rents, dividends, and interest payable to enemies in respect of any realty, shares, stocks, or debentures in any company incorporated in New Zealand, and interest on moneys lent by enemies, are payable to the Public Trustee. The amount so far collected under this heading is nearly £16,000.

- (b.) *Controller of Enemy Firms.*—Practically all enemy firms in the Dominion have been wound up. Book debts amounting to about £3,000 only remain to be collected.

Amounts collected for goods sold, and money owing to the firms under the Public Trustee's control, reached approximately £105,700.

- (c.) *Custodian of Property of Prisoners of War.*—The assets of the twenty prisoners of war, of which the Public Trustee is custodian, aggregate in value £15,000. They consist mostly of mortgages and farm properties.

Numbers of prisoners are being repatriated and desire their assets to be realized before their departure.

- (d.) *Registration of Claims against the Enemy.*—Claims against the enemy, amounting to nearly £51,000, have been received.

In March, 1919, a notice was published calling for registration of any claims against the Russian Government or its subjects. Only one such claim has been received.

### ACCOUNTS.

The accounting-work of the Department has made remarkable progress during the year, and is up to date.

This satisfactory state is chiefly attributable to the consolidation of the accounting staff, the provision of improved accommodation, and the loyal and unremitting exertions of members of the staff.

*Centralization of Accounting-work.*—In 1918 the accounting-work connected with the administration of estates was withdrawn from the administration divisions where it had hitherto been performed, and was consolidated and placed under the direct control of the Chief Accountant.

A year's experience of the system has demonstrated its usefulness. The consolidation of the work has broken down the barriers which existed between Division and Division, and has permitted the ready exchange of officers to meet special requirements on any of the Divisions.

The Chief Accountant reports that the accounting-work at the end of the financial year was in an excellent position, and this result is largely due to the centralization of the work.

The segregation of the Head Office accounting staff which was forecasted in the last annual report of the Department has been effected, the staff being removed from the various divisional positions and located on the ground floor of the main building. Excellent results have followed from the change.

The ground floor now presents a businesslike appearance, and this result has been achieved without any undue expenditure having been incurred.

The new arrangement has greatly facilitated the performance of the accounting-work. The Divisional Accountants are in close proximity both to the Chief Accountant and to their own staffs.

Inquiries in the many cases of difficulty which constantly occur are thus facilitated.

*Report on certain Aspects of the Accounting System.*—From the time the Board took office the subject of the relation between the Assets and Claims Registers on the one hand and the ledgers, in which are recorded all receipts and payments in estates, on the other hand has engaged attention.

The "Hunt" Commission which examined the work of the Office in 1912 considered, among other questions, the desirability of incorporating the Assets and Claims Registers with the ledgers, so as to ensure that proper credits and debits would be raised in the ledger accounts at the commencement of the administration of each estate.

The Commission, however, did not recommend the introduction of such a scheme, as it was considered that an enormous number of adjusting entries in the ledgers would be required.

The matter has been discussed at various times by the Board and the accounting officers of the Department, and, as a result of these discussions, it became apparent that there was a considerable divergence of opinion on the subject.

Under these circumstances it was thought desirable that an independent investigation should be made by a qualified accountant conversant with the best commercial methods and practice.

Through the courtesy of the Hon. the Minister of Justice the services of Mr. J. S. Barton, Stipendiary Magistrate at Gisborne, were placed at the disposal of the Board for this purpose.

After a careful examination of the system and consultation with the accounting officers of the Department, Mr. Barton has furnished a report in which he recommends that the Assets and Claims Registers be brought into more intimate relation with the ledgers. The following extract from the report will indicate the general bearing of the recommendation :—

I am of opinion that the Assets and Claims Register should be linked up more closely with the ledgers. I do not mean that the figures which are recorded should be incorporated in the accounts : a closer physical connection is what is in my mind. I would suggest that the assets and claims pages be printed on a distinctive colour and placed in the same binder as the ledger pages, the assets and claims pages relating to any particular estate being next to the ledger account of that estate. The accounting staff, with the ledger open at any particular estate account, could then on the spot refer also to the information contained in the Assets and Claims Register in relation to that estate. It may, however, still be a separate record from an accounting point of view.

I think that the balance of advantage is decidedly with the suggestion that the register should be kept and viewed as a memorandum. I am of opinion, however, that it should be a memorandum the figures of which are capable of being balanced, and, further, that these figures should be balanced monthly by an arithmetical check based on the double-entry principle. This . . . could be easily done with very little increase in the work of the Office ; in fact, I think the increase will be barely appreciable.

Steps are now being taken to give effect to Mr. Barton's recommendations.

*Committee of Accountants.*—In the annual report for 1917-18 reference was made to the constitution of a Committee of Accountants to act in an advisory capacity.

During the past year the Committee has met at regular intervals for the consideration of matters referred to it by the Board and by individual Accountants.

The collective knowledge and experience of the Committee render it a most valuable advisory and consultative body on matters of unusual complexity or difficulty relating to accounts.

Questions of importance dealt with during the year include,—

- (a.) Consideration of all accounting matters in estates of a complex or involved nature.
- (b.) Consideration of general methods of Office accounting.
- (c.) Introduction and application of advanced methods in the preparation of administration accounts.
- (d.) Allocation of Office expenditure.
- (e.) Design of accounting books and forms.
- (f.) Preparation of standard index for machine-posted ledgers.
- (g.) Fixing amounts to be debited for depreciation of Office premises, plant, and equipment.
- (h.) Consideration of estate overdrafts.

It is indicative of the zeal and enthusiasm of the accounting officers that the considerable volume of work involved has, owing to the exigencies of the Department's business, been performed entirely in the officers' own time. The Board, while fully appreciating this sacrifice, desires to remove the necessity for it at the earliest opportunity.

It is interesting to place on record the impression made by the work of the Committee upon Mr. J. S. Barton, S.M., during his examination of the Office system. Mr. Barton says,—

All the members of the staff whom I interviewed seemed to take an exceptional interest not only in their own work, but in the work of the Office as a whole, and there was an excellent spirit shown in the attitude and bearing of these men toward the work of the Office. Members of the accounting staff meet frequently in a conference-room to discuss matters relating to their branch of the work of the Office, and all whom I interviewed spoke highly of the value of these meetings and of the discussions they provoke. The success of these conferences, the excellent spirit to which I have referred, and the interest manifested in suggestions for the improvement of the accounting system seem to me to be the fruits of a wise policy in directing the staff and securing its co-operation in the service of the Department.

