

1920.
NEW ZEALAND.

PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31st MARCH, 1920.

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

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, 1920.

J. G. COATES,
Minister in Charge of the Public Trust Office.

Wellington, 1st July, 1920.

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31st MARCH, 1920.

SIR,—

I have the honour to submit a report on the operations of the Public Trust Office during the year ended 31st March, 1920.

In the Head Office as well as at the several District Offices special activity has existed, with the consequence that there has been a large accession of business, and the outlook for the future is of the most favourable character.

Unfortunately, the difficulty of providing staff to keep pace with the increased business has seriously affected the further extension of the policy of development and decentralization which the Board is anxious to give effect to.

Mr. T. S. Ronaldson, Assistant Public Trustee, was absent over a considerable portion of the year on leave. I regret that after a period of thirty-seven years' active and faithful service he has severed his connection with the Office.

I am pleased to record the appointment of Mr. R. W. Kane as Financial Adviser.

Evidence of the support accorded to the Office is found in the following figures:—

On the 31st March, 1920, there were 14,679 estates under administration, of a total value of £20,860,686, the increase for the year being in value £1,618,339.

The profit earned during the year was £78,246, as compared with £70,156 for the previous year, after making a liberal provision for and depreciation upon buildings and plant, &c.

The balance at credit of estates under administration now reaches nearly £12,000,000, an increase of £1,850,000 during the year. For the past five years the amounts at credit of estates have been—1916, £7,082,288; 1917, £8,058,886; 1918, £9,004,057; 1919, £10,065,027; 1920, £11,911,290. In a period of less than twenty years the balances at credit of estates under administration have grown from less than £1,000,000 to nearly £12,000,000.

For the past four years the Office has shared the profits with its clients, and for the year ended 31st March, 1920, has appropriated the sum of £38,000 as a bonus to estates under its administration, making the total appropriation under this heading to date £153,000.

In accordance with section 34 of the Public Trust Office Amendment Act, 1913, the net profits are added yearly to the Assurance and Reserve Fund.

The total reserve funds now exceed £439,000.

Included in this amount is a fund, amounting to £36,895, provided in accordance with section 34 of the Public Trust Office Amendment Act, 1913, to meet any possible depreciation in the Office securities.

The office premises, furniture, and equipment accounts also form part of the Assurance and Reserve Fund, and they now stand at £204,080.

The amount expended on office premises, furniture, &c., during the year was £42,510.

The Public Trustee has been appointed Commissioner of Local Bodies' Sinking Funds in 823 cases. The funds amount to £423,802.

The total of Government sinking funds at the 31st March, 1920, was £4,557,959.

The total of Government Railway Superannuation Funds held in the Common Fund of the Public Trust Office on the 31st March, 1920, was £394,956, and of the National Provident Fund £330,585.

The amount held by the Office at credit of the Government Fire Insurance Fund amounted on the 31st March, 1920, to £61,895.

COMPARATIVE TABLE INDICATING THE PROGRESS MADE BY THE PUBLIC TRUST OFFICE DURING THE DECENNIAL PERIOD 1911–20.

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.	Net Profits.	Reserve Funds.
	£	£	£	£	£	£	£
1911	8,112,342	4,287,195	104,098	..	46,069	11,241	100,829
1912	9,493,959	5,070,305	172,907	..	64,873	25,919	120,242
1913	11,268,311	5,799,446	202,439	..	72,067	27,551	151,010
1914	12,282,883	6,366,707	230,062	..	82,517	29,222	212,900
1915	13,580,936	7,096,420	256,806	..	88,296	32,508	250,213
1916	13,598,744	7,082,288	281,700	25,000	103,763	46,108	302,369
1917	15,065,583	8,058,886	287,818	27,000	129,008	58,862	319,625
1918	17,153,031	9,004,057	317,633	30,000	162,614	68,602	368,378
1919	19,242,347	10,065,027	352,783	33,100	194,452	70,156	413,840
1920	20,860,686	11,911,290	420,525	38,000	240,469	78,246	439,901
Increase in preceding 12 months	1,618,339	1,846,263	67,742	4,900	46,017	8,090	26,061

No difficulty has been experienced in placing on first-class security the whole of the funds available for investment.

Advances on mortgage to a total value of £2,492,651 have been made during the year.

The close of the financial year sees the Office in possession of applications of a satisfactory character sufficient to absorb the whole of the surplus funds for the succeeding year.

Estates and beneficiaries have continued to receive the benefit of advances from the Office funds at reasonable rates of interest in order to discharge urgent liabilities or in anticipation of legacies or shares in estates.

The following statement indicates the number of staff engaged in the work of the Department on the 31st March, 1919 and 1920, at the Head Office and at the District Offices :—

HEAD OFFICE.											
On 31st March, 1919.				On 31st March, 1920.							
	Male.	Female.	Total.		Male.	Female.	Total.				
Permanent ..	120	86	206	Permanent ..	164	65	229				
Temporary ..	45	35	80	Temporary ..	30	22	52				
			— 286				— 281				
DISTRICT OFFICES.											
On 31st March, 1919.				On 31st March, 1920.							
	Male.	Female.	Total.		Male.	Female.	Total.				
Permanent ..	115	57	172	Permanent ..	250	77	327				
Temporary ..	41	30	71	Temporary ..	21	17	38				
			— 243				— 365				
			529				646				

The passing of the Public Trust Office Amendment Act, 1919, has been of great benefit to the Office, and has enabled the Board to give further effect to the policy of decentralization.

