

[AS REPORTED FROM THE JUSTICE AND LAW REFORM  
COMMITTEE]

*House of Representatives, 11 July 1989.*

**Words struck out are shown in italics within bold round brackets; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.**

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE HOUSE]

*House of Representatives, 10 October 1989.*

**[Clauses 158A to 160 of this Bill were formerly clauses 158A to 160 of the Law Reform (Miscellaneous Provisions) Bill: 122-2]**

*Hon. W. P. Jeffries*

**PUBLIC TRUST OFFICE AMENDMENT**

ANALYSIS

Title	
1. Short Title	42CA. Capital valuation of Fund comprising investments in real estate
158A. Constitution of Investment Board	160. Power of Public Trustee to elect to administer small estates without grant of administration
159. Two new sections substituted	
42c. Periodic capital valuation of investments of Fund	

A BILL INTITULED

**An Act to amend the Public Trust Office Act 1957**

BE IT ENACTED by the Parliament of New Zealand as follows:

- 5 **1. Short Title**—This Act may be cited as the Public Trust Office Amendment Act 1989, and shall be read together with and deemed part of the Public Trust Office Act 1957 (hereinafter referred to as the principal Act).

No. 122—3ZL

*Price*  
*incl. GST \$2.20*

*New*

**158A. Constitution of Investment Board**—(1) Section 14 (3) of the principal Act is hereby amended by repealing paragraph (c) (as substituted by section 2 (1) of the Public Trust Office Amendment Act 1986), and substituting the following paragraph:

“(c) Two persons to be appointed by the Minister, each of whom shall hold office during the pleasure of the Minister.”

(2) Section 14 (3) of the principal Act is hereby further amended by repealing paragraph (d) (as substituted by section 33 (3) of the Government Life Insurance Corporation Act 1987).

(3) Section 14 of the principal Act is hereby further amended by repealing subsection (8), and substituting the following subsection:

“(8) In every case where the Valuer-General is absent from a meeting of the Investment Board, a deputy appointed by the Valuer-General may attend and act at the meeting, and while so acting shall be deemed to be a member of the Investment Board.”

(4) The following enactments are hereby consequentially repealed:

(a) The Public Trust Office Amendment Act 1986:

(b) Section 33 (3) of the Government Life Insurance Corporation Act 1987.

**159. Two new sections substituted**—The principal Act is hereby amended by repealing section 42c (as inserted by section 4 of the Public Trust Office Amendment Act 1975), and substituting the following sections:

**“42c. Periodic capital valuation of investments of Fund**—(1) Subject to section 42ca of this Act, at least once in every month the Public Trustee shall determine the capital value as at the determination date of the investments and funds comprising each Group Investment Fund established by the Public Trustee.

“(2) For the purposes of any such determination, in respect of any security listed on a Stock Exchange,—

“(a) The last sale price on the determination date on the Stock Exchange at Wellington or (if there is no such sale price on that date) on some other Stock

5 Exchange in New Zealand (if that sale price is published by or with the consent or authority of the Stock Exchange), or (if no such sale price on that date is so published) the last sale price on any such Stock Exchange at any time within 7 days before that day, may be accepted by the Public Trustee as being,—

10 “(i) In respect of stock, shares, and convertible notes, conclusive evidence of the value of identical stock, shares, or convertible notes; or

15 “(ii) In respect of securities with a fixed or optional maturity date and a fixed annual interest or dividend payment, conclusive evidence of the value of identical or similar securities including interest (if any) as on the determination date; and the capital value of the security shall be determined accordingly by making such adjustment (if any) as the Public Trustee thinks proper in respect of accrued interest:

20 “(b) The Public Trustee may accept as conclusive evidence of its value the market value at the determination date as determined by a registered member of the Stock Exchange.

“3) No investment in or withdrawal from a Group Investment Fund shall be made, except—

25 “(a) On a determination date or within 2 business days thereafter; and

“(b) On the basis of the valuation made as at that determination date.

30 “(4) On a withdrawal from a Group Investment Fund, interest on the amount so determined shall be allowed, in accordance with paragraph (a) of section 42B of this Act, to the determination date by reference to which the withdrawal is authorised.

35 “(5) In this section the term ‘determination date’ means a date on which the Public Trustee makes a determination of the capital value of the investments and funds comprising a Group Investment Fund under and for the purposes of this section.

40 “42CA. **Capital valuation of Fund comprising investments in real estate**—(1) Where the investments comprising a Group Investment Fund consist *(solely)* principally of investments in real property, the Public Trustee shall determine as at a date not later than 6 months after the preceding determination the capital value of the investments and funds of that Fund.

“(2) Where reasonable grounds exist for believing that the capital value of any investment in the Fund has, or may have, altered significantly, the Public Trustee shall forthwith determine the capital value of that investment and shall redetermine the capital value of the Fund accordingly. 5

“(3) No investment in or withdrawal from such a Fund shall be made except—

“(a) On the day of the month as at which the determination is made or within 2 business days after it; and

“(b) On the basis of the valuation as at that date. 10

“(4) On a withdrawal from the Fund, income shall be allowed in accordance with paragraph (a) of section 42B of this Act, to the day as at which the determination is made.”

**160. Power of Public Trustee to elect to administer small estates without grant of administration—**(1) Section 15  
72 of the principal Act (as amended by section 2(1) of the  
Public Trust Office Amendment Act 1983) is hereby  
amended—

(a) By omitting from subsection (1) the expression “\$40,000”,  
and substituting the expression (“\$60,000”) 20  
“\$100,000”:

(b) By omitting from subsection (6) the expression “\$60,000”,  
and substituting the expression “\$120,000”.

(2) Section 73 of the principal Act (as amended by section  
2(2) of the Public Trust Office Amendment Act 1983) is hereby 25  
amended—

(a) By omitting from subsection (1) the expression “\$40,000”,  
and substituting the expression (“\$60,000”) 30  
“\$100,000”:

(b) By omitting from subsection (3) the expression “\$60,000”,  
and substituting the expression “\$120,000”.

(3) Section 2 of the Public Trust Office Amendment Act 1983  
is hereby consequentially repealed.