*Collection of Rents and Interest.*—An important change has been made in the method of checking the collection of rent and interest by Branch officers.

Hitherto it has been the custom for registers to be kept both at the Head Office and at District Offices.

As the registers kept in the Head Office merely repeated the information which was furnished by District Officers the system involved an unnecessary duplication of work.

From the 1st April, 1919, the rent and interest registers will be kept at the District Offices only. The duplicate registers hitherto kept in the Head Office will be discontinued, and the officers who have been engaged on the work will be trained in the work of preparing statements of accounts.

The registers will be reviewed by the District Managers at regular intervals, and reports be furnished periodically to the Head Office showing the amounts outstanding, and necessary directions will be given as to the action to be taken.

*Mechanical Appliances.*—Further opportunity has been taken during the year to introduce improved mechanical appliances to assist in the work of the Office.

Two divisions of the ledgers in the Head Office are now being dealt with by the ledger-posting machines, and arrangements will shortly be completed for the extension of the system to the remaining divisions.

Machines have also been made available for the local Offices.

A special machine has been imported from abroad for dealing with recurring claims and vouchers, of which large numbers are prepared at varying intervals throughout the year. The machine has been tested and has proved an unqualified success. It is also proposed to extend the use of the machine by combining its processes with those of another mechanical appliance in use in the Office. This will produce great expedition and economy in certain portions of the work.

The system of posting the cash-book and journal by machine process has been continued throughout the year at the Head Office. Notwithstanding the

large increase of business it is still possible for one machinist to complete the postings to both books, a work which formerly occupied the time of three officers.

The system has now been extended to the Local Deputies' Offices with equally satisfactory results.

*New System of Cash Accounting at Branch Offices.*—An important change has been made at several of the more important District Managers' Offices in the system of cash accounting, which will result in the more speedy transmission to the Head Office of the records of the cash transactions and their entry in the ledgers.

Specially designed cash-books adapted to the posting of the entries by machine process and the simultaneous preparation of the Head Office schedules have been supplied.

Payments hitherto made at the post-office in several towns are now made at the local Public Trust Office, and this results in greater convenience to the Office and its clients, and a wider knowledge of its functions with the general public.

The District Officers have expressed a favourable opinion of the change. One of them states, "The new system will be a great convenience to the Office clients. Payments can now be made within a day or two of the date on which they are passed by Head Office, whereas under the old system a week or ten days elapsed before the payment was received. This fact has always caused a little irritation with our mortgagors, as they are charged interest on advances from the date the money leaves the Office."

It is intended to extend the system to the remaining District Offices as opportunity occurs.

*Estate and Succession Duty.*—Since the 1st November, 1918, the work relating to estate and succession duty has been consolidated and placed under the charge of an officer with the title of "Supervisor of Estate and Succession Duties." The appointment has resulted in a marked improvement in the position of the stamp accounts, and has also facilitated the settlement of requisitions made by the Stamp Duties Department with more uniformity and satisfaction to both Departments.

The Commissioner of Stamp Duties has expressed his appreciation of the present satisfactory position of this work. The speeding-up of these accounts will also materially assist in the distribution and final closing of estates.

*Decentralization of Accounting-work.*—On page 13 reference is made to the decision of the Board to transfer to the more important of the District Managers' Offices the accounts relating to estates under administration at those Offices.

The change will involve some increase in expenditure, as it will be necessary to place a qualified accountant at each Office where the accounts are to be prepared; but this will be more than compensated for by the disappearance of the constant correspondence between District Offices and the Head Office, and by the increased promptitude with which the statements of account can be issued and all inquiries from beneficiaries and other interested parties can be dealt with.

The following comments by District Officers will indicate the way in which the change is regarded by them:—

*District Manager, Nelson.*—Of the many important reforms that have been made during the last year I consider that now suggested one of the most important, and have no hesitation whatever in stating that it will give the greatest satisfaction to clients.

*District Manager, Invercargill.*—The keeping of accounts locally constitutes a great advantage from all standpoints, especially from the point of view of the public, who frequently comment on the fact of the accounts being kept at Head Office. Apart from this, I consider that the administration of the estates can be facilitated and greater satisfaction given to clients and beneficiaries. At this branch, so far removed from Head Office, one realizes forcibly that decentralization is a necessity, and the proposed arrangement is a step in the right direction, and will be appreciated by the clients of the Office.

*District Manager, Hawera.*—I think the project a proper one. The change will be most acceptable to the clients and beneficiaries and others with whom the Office has business. I have thought so for a long time past.

### INSPECTION.

*Review of Estates under Administration.*—Since the Board took office the necessity of the creation of a Division to conduct a review of the administration of estates has become increasingly apparent.

So far as the preparation, checking, and despatch of accounts in estates are concerned the position has been quite satisfactory. The accounts are prepared by experienced officers, and are then submitted to trained and qualified Accountants, by whom they are subjected to a careful examination before despatch.

A critical examination of the work of estates administration is no less essential both in order to protect the Office from possible loss and also to conserve the interests of clients and beneficiaries.

A commencement with this important work was made by directing that in the case of all new estates accepted by the Board for administration the files should be reviewed at fixed periods according to the size and complexity of the estate.

The Board soon came to the conclusion that if the work was to be properly performed a Reviewing Branch composed of trained and experienced officers must be constituted to carry out the work. The need for the establishment of such a Branch was referred to on page 22 of the last annual report.

The Board is now pleased to report that active steps have been taken to give effect to this requirement. The position of Chief Inspector has been created, and has been filled by the transfer of Mr. M. C. Barnett from the position of Chief Accountant, and the Branch has been strengthened by the appointment of an additional Inspector to undertake a portion of the work.

Briefly, it may be stated that in establishing the Division the Board desired to ensure that the following requirements should be complied with:—

- (a.) That the administration of each estate is promptly and efficiently conducted.
- (b.) That the payment of estate and succession duty is made within the statutory period.
- (c.) That the profitable utilization of every asset is carefully considered, and in particular that all debts are closely followed up.
- (d.) That the covenants and conditions attached to leases and mortgages are properly observed.
- (e.) That continuous and careful supervision is exercised over the operations of companies and institutions in which the Public Trustee may for the time being be holding shares, scrip, or debentures on behalf of estates.
- (f.) That the operations of all business undertakings under the control of the Public Trustee are regularly scrutinized.

The Board considered that the system would have a beneficial effect upon estate administration generally by ensuring that any errors in the early stages of the administration would be detected and remedied, and that no matter of importance would be overlooked.

