

Appraisal Report

Legacy Functions, Activities and Records Evaluation Template

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Legacy functions, activities and records evaluation for The Treasury

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Agency	The Treasury
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Purpose
<p>The records listed in this appraisal report are not current. They are not covered by Archives New Zealand's General Disposal Authorities, or by the Treasury's current Disposal Authority (DA 582).</p> <p>The records were appraised in a one off Disposal Authority (DA 465) approved August 2011. However, most of that DA was not actioned; and it expired in August 2016. Further, one of the disposal criteria in</p>

DA465 was *Retain by Agency for future appraisal*. This report includes appraisal recommendations for all of the records.

The expected outcomes of this appraisal are to:

- complete the transfer of remaining legacy records
- get authorisation to apply appropriate disposal actions
- manage risk (storage and access requirements)

Scope

The records are a discrete set that consists of:

1. Government Stocks - ledgers and card indexes
2. Government Stocks - Kodak microfilm 16 mm
3. Government Stores Board
4. Crown Law Office Opinions
5. Transpower Establishment Board

Format

Microfilm and other hardcopy formats of records are covered by this appraisal.

Function/Activity Information/Collection

Class 1: Government Stock Ledgers and Card Indexes

The Government Stock Ledgers and Card Indexes hold information about stock holders and details of any repayments that have been made. The New Zealand Debt Management Office (NZDMO) is responsible for enquiries received from members of the public that relate to the redemption of this stock. The NZDMO took over this function when the Reserve Bank of New Zealand (RBNZ) decided to exit the registry contract in December of 2004.

The NZDMO is responsible for the efficient management of the Government's debt and associated assets within an appropriate risk management framework. The Secretary to the Treasury is directly responsible to the Minister of Finance for the actions of NZDMO.

The registers were administered by the Treasury until the formation of the RBNZ in 1934. From the 1930's until 2004, the Crown registry business, including the Government Stock Register, was

administered by the RBNZ. This involved RBNZ collecting money from investors, entering investor details in the register, making interest payments, converting the stock to new stock issues, early stock redemptions and redemption of stock on maturity.

In 2000, the RBNZ outsourced the business of managing the Government Stock Register to Computershare Investor Services, and in 2004, the RBNZ advised NZDMO that it wished to exit the registry contract. On 20 December 2004, the RBNZ, through a contract with the Treasury, handed the business of managing the Government Stock Register back over to the NZDMO. NZDMO then tendered the business, and the contract was won by Computershare.

This new contract excluded all physical records dated prior to 1989. The contract specifies that the Treasury or their agent will take over responsibility for the management of the physical records.

Class 2: Government Stock Microfilm

The Microfilm holds information about Government stocks invested and repaid/redeemed between 1975-1988. Two rolls of the microfilm have an index, which provides access to the unique stockholder registration number – these are listed by the stockholders surname/first name. The index provides access to the stockholder history microfilm reels, which are ordered by the stockholder registration number; and to the other microfilm, which contain copies of investment and redemption forms.

Class 3: Government Stores Board

Before the Government Stores Board was established, no single body controlled the supply of stores in the government. Since the Public Service Act of 1912 however, there had been attempts to make the purchasing of stores more efficient and more economically sound. The Stores Control Board was established in 1923 to this end, channelling purchasing through three large departments with the aid of Supplies and Tenders Committees based in the regions; it was still decentralised and was only utilised by some departments. Development of a single centralised agency was encouraged with the establishment of the Defence Purchasing Division in World War II. Its structure and function, along with those of the Stores Control Board, were passed on to the newly formed Government Stores Board in 1950.

The Government Stores Board was established by the 1950 Government Stores Regulations, and its duties and powers were further clarified in the 1960 regulations of the same name. The Government Stores Board was created to coordinate, supervise, and effect where necessary the purchase, custody, distribution, use, disposal and inter-departmental transfer of stores, and to oversee long term, general issues regarding stores supply. The Government Stores Board was made up of the heads or senior officials of 5 large government departments. The Secretary of Treasury was concurrently the Chairman

of the Government Stores Board.

