

3. Commission on unrealized property transferred to beneficiaries:—

Old scale: On any sum up to £1,000, 2½ per cent.; on the next £3,000, 2 per cent.; on the next £6,000, 1 per cent.; on all over £10,000, 10s. per cent.

Reduced scale: On any sum up to £10,000, 1½ per cent.; on all over £10,000, 10s. per cent.

The steady growth each year in the number of wills deposited during the year is striking testimony to the popularity of the Office. The number so deposited in 1912 was 1,024, and the total number deposited in the Office safe at the close of the year—all the wills of living persons—was 6,169.

OFFICE STAFF.

With the expansion of the business the staff has also increased. The increase in the Head Office staff during the last year was twenty, making a total of ninety-seven. We are fortunate in possessing many officers of great ability, and, taking the staff as a whole, I am glad to say that they perform their very responsible duties satisfactorily and well.

There is, I think, less mere routine work in the Public Trust Office than in any other Government Department. More than six thousand estates are in the office. Each is, so to speak, a separate microcosm, with its own characteristics and constituents, requiring in most cases separate treatment. Having regard to the varied and responsible nature of their duties, and the constant calls on their alertness and judgment, I think that the officers above the ordinary clerk grade are distinctly underpaid.

With one exception, there has been no cause for complaint. The exception is an officer in Christchurch, who misappropriated money to the extent of £812 16s. 2d. Of this, £369 15s. 3d. was recovered, and the balance has been charged to Profit and Loss. A claim for the deficiency was made under Part III of the Civil Service Act, 1908 (officers' guarantee), but was disallowed on the technical ground that the moneys stolen were not moneys belonging to the Public Account. The Board was, I think, right in coming to this conclusion, but, if so, it is obviously unfair that the members of the Office staff should be liable to be levied on (as they are) to make good defalcations in other Departments. The Office should be exempted by Order in Council.

DECENTRALIZATION.

The Office Act vests everything in the Public Trustee, and contemplates that everything must be done by him. The result is that, with the enormous expansion of the business, the burden of work in the Head Office has become well nigh unbearable. Moreover, much regrettable delay occurs, and, in my opinion, the system must break down of its own weight unless a change is made.

After full consideration I have come to the conclusion that a simple and effective remedy would be found by appointing local Deputy Public Trustees in the chief centres—say, Auckland, Christchurch, and Dunedin—to exercise such of the functions of the Public Trustee as are delegated to them by him; but nobody being concerned to inquire as to whether acts performed by them are within their authority. To accomplish this, a slight amendment of the Act will be necessary. The details can be worked out departmentally.

If this change is made, the local Deputies in the places named would supersede the District Managers, and administer estates locally under the authority and control of the Public Trustee.

OFFICE PREMISES.

The Office has its own premises in Wellington and Christchurch, and is erecting them in Auckland, Greymouth, and Hawera. In Wanganui a suitable site has been acquired, and plans for the building are about to be prepared.

In every respect, economically and otherwise, it is advantageous to the Office to have its own premises, and the policy of gradually establishing them in all important centres will, I hope, be continued. The whole cost is borne by the Office out of its own funds.

THE COMMON FUND.

The nature of this fund is not as well known as it should be. All moneys held by the Office for investment either fall into the Common Fund, or are specially invested outside it. In the absence of directions to the contrary, they fall into the Common Fund.

The President of the New Zealand Law Society* (the Hon. H. D. Bell) suggested to me a short time ago that the distinction between the two modes of investment should be explained to persons whose wills were being prepared by the Office. In order to give effect to this suggestion, and also to secure as much accuracy as possible in drawing these wills, a printed schedule of questions has been prepared covering the ordinary points likely to arise, and every intending testator is required to answer them in writing and sign the schedule as his instructions for the will. The nineteenth question is whether the trust funds are to be invested in the Common Fund or outside the Common Fund, and the distinction between the two modes is set out as follows:—

If the funds are invested in the Common Fund—

- (1.) The investments are not earmarked to the estate.
- (2.) The capital and interest are guaranteed by the State.
- (3.) Interest accrues from the day the money reaches the Office, and runs without interruption until the capital is paid over to the persons entitled.
- (4.) The interest is at such rate as is from time to time fixed by the Governor in Council, and is free of all Office charges. The present rate is 4½ per cent. up to £3,000, and 4 per cent. on the excess.