The system has now been on trial over a considerable period, and the Board is enabled to state with confidence that its effect has been altogether satisfactory. Reviews prepared by the Chief Inspector are submitted in the first instance to the Board, which refers the reports to the local officers or divisional Heads concerned, with a direction as to the action to be taken in each particular case to satisfy the requisitions of the Chief Inspector.

The Board is assured that the reports are much appreciated by Controlling Officers, as well as by the staff directly engaged in the administration of the estates.

During a recent visit to Wellington one of the experienced District Officers of the Department, after viewing the system in operation, expressed an unqualified approval of the scheme, and stated that it would prove of the greatest value to officers engaged in administration work.

It is satisfactory to state that, although certain cases have occurred where minor defects in administration or in the accounts have been discovered, or where the policy adopted in the administration has not commended itself to the judgment of the Chief Inspector, that officer reports that, on the basis of the files reviewed

to date, the shortcomings on the part of the Office are remarkably few. The Chief Inspector adds,—

Speaking generally, the system laid down for estate-administration work has been carried out with regularity, efficiency, and economy, and the instances of delay and neglect that were discovered are mainly attributable to the newness and lack of experience of the staff.

At the inauguration of the system the Board requested the Chief Inspector to pay special attention to the speedy conclusion of the administration of estates. Certain remarks of the Chief Inspector which appear in a report recently furnished by him, and which bear upon this matter, may prove of interest :—

I did suggest to the Board that estates should not be referred to the Chief Inspector until they had been six months in operation or under active administration, and that the Board might rely upon Controllers, Local Deputies, and District Managers to give these new estates all the necessary attention during that period.

I now recognize that it is the desire of the Board not only to speed up the administration, but also to be satisfied that the officers concerned are proceeding upon right lines from the earliest stages.

Although it casts a vast amount of reviewing-work upon the Chief Inspector's Division, I am bound to admit the results have shown the wisdom and success of the Board's policy.

Many estates, although fully realized, involve caution and full inquiry before distribution, even to the Office availing itself of the executor's year, and longer; but there are plenty of simple, straightforward estates that can get rapid despatch, and it is a pleasing feature of the work of the Divisions and the Branches that they are getting it, under the new conditions.

#### INSPECTION OF DISTRICT OFFICES.

During the past year the following Office and agencies have been inspected : District Manager's Office, Greymouth. Agencies—Reefton, Hokitika, Westport.

Reference was made in the previous report to the action taken in strengthening the inspectorial staff of the Office in order that inspection of outside offices might be undertaken with regularity.

Unfortunately, the staff of Inspectors became seriously depleted during the year owing to sickness and the withdrawal of some of the Inspectors for urgent necessary work.

This accounts for the small number of inspections carried out during the year.

It is of the utmost importance that the District Offices and Branches of the Department shall be inspected with regularity, and this requirement is becoming daily more essential in view of the increasing decentralization of the administration and accounting work relating to estates.

Arrangements have therefore been made for the appointment of two additional Inspectors whose duties will be confined to the inspection of District Offices.

#### LEGAL DIVISION.

On the 31st March, 1919, the staff, permanent and temporary (but exclusive of typistes), numbered twenty-five, an increase of one over the number employed on the 31st March, 1918.

The Division, in common with other Divisions of the Office, has experienced the effect of the increased business transacted during the year. It became necessary to appoint a third Assistant Solicitor in order to cope with the common law and opinion work, of which a large volume is performed by the Division.

The probate and administration work has reflected the increase of the business of the Office. For the twelve months ended the 31st March last the figures are,—

Applications for grant of probate	..	..	246
„ order to administer	..	..	592
			—
			838
Other applications for Supreme Court orders	..	..	151
			—
Total	..	..	989

Full advantage has been taken of the provisions of the Public Trust Office Act under which the Public Trustee by filing an “election to administer” is enabled



property. It is perhaps a matter for regret that in normal times more is not done towards impressing on adult members of the community the duty of making a will, which will secure the disposition of their property in accordance with their wishes.

From the large number of intestate estates which were reported to the Office for administration as the result of the outbreak of influenza during the year it would appear that this elementary duty is neglected by the majority of people throughout the Dominion.

*Soldiers' Wills.*—The Office, by reason of having prepared and being in the position of holding a considerable number of soldiers' wills, many of which were made by testators before they had attained the age of twenty-one years, was intimately concerned with the question raised during the past year in England as to the capacity of soldiers who were minors to make valid testamentary dispositions.

Until the question arose it had been assumed that all such wills disposing of personal as contrasted with real estate were valid. The Court of Chancery in England, however, held that there was no power in a minor, whether a soldier or not, to make a valid will, though where probate had been granted in the past of such wills disposing of personalty there was a presumption that the grant had been properly made and that all acts done in pursuance thereof were valid. Although the point was never tested in the New Zealand Courts the decision undoubtedly applied to this Dominion.

In order to validate all past grants and to make clear the testamentary capacity of soldiers who were minors an Imperial Act was passed having this effect.

Similar action was taken in the Dominion, and by section 23 of the War Legislation and Statute Law Amendment Act, 1918, it was declared and enacted that section 11 of the Imperial Wills Act authorized and always had authorized any soldier being in actual military service to dispose of his personal estate by will, though under the age of twenty-one years.

### SOLDIERS' ESTATES DIVISION.

The work on the Division throughout the year has been exceptionally heavy, and has fully taxed the energies and capabilities of the staff employed.

The Office has now dealt with the estates of 7,400 deceased soldiers. New estates reported during the year for administration numbered 2,629. The number of estates remaining under administration on the 31st March, 1919, was 3,664.

Although the soldiers' estates are of comparatively small value, yet, in the aggregate, the amount of cash handled is considerable.

The receipts for the past year amounted to £568,280, and the disbursements to £427,075. The balance in hand on the 31st March, 1919, was £296,985.

As illustrating the concession made in the Office charges for administering soldiers' estates, it may be noted that the total Office commission for realizing assets and disbursing the considerable sums referred to above was £3,900 only.

On the other hand, interest credited to estate funds during the year was £7,237, or approximately twice the full amount of Office charges.

It was hoped that, upon the signing of the armistices with the various belligerent Powers and the prospect of early peace, the termination of the Soldiers Division would be in sight; but estates have continued to be reported in large numbers, and it is understood that possibly 5,000 estates remain in which no action has yet been taken towards administration. It may safely be assumed that a large portion of these estates will come to the Office for administration. In the majority of cases the Office must await the request of beneficiaries or next-of-kin to administer, but in certain cases the administration is undertaken at the instance of the Defence Department. Special arrangements have been made with that Department for the early reporting of all such estates.