The Treasury was responsible for the day-to-day operations of the Government Stores Board before it became a State Owned Enterprise (SOE) in the 1980s. Then the Corporation was sold into private ownership in March 1992 and was called GSB Supply Corporation Limited. Its main function as an SOE was to provide the government and other clients with services covering the purchasing, disposal, transport, and management of goods and services on a mutually profitable basis.

Class 4: Crown Law Office Opinions

The Crown Law Office provides legal advice and representation services to the government in matters affecting the executive government, particularly in the areas of criminal, public and administrative law. The services provided include matters covering judicial review of government actions, constitutional questions including Treaty of Waitangi issues, the enforcement of criminal law, and protection of the revenue. The Office administers the prosecution process in the criminal justice system, in particular, trials on indictment before juries.

Class 5: Transpower Establishment Board

As part of the process of electricity industry restructuring in the 1990s, the Government decided that the transmission grid should be separated from the Electricity Corporation and establishment as a club.

In July 1990 the Transpower Establishment Board was set up with a brief to oversee and control the process of separating Transpower to form a separate organisation with club ownership of the grid. The club would be owned mainly by industry participants. The Board's brief was subsequently widened to consider other ownership forms.

The Establishment Board set up its own offices and operated independently. The Transpower Establishment Board consisted of commercial people. The Chairperson reported directly to the Minister for State-Owned Enterprises and was accountable to the Minister for the outputs of the Board. The Secretary to the Treasury was responsible for the financial management and reporting of the Board.

In August 1990 the Electric Power Boards Amendment Act 1990 was passed. The Government appointed commercial directors to Electric Power Boards with effect from October 1990. Existing Board members became trustees, and were to hold shares when the Boards were corporatised. Trustees were subsequently to be elected.

In its report to the Government in 1991, the Establishment Board recommended ownership of Transpower by a "club" of the Electricity Supply Association (ESAs) and generators. The Board also

recommended a process for separation of Transpower from Electricity Corporation New Zealand (ECNZ) including valuation, gearing and pricing. In May 1993 the Government announced the decision to separate Transpower from ECNZ. Club ownership was seen as a difficult to implement, so the Government set Transpower up as a stand-alone Crown-owned company.

Methodology

The appraisal methodology involved:

1. Taking precedents into consideration

In August 2011, an ad-hoc/legacy Disposal Authority (DA 465) was approved which covered disparate functions and groups of records. The DA expired in August 2016 without having been fully implemented; this DA is to enable that work to continue and be completed.

Classes 3. Government Stores Board, (remaining records) and 4. Crown Law Office Opinions have the same disposal actions as DA 465. Class 1. Government Stock Ledgers and Card Indexes had the previous decision for the agency to retain for appraisal under DA 465. The rationale for this was due, in part, to ongoing enquiries from members of the public. The records have now been appraised and the process to manage enquiries has been updated and will now be fully covered by this report.

2. Seeking external consultation

External consultation also took place and where appropriate has been incorporated. Details are below.

3. Adopting a risk based approach

This was considered in regard to the continued use of the records for enquiries, if the information was no longer available what would the business impact be; as well as the current 'good faith' practice of the redemption of loans.

4. With consideration of – and seeking advice on - other legislative requirements/obligations

Specifically, the *Public Finance Act 1989* and the *Privacy Act 1993*.

5. Using the Archives New Zealand Appraisal Statement

The criteria from the *Archives New Zealand Appraisal Statement 2014*, which has been developed to provide the rationale for long-term retention of records as archives, were used in order to inform decisions on Archival value.

Consultation

1. Consultation with the business

A number of Treasury business units were consulted. Considerations for business value included use (answering public enquires rather than active/current business use), potential for information re-use or re-purposing, and whether other significant insight could be gathered from the records.