Under the authority given by this useful measure the status of nine additional offices has been raised.

There are now thirteen offices at which the work connected with the administration of estates, as well as the accounting-work connected therewith, has been localized under proper safeguards.

The benefits inherent in the new system have been greatly appreciated by clients and beneficiaries of the Office, and there is evidence that the change has commended itself to the public generally. The change has enabled those having business transactions with the Office to obtain information promptly, and has permitted of accounts being prepared and distribution of moneys being made to beneficiaries without reference to the Head Office. In addition it has strengthened the organization at such local offices, and has led to a more active and intelligent participation on the part of district officers in the work of the Office.

District Offices under the charge of permanent officers of the Department have been established at Hamilton, Palmerston North, Blenheim, Ashburton, and Timaru.

The newly appointed Local Deputy Public Trustee for the North Auckland District will shortly take up duty at Whangarei.

Arrangements are practically complete for the establishment of District Offices at Stratford, Feilding, Wairoa, Gore, and in the western Invercargill district.

A commencement has been made with a most important development in the opening of suburban offices at Newmarket (Auckland), Newtown (Wellington), and Sydenham (Christchurch).

The office at Newtown is already in active operation in suitable leased premises at the junction of Rintoul and Riddiford Streets. The area under the control of the Officer in Charge includes the districts of Berhampore, Island Bay, Melrose, Kilbirnie, Miramar, and Seatoun. A large portion of the administration work in estates within the districts named will be localized at the Newtown branch.

Offices at Newmarket and Sydenham will be opened shortly.

Offices at Petone and Lower Hutt will also be established at the first opportunity.

New Agencies of the Office under the charge of non-permanent Agents paid by commission have been opened at Woodville, Takaka, and Otautau.

The Board has in view the opening of branches of the Office at many of the smaller towns throughout the Dominion.

Probably the most important and far-reaching development introduced by the Board has been the establishment at District Offices of a system for the constant review by specially qualified officers of the administration of all estates.

During the year the inspection of District Offices has proceeded vigorously, practically all the offices having now been inspected.

The first appointment of the Public Trustee as custodian trustee in an estate to co-operate with managing trustees under the provisions of section 5 of the Public Trust Office Amendment Act, 1913, took effect during the year.

Great improvement in the management of land settlement finance associations has taken place during the past year.

A Custodian of Deeds and Securities has been appointed to take charge of all documents and other articles of value under the control of the Office.

The Board has been fortunate in securing the services of Mr. J. S. Barton, Stipendiary Magistrate, of Gisborne, in connection with the preparation of a series of instruction-books dealing with the accounting-work of the Office. The work will be divided into three parts, the first consisting of a text-book setting out the law and practice of trust accounting, the second comprising detailed instructions bearing upon the practical work of the Public Trust Office, and the third including annotated copies of all statutes bearing upon the office work.

Further development has taken place during the year in the application of machine processes to certain classes of the office work, and has had an important effect.

A special machine is in use for the preparation of rent and interest notices, vouchers for recurring payments to beneficiaries, and dockets for the payment of salaries of non-permanent officers.

Under the provisions of the Samoan Constitution Order the appointment of a Local Deputy Public Trustee of Samoa, to work under the direction and control of the Public Trustee of New Zealand, is under consideration.

An excellent site has been obtained in Customs Street East, Auckland. I am satisfied that the existing site and building at Auckland are unsuitable.

A new site has been purchased in Oxford Terrace, Christchurch, and the site previously held has been satisfactorily disposed of.

The need of securing additional premises at Wellington was referred to in the last annual report. A block of land has been purchased at the intersection of Stout and Ballance streets which will provide an excellent office-site, and will enable a building to be erected which will serve the requirements of the Office for some time to come. Negotiations are now proceeding for the purchase of certain adjoining sections in order to secure space for the provision of future accommodation.

Sites have also been acquired at Gisborne and New Plymouth.

New office buildings are in course of erection at New Plymouth, Palmerston North, and Invercargill.

Competitive designs are being invited for the erection of a new Public Trust Building at Napier.

Plans for a new office at Christchurch are in course of preparation, and special attention is being paid to the internal arrangements in order that they may be brought into accord with the requirements of modern office supervision and control. The large volume of work at Christchurch has rendered the present building totally inadequate. The pressure has been relieved by the erection of a temporary building in the vacant space at the rear of the office building. The arrangement must be regarded as a provisional one only. The City Council at Christchurch entered an objection to the erection of such a building within the "brick" area of the city, but an assurance has been given by the Office that the building will be vacated and removed within a period of three years.

Extensive additions have been carried out at the Hawera office to accommodate the increased staff rendered necessary by the delegation of estates administration and accounting work from the Head Office to the District Office.

External and internal renovations have been carried out at the Dunedin office which will greatly improve the appearance of the building, and will add to the comfort and convenience of the staff.

I desire to express my grateful appreciation of the excellent work performed by the staff throughout this year.

I have, &c.,

ROBERT TRIGGS,
Public Trustee.

J. W. MACDONALD,
Assistant Public Trustee.

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

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