Unfortunately, the influenza epidemic which was severely experienced in the camps, both in the Dominion and in England, and also on certain of the transports, has considerably increased the number of estates coming under administration.



The small amount of commission earned by the Office on soldiers' estates, compared with the wholly disproportionate cost of administration, renders it desirable that the administration of all soldiers' estates shall be terminated at the earliest possible moment. Figures which have been prepared indicate that the deficiency resulting from the administration of soldiers' estates amounts to approximately £40,000, and this heavy charge has been borne by the Office.

The Public Trust Office Board has extended the concessions granted to soldiers' estates to all cases where death has occurred within three months of the soldier's return to the Dominion and his discharge from the Military Forces.

Under the system adopted, by which every soldier had a will form in his pay-book, troublesome delays occurred, owing to the length of time—usually in excess of twelve months—which elapsed between the soldier's death and the receipt of his pay-book in the Dominion. Until the receipt of the pay-book the Office was unable to determine with certainty whether the soldier had used the form in the pay-book or had died intestate. On the 28th February, 1918, however, a New Zealand Expeditionary Forces Army Order was issued directing that all pay-book wills of soldiers then on active service should be cancelled, and that each soldier should execute a will in legal form, or, in the alternative, sign a statement to the effect that he had already executed a will, or that he did not desire to execute a will. All new wills and certificates executed under this order were sent to London for safe custody.

Had this system been introduced at an earlier date, or if the war had continued, it would probably have resulted in expediting the administration of soldiers' estates, but, owing to the heavy casualties suffered during the seven months immediately following the issue of the Army order, the wills and certificates could not be forwarded immediately to New Zealand, and many are yet outstanding.

It is intended that as soon as the bulk of the soldiers' estates have been disposed of the Soldiers Division shall be dissolved, and the remaining estates be transferred to the Wills or Intestacies Divisions of the Office, according to the nature of the estate being administered.

The Public Trustee is still acting as Attorney for 579 soldiers, and holds on their account the sum of £39,042. Interest at the special rate of 4 per cent. is added to these funds. It is anticipated that most of this money will be paid out to the soldiers on their return to New Zealand within the next four or five months.

### RECORDS DIVISION.

The work of centralizing the records in the Head Office has proceeded steadily throughout the year.

The record staff which was formerly dispersed throughout the various Divisions has been segregated under the control of the Supervisor of Records.

The consolidation has resulted in a reduction of five in the number of staff employed, although the number of files to be dealt with has increased during the year.

The estate files which were formerly located in nine separate positions throughout the Office have been assembled on the second floor of the new premises acquired by the Department.

The reorganization has resulted in improved supervision and control of the staff, increased convenience in handling files, and the reduction of traffic between rooms.

A "visible-slip" system has been adopted for recording particulars of—

- (a.) All estates under administration.
- (b.) Beneficiaries in estates.
- (c.) Lessees and tenants in estates.
- (d.) Mortgagors in estates.
- (e.) Persons in receipt of recurring payments from estates.
- (f.) Sinking funds for which the Public Trustee acts as Commissioner.
- (g.) Mortgagors under loans made from the Common Fund.

In order to secure rapidity of identification, each class of entry is made on a slip of a distinctive colour.

The slips are mounted in frames, each containing forty slips, which can all be seen at a glance.

The system has proved most effective for the purpose of identifying inward correspondence. Six separate sets of card records have been displaced by the system.

Some idea of the range of the system can be gathered from the fact that, when the slips are complete, the entries will exceed 35,000 in number.

#### DISTRICT OFFICES—REVIEWS BY PRINCIPAL OFFICERS.

##### AUCKLAND.

The district controlled by the Auckland Branch has a wide geographical area, extending, as it does, from the North Cape to Taupo, and embracing the country between, from coast to coast.

Twenty-five years ago the whole business of this Branch was conducted by one senior officer assisted by a cadet.

At the close of the financial year ending the 31st March, 1919, the local staff numbered fifty-five, and further increases are becoming necessary to cope with the volume of business.

As indicating its development, it may not be without interest to mention that on the 1st April, 1918, there were 1,256 estates under administration, of an aggregate value of £373,962. During the year 826 new estates came in, and sixty-six others were delegated by the Head Office for local administration in accordance with the scheme of decentralization which the present administration has inaugurated.

During the financial year ending the 31st March, 1919, the aggregate gross value of estates under local administration was £1,111,636.

For the same period the total receipts at this Branch from all sources amounted to £475,032. In 1894 the whole of the correspondence was dealt with, written, and press-copied by one officer and a cadet. There are now eleven typistes employed, and the inward and outward correspondence for the past financial year totalled 54,615 and 72,112 letters respectively.

A striking illustration of the increase in the financial operations of the Office is afforded by the fact that at the 31st March, 1918, the total amount of investments upon mortgage in this district was £2,297,486, while at the 31st March, 1919, the total was £2,577,230.

Perhaps the best evidence of the growing appreciation of the public is afforded by the number of wills deposited appointing the Public Trustee executor. During the year ending the 31st March, 1918, 216 new wills were deposited in the Office, while in the following year the number amounted to 346—an increase of 130 over the previous year.

In order to meet the requirements of the business it has recently been found necessary to establish new Agencies at Waihi, Thames, Te Aroha, Taumarunui, Te Kuiti, Kohukohu, and Whakatane, in addition to others already existing. In this connection an important change is under consideration whereby a District Manager will be appointed at Hamilton with certain delegated powers of local administration. This is a feature of a general scheme of decentralization now being gradually brought into operation by the Public Trustee and which has never before been seriously attempted.

The effect of this, when fully developed and carried into operation, must be to relieve congestion at Head Office and expedite the general work of administration, besides opening up avenues of promotion for the more highly qualified officers of the Department.

That it will also give general satisfaction to those having business with the Office is unquestionable, as affording beneficiaries and others a ready means of ascertaining at any time the position of their accounts without incurring the otherwise unavoidable delay of a reference to the Head Office.

The principle of decentralization has been discussed at conferences of local representatives for many years past, but it is only during the present administration that it has been fully developed. So far as it has proceeded up to the present it has certainly justified its adoption, and given complete satisfaction.