2. External Consultation

a. Reserve Bank of New Zealand

[Name and position removed] at Reserve Bank of New Zealand was asked for his view on the government stock ledgers, card indexes and microfilm. He expressed an interest that the public still be able to make claims for bonds; and was pleased that the Treasury Debt Management Office will honour bonds that are presented. Beyond that, he said, the RBNZ has no further interest in the management of the records.

b. Computershare

[Name removed] confirmed it is happy with the two disposal actions for the Government Stock records (ledgers & card indexes, and microfilm).

Class or class grouping

Description

Class 1: Government Stocks in Ledgers and Card Indexes

- Card drawers (small card indexes): (15 x 12 drawer sets – each 1m wide)
- Bound ledgers: 24 linear metres
- Stock Card Registers
- Stock Cards from London branch of New Zealand Debt Management Office

Card Indexes:

The Card Indexes are arranged in alphabetical order by the stock holder's surnames and contain: the stockholders' surname/first name, address and the loan reference number. The cards are used to find the corresponding loan information in the Ledgers and Registers which are grouped by particular loan.

The Card Indexes were retained because they enable researchers to locate an individual's historic loan investments. This is not possible with the registers, where entries are grouped by a particular loan.

Government Stock cards:

At some point in the late half of the 20th century, the records that were in the above ledgers, for current stock, were transferred to a card register system. These bundles of Government Stock cards are alphabetically arranged.

There boxes of Applications / Conversions for Government Stock KB16 to KB18, and K01 to K24. These are listed/grouped by batch number.

There are 3 boxes containing computer line-flow filing register Indexes for Applications / Conversions of loans K16 to K42.

Government Stock Ledgers:

Government Stock Ledgers - Loan Maturities 1940 to 1974.

Miscellaneous Ledgers – including: loan application registers, debenture registers, stock certificate registers.

Stock cards from London NZ Debt Management Office (NZDMO):

28 bundles of index cards recording stocks or bonds purchased in pounds sterling from the London Debt Management Office of the Treasury. They are labelled 'unclaimed' and were returned to New Zealand DMO in 2004.

Value Statement and Retention

Ongoing business value is negligible as these records are transactional. The entitlement to have a loan repaid is an entitlement, but is not an entitlement with perpetual value. The records provide evidence of investments' by New Zealanders, but they do not provide contextual information about the economic situation of the time.

Unredeemed bonds continue to be honoured by the New Zealand Debt Management Office (NZDMO). Enquiries from members of the public since 2011 have been for bonds taken out in the 1980s. To respond to the rare enquiries, the microfilm (Class 2) is referred to (the microfilm is recommended for retention).

Retention and disposal recommendation

Destruction is recommended for the above reasons.

Class or class grouping

Description

Class 2: Government Stocks on Microfilm

- 2 file drawer cabinets (60dx130hx40w) a total of 697 reels.

These records are about stock invested and repaid/redeemed between 1975-1988.

Two rolls of microfilm have an index, which provides access to the unique stockholder registration number – these are listed by stockholders surname/first name. This index provides access to the stockholder history microfilm reels, which are ordered by the stockholder registration number; and to the other microfilm, which contain copies of investment and redemption forms, which are no longer extant.

Value Statement

The Debt Management Office (DMO) was consulted about these records. Enquiries to the DMO from members of the public since 2011 have been for bonds taken out in the 1980s. To respond to the very occasional enquiries, the microfilm alone is referred to. The DMO risk analysis concluded that most enquiries will have tapered off by 2050 due to natural aging of the population. After 2050 the continued cost for retention of the microfilm will outweigh their value as information providing evidence of legal rights and entitlements (appraisal criteria 6.2.3).

Retention and disposal recommendation

Retention is recommended until 2050 and then destruction of all the microfilm is recommended.