The abnormal conditions arising from the war, and from the epidemic at the close of last year, threw an enormous additional strain upon the staff; but despite the unusual difficulties under which the work had to be carried on it was accomplished with but trifling delays and surprisingly few complaints.

During the epidemic fully one-third of the staff at this Branch were incapacitated for varying periods, but those who escaped the influenza worked most loyally and indefatigably in order to keep the work up to date.

During the period the epidemic lasted 242 estates were suddenly thrown upon the Office for administration, in addition to the ordinary inflow of business. These comprised hotels, billiard-saloons, and various other businesses, the affairs of which, owing to the sudden deaths of the owners, were invariably left in a more or less involved condition.

That the staff, already weakened by the epidemic, should have successfully accomplished all this work is in itself a striking testimony to increased efficiency resulting from the general scheme of reorganization introduced by the present Administrative Head, which is still in process of further development.

#### CHRISTCHURCH.

The work of the Christchurch Branch has proceeded very steadily during the year, and there has been a continuous increase in the volume of business.

To keep pace with this the staff has increased from forty-one to fifty-two.

The efficiency of the administration work has been greatly assisted by the appointment of a District Solicitor, a District Accountant, and by the increased delegation of powers to carry out the complete administration of estates at this Branch.

The appointment of a District Solicitor has proved a great success, and has enabled the bulk of the legal work to be prepared locally and expeditiously, thus saving an immense amount of correspondence with the Head Office. In addition, the fact of having a qualified legal man on the spot enables the staff to consult him on the many points of law which arise in the course of the administration of estates.

By the appointment of a District Accountant the preparation and examination of accounts has been placed on a proper footing. Under his oversight the keeping of all books of account, such as ledgers, journals, cash-book, assets and claims register, insurance, mortgage, rent and other cards registers, has been systematized, periodical checks arranged, and the system generally perfected to such a good effect that the last annual balance was made in record time.

The work of decentralization has proceeded apace during the year, and at the present time a great deal of the administration work is completed here. All Court work in connection with grants of probates and letters of administration is carried out in Wellington as heretofore, and Head Office is kept advised of the progress of the administration by means of periodical reports.

Decentralization, as far as it has proceeded, has in every way been a success, as it ensures the local Office being in complete touch with every aspect of the administration, including the keeping of the ledgers and the preparation of accounts from beginning to end. The correspondence between the Head Office and the Branch is greatly diminished, and our clients can obtain, without delay, ready and first-hand knowledge of the progress of the administration. Further, the time an estate remains in the Office is shortened, with satisfactory results to both ourselves and clients.

To show, in some measure, the amount of work going through this Branch it might be mentioned that the number of estates under administration on the 31st March, 1919, was 2,058, of a value of £1,840,091. New estates to the number of 726, of a value of £336,267, were reported during the year, and 409, of a value of £70,650, were closed.

Owing to the land in the Canterbury District being long settled, values stable, and the land generally being of good quality, it offers first-class security for loans

on mortgage. In this province the Office holds mortgages numbering 681, valued at £1,604,487, and on these the interest is regularly and promptly paid.

The effects of the influenza epidemic in November last were severely felt here. Many of the staff were prostrated, but fortunately no deaths amongst them occurred. The epidemic had the effect of throwing a very large number of estates into the Office, and during the months of November, December, and January no less than 159 estates from this cause alone were reported, taxing the resources of the staff to the utmost for the following few months.

The present Office building originally provided accommodation for a staff of about a dozen, but has since been enlarged. Even now it is far too small for the requirements of the business done, besides being unsuitable for the proper supervision of a large staff. Temporary arrangements are being made to carry on until improved accommodation can be provided.

#### DUNEDIN.

The year ending at the 31st March, 1919, marks steady progress.

Each year shows an increase in number of estates administered, and a greater increase in average values.

New estates taken up during the year number 363.

Estates in which administration was closed number 229.

Total number of estates under Local Deputy's administrative control at the 31st March, 1919, 860.

Total number of estates still under administration controlled by Head Office, 208.

The staff increased in twelve months from nineteen to twenty-five.

During the last twelve months the practice of delegating administration has been very much increased, until at the close of the year all estates of whatever nature reported by a Local Deputy were delegated to him for administration. For District Officers who represent the Public Trustee in his relations with beneficiaries this practice of delegation of authority is a boon of inestimable value.

The delegating of new estates was supplemented during the year by a systematic delegation of old estates which had been administered previously by Head Office.

All statements of account in locally administered estates are now prepared and finally examined at the Branch Office, so that it is possible to prepare and examine an account at short notice and distribute an estate without awaiting further authority from Head Office. This is a very great advantage to beneficiaries.

One result of the signing of the armistices has been to create a boom in property values.

During the war people would not buy land or house property unless at a sacrifice. Roofing-iron and building-material generally was at such a high price that owners of old houses pulled them down to sell the material in them. In this way some scores of houses were demolished in Dunedin.

Upon the armistices being arranged and the return of soldiers from active service many people desired to set up housekeeping; it was impossible to obtain houses available, and the cost prevented building of new houses. The inevitable result was a rise in prices, which is likely to remain for some time. The improved market has been largely availed of to quit properties that were previously unsaleable, and sales have been brisk in consequence.

Another result of the armistices and return of soldiers is to close many agencies for soldiers held under powers of attorney. The work done for soldiers—both agencies and deceased estates—has undoubtedly been a good advertisement of the functions of the Office. Knowledge of the Office is now familiar in houses where its very existence was not known before the war.

The extension of the policy of delegation necessitated provision of a competent staff to deal with the increased responsibility.

Most of the younger staff are already studying in their own time—some for law, some for accountancy; and the theory thus learned assists them in their daily practical work, and keeps them interested in the wider aspects of the work.

## WELLINGTON.

The Branch Office at Wellington is comparatively a new one. It was established a few years ago for the purpose of relieving the Head Office of the administration of Wellington city and suburban estates.

The District Manager and his staff occupied a small portion of the ground floor of the main Public Trust building, but the recent abnormal growth of the business necessitated the staff's removal to leased premises in Ballance Street.

In a few months these proved inadequate, and the Public Trustee purchased a three-story building at the corner of Stout and Ballance Streets. These premises were transformed into up-to-date offices, and are now connected by passage-ways with the main Public Trust building.

The growth of the business, however, continues to such an extent that it will soon become necessary to provide additional accommodation for the Wellington District Branch.

In March, 1917, the staff numbered thirteen. In March, 1919—two years later—it numbered forty.