Class or class grouping
Description
<p>Class 3: Government Stores Board</p> <p>There have been a number of transfers and disposals of Government Stores Board (GSB) records over the years. The Government Stores Board regularly purged its files and also transferred information to Archives New Zealand. The Treasury transferred a large number of Government Stores Board files to Archives New Zealand in 1997 (Job file 97/18, Accession W4880).</p> <p>The records offered for appraisal were found after the 1997 transfer took place, including:</p> <ul style="list-style-type: none"> • GSB Regulations and Instructions 1962 • Government Stores Insurance Fund - Claims • Government Stores Insurance Fund - General Averages on Overseas Shipments <p>Date Range: 1935-1990</p>
Value Statement
<p>The Government Stores Board Regulations and Instructions (1962) is a duplicate item which was transferred to Archives New Zealand in November 2011, accession W5783.</p> <p>The Government Stores Insurance Fund items contain specific commercial transactions or procedures, of an operational nature. No enduring value for New Zealanders is perceived in them.</p>
Retention and disposal recommendation
<p>Destruction is recommended for the remaining all Government Stores Board items.</p>

Class or class grouping
Description
<p>Class 4: Crown Law Office Opinions</p> <p>The records held are copies of opinions that the Crown Law Office and the Solicitor General have made to The Treasury. All the records appear to be copies taken from files and pasted into the volumes for convenience. Most of them are stamped “Copy only. Action taken on original ... (file reference)”, or “Copy from ... (file reference)”.</p> <p>The total amount is 1 linear metre, made up of:</p> <ul style="list-style-type: none"> • Five bound volumes of Crown Law Opinions for the period 1925-1981 • One bound volume titled “Opinions of Solicitor General” for the period 1921-1925
Value Statement
<p>The 6 bound volumes are copies of opinions that do not affect the Treasury’s policy or operations, and have no business value, and are no longer administratively required.</p>
Retention and disposal recommendation
<p>Destruction is recommended.</p>

Class or class grouping
Description
<p>Class 5: Transpower Establishment Board</p> <p>These records have been found since the transferred 2011 accession W5783.</p> <ul style="list-style-type: none"> • [Electricity Corporation of New Zealand - interim report - financial forecasting model] [volumes 1, 2 and 3] [Shearson Lehman Brothers] 1986-1987 • Electricity Corporation of New Zealand - interim report - volume 2 - background notes [Shearson Lehman Brothers] 1986-1987

- The restructuring of the New Zealand electricity system - a submission by Comalco New Zealand limited and CRA limited to the Electricity Industry Restructuring Task Force Transpower New Zealand limited October 1988
- [Letter to Board of Directors Transpower New Zealand Ltd -1992 asset valuation] [includes Report to Transpower New Zealand Ltd - Ernst & Young - Valuation of Transpower New Zealand Limited at 1 April 1992]
- 7 files of Transpower records created/received at the Treasury, including
 - [Transpower - debt related documents, including deeds and loan facility agreements, 1993/1994]
 - [Transpower - Asset valuation, 1995/1996- SO/32/2]
 - [Transpower pricing - papers and reports, 1988-1993]
 - [Transpower separation - Treaty issues, including Treasury Report T92/3390 - 1992 (SO/0/13?)]
 - [Transpower - Monitor, including Treasury Reports T94/2129, T94/2145, T94/2535, T94/3013, T94/3144, T94/3223, T94/3546, T95/2537 - 1994/1995]
 - [Transpower separation 1994 - briefings and reports]
 - [ECNZ/Transpower - papers and reports, 1989-1993]

Value Statement

Records recommended for transfer provide evidence of the statutory roles, bodies and core functions of New Zealand Government; and evidence and accountability in development of New Zealand industry.

Retention and disposal recommendation

All records recommended for transfer as public archives are:

- Records documenting the impact of government activities on the environment, the community or individuals and the interaction of people with the government.
- Records providing evidence of the development of the electricity industry, in particular the restructuring of that industry in the 1990s

Access Recommendations

[Removed]