The estates under administration on the 31st March, 1919, numbered 879 (of which thirty are valued at considerably over £10,000 each), with assets valued at a million and a half.

Owing to the fact that this is practically a city and suburban agency only, the estates, although not so numerous as some other central Branches, are, generally speaking, more valuable, and probably more intricate to administer.

This Branch controls about 850 business and dwelling properties in the city and suburbs of Wellington, the annual rent-roll from these being over £56,000, and their value about £730,000. It employs on its staff two property surveyors and two rent-collectors to look after these properties, collecting rents and attending to repairs, and as many of them are in the congested area of the city they naturally require a good deal of attention.

The repairs alone average about 130 per month, with an annual expenditure out of the estates they represent of about £5,000.

Prior to September, 1918, the cash receipts and payments for this Branch were made through Head Office, but in September, 1918, the Branch became a self-contained one. The cash transactions for the year ended 31st March, 1919, were—Receipts, £494,628; payments, £433,676.

In August, 1918, it was found necessary to appoint an Assistant Local Deputy Public Trustee, and later on a District Accountant was also appointed to the Branch.

For the purposes of decentralization the administration of all the Wellington estates reported before this Branch was established and which were dealt with by the Head Office is being delegated to the Local Deputy Public Trustee, the result being the absence of duplication and the more prompt attention to and despatch of business.

Sales of real estate during the year have been brisk, and, owing to the extra demand for residential properties consequent on the growth of the city and the dearth of houses to rent, properties which from their unsaleable nature were stumbling-blocks to the winding-up of estates are now selling quite readily at good prices.

In common with other Branches the Wellington Office felt the strain upon its depleted permanent staff on account of conditions arising from the war, and until the remainder of these officers return from the seat of war the staff consists mainly of temporary clerks.

The epidemic was responsible for the influx of 139 new estates, a number of which comprised amongst their assets various businesses which had to be managed until disposed of at prices acceptable to the beneficiaries.

## WANGANUI.

The staff is dealing promptly with all new business, and the work of the Office is in a most satisfactory condition.

The prospects of new business are exceptionally good, as the town is steadily making progress, and with the opening of the port and the linking-up of the back

country with the town by roads the district has unlimited prospects. The Office is administering estates possessing valuable sites in the town area.

With the proposed decentralization scheme and the keeping of accounts locally much time and correspondence can be saved, with benefit to the public.

#### NAPIER.

The work of the Hawke's Bay Branch shows a good increase for the year.

The Office is beginning to attract a good class of business.

Recent reforms instituted by the Board for the speeding-up of the Office work will enable the Office to give satisfaction to the public in the quick realization of properties.

The proposed appointment of a District Accountant and the keeping of the ledgers for Hawke's Bay at Napier will be of great benefit to the clients of the Office, and also to the Branch in answering questions, and should lead to greater efficiency and greater popularity.

By administering soldiers' estates at a very small charge the Office has been brought prominently before the public.

The value of the loans in the district was approximately £700,000 at the 31st March last, and in addition there were estate mortgages totalling £65,000. This shows an increase of 79 per cent. in connection with Office mortgages, and 81 per cent. in respect of estates mortgages.

#### HAWERA.

The expressions of satisfaction continually given by beneficiaries are evidence of the manner in which the work has been performed.

In an Office such as the Hawera Branch, where the payment of Native rents in connection with the West Coast Settlement Reserves is carried on in addition to the estate work, it is essential, when the staff is small, that all officers assist in the general administration. Every opportunity is therefore afforded junior officers to become acquainted with the more responsible duties.

During the last twelve months, owing to the shortage of staff, not many opportunities have offered whereby lectures could be given to the younger officers. Now that the staff has materially increased and cadets have been appointed every effort will be made to afford time for the giving of instruction.

A new system of balancing the West Coast Settlement Reserves payments daily during the distribution of the Native rents has resulted in a saving of from two to three weeks in the preparation of the final balance for despatch to Head Office.

That beneficiaries are satisfied with the administration of estates at this Branch is shown by the fact that at least fifteen out of the seventy-four wills deposited during the year belong to beneficiaries in estates administered. This is the best advertisement for the Office. The wills deposited are evidence of the faith of the general public in the Public Trustee as executor.

The normal increase of business during the last twelve months is 20 per cent., and I shall be greatly disappointed if this increase is not maintained during the coming year.

The popularity of the Office as a lending institution is shown in the large increase in the number of applications, the increase for 1919 over 1918 being twenty-six, and the increase over 1917, fifty-eight.

#### INVERCARGILL.

The staff of the Branch has been increased from seven to ten during the year. The increase is due to the accretion of business, and also to the fact that the Branch was previously understaffed.

The administration of all recent estates is well up to date, and each estate is dealt with immediately it is reported, a course of administration mapped out, and all steps taken to close the estate as expeditiously as possible.

The prospects of new business in this district are good. The business, as far as Southland is concerned, is more or less undeveloped, and, as the public are just realizing the advantages of the Office and beginning to learn something of it, the volume of business must assume a steady increase.

The wealth in this district, due possibly to closer settlement, is evenly distributed, and there are no very large estates. The effect of this is that there is a larger percentage of estates per population, but the estates are smaller in value. With a new building and decentralization the business will grow out of all recognition, and the reduction in cost of administration, in labour, and in stationery once the new system is running properly will be considerable. At the present time the volume of work lies in correspondence, and if accounts are kept here and estates distributed the beneficial effect would soon be felt. Apart from this I consider the majority of estates could be administered in half the time and with more satisfaction to the clients.

A better class of client is now being attracted to the Office, and a good barometer of future business is the class of testator who comes in to make his will. A large number of wealthy testators' wills have been obtained during the last few months.

#### NELSON.

The value of the new estates reported during the year ending the 31st March last shows an increase of £34,738 over the previous year's figures.

The proposed movement for extending local administration to some of the smaller Branches will mean more expeditious dealings in administration.

The public have congratulated the Office on this new feature of administration, which is considered to be a forward step making for the future development of the Office. When this is fully established it will give the greatest satisfaction to clients of the Office.

Important office alterations have been made, and on the ground floor there is one large main office accommodating the Administration Clerks under supervision of the Chief Clerk.

The general public have been most favourably impressed with the arrangement.

There are very valuable Native reserves at Nelson, Riwaka, and Motueka. In the latter is some of the very best orchard land in New Zealand. Very considerable development has been made in the orchard industry, which is being run on scientific lines. There is a considerable work involved with the renewal of leases, registrations of assignments, and mortgages, attending to proper subdivisions, and collection of rents.

#### SITES, BUILDINGS, AND PREMISES.

During the year an office-site has been acquired at Hamilton.

Action is being taken to acquire a site at Gisborne.

The lease of the site at Dunedin on which the Office premises are erected has been renewed for a period of twenty-one years.

#### HEAD OFFICE PREMISES.

It was stated in last year's report that additional premises had been acquired at the intersection of Stout and Ballance Streets immediately adjacent to the main Public Trust building, and that the ground floor had been occupied by the Local Deputy Public Trustee and his staff.

During the present year the remaining two floors have come into occupation by the Office.

A portion of the first floor has been allotted to the Soldiers Division, and two large rooms have been set aside for the typistes.

The second floor has been used for the accommodation of the Record staff and the storage of the records.

The acquisition of the new building has enabled—

- (a.) The Intestacy Division to be transferred from leased premises to the main building;
- (b.) The ground floor of the main building to be used for the accommodation of the accounting staff, which has been withdrawn from the various Divisions and consolidated under the direct control of the Chief Accountant.

Regarding the portion of the building in occupation by the accounting staff the Chief Accountant reports—

The completion of the alterations on the ground floor has had excellent results.

With its large open spaces and standard furniture the appearance of the Office is most attractive, and the appointments and arrangements are so complete as to provide for the maximum output of work and a ready means of inspection and supervision.

The ventilation has been greatly improved.

The convenience to the public in having a clearly marked Inquiry Office is evident to even a casual observer.

Generally it may be stated that the accommodation provided for the Chief Accountant's Division enables the work to be completed with greatly increased convenience, despatch, and efficiency.

A large room suitably furnished has been provided for the holding of the frequent conferences of officers which now form a part of the regular organization of the Office.

Generally it may be stated that officers engaged in the Head Office are working under conditions of greater comfort and convenience than have been experienced for many years past.

#### ADDITIONAL ACCOMMODATION, WELLINGTON.

When the previous annual report was written it was anticipated that the purchase of the additional premises at the intersection of Stout and Ballance Streets, together with the effect produced on the Head Office work by the delegation of estates to districts, would solve the difficulties of accommodation for the future.

The information contained in the table published on page 9 of this report together with the information contained in the table relating to wills held on deposit (see page 23), makes it necessary that the Board should look forward to the acquisition of additional accommodation to provide for future expansion, otherwise the opportunity of securing a site in reasonable proximity to the present buildings will have passed.

#### ACCOMMODATION AT DISTRICT OFFICES.

It was indicated in last year's report that alterations and renovations of the Office premises had been carried out at Auckland, Christchurch, and Nelson.

The following reports on the effect of the improvements have been received from the local officers concerned.

*Auckland.*—"Additional space has been provided for the staff and for the public. The improvements are much appreciated."

*Christchurch.*—"The renovations which were carried out were badly needed. The Office now presents a clean and tidy appearance, and is in good repair. The work has been carefully and well done, and I think the money has been well spent."

*Nelson.*—"The Office accommodation is now thoroughly up to date and greatly assists conduct of the business of this Branch. The centralization of the work of the clerks in one main room under the supervision of the Chief Clerk is undoubtedly helpful to the efficiency and quick despatch of the work."

Less extensive alterations have been carried out at Dunedin, where two interviewing-rooms have been constructed for the use of clients in discussing matters relating to estates under administration by the Office.

Improvement of the accommodation at the Masterton Office is in hand.

The rapid growth of business is taxing the accommodation to the utmost at several of the District Offices.

At Auckland the tenancy of the second floor of the building by the Health Department has been terminated, and the space thus released will be used by the Wills, Loans, and Soldiers Divisions.

At Christchurch the position has been such as to cause the Board grave concern.

The Department possesses an excellent site at Christchurch, but some time must yet elapse before the erection of a suitable building can be proceeded with.



In the meantime some special steps have become necessary to relieve the present congestion, and arrangements have been made for the erection of temporary additional premises to provide accommodation for present needs.

It is anticipated that the provision now being made will suffice for the needs of the Office until the erection of a permanent building can be proceeded with.

At Dunedin additional accommodation will shortly be required, but this can be obtained in the premises at present in occupation by the Local Deputy Public Trustee and his staff.

Plans for additions to the Hawera Office building and for the erection of an office building at Invercargill have been prepared.

New premises have been rented at Gisborne.

Premises have been leased for the accommodation of the newly appointed District Managers at Hamilton, Taihape, Palmerston North, Dannevirke, and Blenheim.

Larger premises are urgently required at Napier and New Plymouth.

## STATUTORY POWERS AND DUTIES.

### SPECIAL POWERS OF PUBLIC TRUSTEE.

Of the special powers conferred by section 21 of the Public Trust Office Amendment Act, 1913, two only need be referred to.

(1.) The power given by clause (g) of the section under which an amount up to £500 may be expended out of the capital of any estate for the improvement and development of the property has proved useful in the administration of estates.

(2.) The power conferred by clause (t), authorizing the Public Trustee to take up additional shares in any company on its reconstruction or otherwise, has been sparingly exercised, and has been restricted to those cases where the retention of shares and the acquisition of additional shares has been authorized by the trust investment.

### SPECIAL FACILITIES TO PRIVATE TRUSTEES.

The provisions of section 4 of the Public Trust Office Act, 1913, which authorize the appointment of advisory trustees to co-operate with the Public Trustee in the management of estates are growing in public favour. Many wills drawn by the Office include the provision, and in many large estates in which the trust instruments were created before the passing of the Act the provisions are now being availed of. It is also found that in many cases private executors relinquish their executorship in favour of the Public Trustee, with the proviso that they shall be appointed advisory trustees in the estate.

A further provision of the 1913 Act which is largely availed of is that contained in section 17, subsection (2), whereby legacies or shares payable to an infant may be handed over to the Public Trustee for retention on behalf of the beneficiary.

In England, and also in New Zealand before the passing of the Act, the closing of the administration was in many cases delayed for lengthy periods until infant beneficiaries came of age. Under the provisions of the subsection quoted the trustee can divest himself of further responsibility by paying over the infant's share to the Public Trustee. Interest on all amounts so paid over is allowed in accordance with the Office regulations.

Private executors in increasing numbers are availing themselves of this convenience.

## RECIPROCAL SERVICES BETWEEN THE PUBLIC TRUSTEE AND OTHER STATE PUBLIC TRUSTEES.

New Zealand grants of probate or administration have no effect beyond the Dominion, and the consequent inability of the Public Trustee to administer and deal with assets of an estate situated beyond New Zealand makes it necessary to invoke the assistance of persons resident in the foreign jurisdictions wherein such assets are situate to enable the latter to obtain ancillary grants and then account to the Public Trustee as principal administrator.

In such cases the Office has adopted the practice of instructing public officials endowed by the law of their respective countries or States with the power of administering deceased persons' estates in their respective jurisdictions.

On the other hand, the New Zealand Public Trustee willingly co-operates with State Trustees in other parts of the Empire in realizing and administering New Zealand assets belonging to the estates of deceased persons who die domiciled beyond the Dominion.

#### DISTRIBUTION OF MISSING BENEFICIARY'S SHARE IN ESTATE.

The Office continues to find by experience the value of adopting the procedure laid down by section 25 of the amending Act of 1913 in the case of beneficiaries whose whereabouts cannot be traced. After all reasonable efforts to trace the missing person have failed, a petition for directions is presented to a Judge of the Supreme Court by the Public Trustee, wherein is set out all the steps which have been taken to discover the existence and whereabouts of the missing person.

At the hearing the Judge orders suitable advertisements to issue in daily newspapers and other journals which are likely to reach the beneficiaries sought or those knowing of their whereabouts. If claims are received and satisfactorily established (as has happened in several cases) the share is forthwith distributed to the rightful claimant. Failing satisfactory response to the advertisements the matter is again brought before the Judge, who is then empowered to authorize the Public Trustee to distribute the share in question, disregarding the claims of the beneficiary whom it has been impossible to discover. Section 25 reserves to any beneficiary so excluded the right of following his share into the hands of whatever persons have received it.

#### ELECTIONS TO ADMINISTER ESTATES OF DECEASED TESTATORS.

By section 18 of the Public Trust Office Amendment Act, 1913, the Office has been empowered to elect to administer estates not exceeding £400 in value according to the provisions of a testamentary instrument without incurring the expense of applying for Court authority. Previously the power had existed only in respect to intestate estates.

Each testamentary instrument is examined by the Solicitor to the Office, and the utmost care is taken to ensure that the validity of each document is conclusively established before an election is filed.

In all cases of doubt the order of the Court is taken in *ex parte* proceedings for probate in the usual way.

By this procedure the disbursements are kept at a minimum, the only fee payable in the majority of cases being an amount of 3s. for filing the documents. Furthermore, the work of administration is greatly expedited.

If after filing an election it is found by subsequent investigations that the estate exceeds £600 in value, a memorandum to this effect is filed in Court, and probate is thereupon applied for in the usual way.

#### DISCHARGE OF MORTGAGES ON BEHALF OF ABSENT MORTGAGEES.

During the past year, as in previous years, the provisions of section 75 of the Property Law Act, 1908, and of section 117 of the Land Transfer Act, 1915, have been largely availed of by mortgagors who were desirous of obtaining a discharge of securities where the mortgagee thereunder was absent from New Zealand and no person in the Dominion was entitled to discharge the encumbrances.

In each case where the sections are invoked the Public Trustee insists on satisfactory evidence as to the amount due under the mortgage to the date of payment of both principal and interest, and of the inability of the mortgagor to obtain a discharge in the usual way. The proceeds of the mortgages so released are held by the Public Trustee on trust for the mortgagee or other person entitled thereto.

#### RECEIPT OF MONEYS AND DAMAGES PAID (ON BEHALF OF INFANTS OR PERSONS OF UNSOUND MIND.

Section 13 of the Office Amendment Act of 1913 is serving a most useful purpose in safeguarding the interests of infants and persons mentally defective who become entitled to the payment of moneys or damages received or awarded in any Court action or proceeding.

The provision referred to makes it imperative that all such moneys, whether derived by compromise, payment into Court, or otherwise, shall be paid to the Public

Trustee, and not to the next friend of the plaintiff or the plaintiff's solicitor, unless the Court otherwise orders. All such moneys form part of the Common Fund of the Office, bear interest accordingly, and are held and applied by the Public Trustee for the maintenance, education, or benefit of the person entitled thereto.

#### PAYMENT TO THE PUBLIC TRUSTEE OF COMPENSATION FOR THE DEATH OF A WORKER.

In all cases where compensation is allowed under the Workers' Compensation Act, 1908, on account of the death of a worker it must be paid to the Public Trustee, unless the Court otherwise orders. This result has been brought about by the provisions of section 9 of the Workers' Compensation Act, 1913.

The effect of the section has been assumed by the Office to cast on the Public Trustee, in all cases where the moneys are paid otherwise than under a judgment of the Court of Arbitration, the onus of seeing that the full amount is paid which the employer or other person is made liable for under the Act.

After the moneys reach the Office an order is applied for seeking the direction of the Court of Arbitration as to the method of disposing of the compensation-moneys or apportioning the same amongst the deceased worker's dependants.

The application for apportionment may be made by any dependant, or by the Public Trustee at the dependant's written request, but if no dependant takes action within one month from receipt of the money it becomes the Public Trustee's duty to apply for an order.

The section has cast a considerable amount of additional work on the Office.

#### CONCLUSION.

Throughout the year the Board has given constant and unremitting attention to the removal of causes which have in the past resulted in delay to the administration of estates.

Although the rapid expansion of business and the difficulties of obtaining an adequately trained staff have rendered, and continue to render, the problem difficult of solution, the Board believes that it has achieved some success in this direction, and that before another year closes, by which time the programme of reorganization now in course of development will have become materialized, it will be possible to chronicle a still further satisfactory advance.

From time to time the Office receives complaints from persons interested in estates under administration, and every endeavour is made by the Office to afford satisfaction to the complainant in every such case.

On the other hand, many letters are received from clients and beneficiaries expressing their appreciation of the services rendered by the Office.

The Board is convinced that an important factor for obviating delays in administration is in continued and extended decentralization.

This, however, is incapable of realization whilst trained men are available only to a limited degree to fill positions of responsibility.

The Board recognizes that the very name and nature of the Office it controls imperatively demand that the service it renders should be of the highest character, and that its efforts should be directed to ensuring that nothing is left undone to secure the fulfilment of this vital obligation, not only by itself but by every official forming a part of the administration.

I have, &c.,

ROBERT TRIGGS,  
Public Trustee.

T. S. RONALDSON, | Assistant Public Trustees.  
J. W. MACDONALD, |

The Right Hon. the Minister in Charge of the Public Trust Office.

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