

1946
NEW ZEALAND

DEPARTMENT OF TOURIST AND HEALTH RESORTS

(ANNUAL REPORT OF THE)

*Presented to both Houses of the General Assembly by Command of
His Excellency*

The Hon. the MINISTER IN CHARGE OF THE DEPARTMENT OF TOURIST AND
HEALTH RESORTS to HIS EXCELLENCY THE GOVERNOR-GENERAL.

Wellington, 24th June, 1946.

I HAVE the honour to submit to Your Excellency the report of the Department
of Tourist and Health Resorts for the year ended 31st March, 1946.

W. E. PARRY,

Minister of Tourist and Health Resorts.

His Excellency the Governor-General of New Zealand.

ANNUAL REPORT OF THE GENERAL MANAGER OF THE DEPARTMENT OF TOURIST AND HEALTH RESORTS

Wellington, 21st June, 1946.

SIR,—

I have the honour to submit the following report on the organization
and work of the Department of Tourist and Health Resorts for the year
ended 31st March, 1946.

I have, &c.,

L. J. SCHMITT, General Manager.

The Hon. W. E. Parry,

Minister of Tourist and Health Resorts.

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ANNUAL REPORT

INTRODUCTION

The year in review has seen the restoration of peace and, more recently, a gradual relaxation of transport controls that hitherto have restricted internal travel. The initiation and expansion of regular services to New Zealand by sea and air is developing, and the acceleration of air-line communication has, indeed, been accomplished between this country, Australia, and the British Isles, while regular trans-Pacific air services to North America have now recommenced.

It is gratifying to record that preparations and plans have advanced to the stage where it will be possible to take advantage of the opportunity for New Zealand to participate fully in the traffic that will be offering.

During the year the General Manager and Secretary of Industries and Commerce, Tourist and Publicity relinquished control of the combined organizations, when separate entity was regained by each component Department, and now functions as Permanent Head of the Department of Tourist and Health Resorts. It will be noted, therefore, that the Department in its forty-sixth year operates under the original title bestowed by the constituting Act of 1901.

From the staff angle, the Department is considerably strengthened by the return of nearly all those officers who have been absent with the Armed Forces.

THE SIGNIFICANCE OF THE EXTERNAL TOURIST TRAFFIC AND THE VALUE OF THE TOURIST INDUSTRY

Tourist traffic to New Zealand should be considered in regard to its economic significance. In the present circumstances the building-up of sterling and dollar credits—foreign exchange generally—is a matter of prime importance, and it is desirable that every proper inducement and encouragement should be offered in promoting travel to New Zealand.

Knowledge and experience proves that in certain countries we may find it most difficult to obtain a market for our staple products, with the possible exception of wool, and that in many cases we shall not enjoy even parity of trade, and that the visible balance of trade may never be in our favour. Especially is this the case with our larger Pacific neighbours.

The external tourist traffic provides the means for us to balance up our trade with some countries and to improve the position in respect of those which are our best customers.

The Department feels that the tourist traffic from overseas countries constitutes markets capable of extensive exploration, and that it is our duty to explore those markets fully. The work of doing so has been receiving progressive attention in the past, and since the cessation of hostilities is being accelerated, the principal objective being to ensure that proper value is given for New Zealand's legitimate portion of the world's tourist traffic when the resumption of regular passenger services brings visitors in volume.

Tourist traffic is an invisible export—the export of scenery and attractions—and if this export trade is managed wisely it will mean a *minimum* annual income of £2,000,000 to New Zealand (it might even reach £5,000,000 or £10,000,000 during the next decade), and it is capable of almost indefinite expansion in terms of our capacity, nationally and individually, to service that traffic. Maintenance and development of this invisible export trade is limited only by the machinery of service—that machinery is the official tourist organization, the redeveloping tourist industry (accommodation, transport, and sundry services) associated with it, and, in degree, *every* member of the community.

All of us must be prepared to make it a personal duty to ensure that tourists receive the fullest value for their money. Just as in other normal business relations the satisfied client repeats and sustains his patronage, so in the tourist business they tell their friends, and they, in turn, become our business clients. Good service and good value create good-will which is essential to the fostering of the tourist traffic, and which, moreover, contributes largely to the establishment of friendly international relations.

Much has been said and written with regard to the economic significance of the tourist traffic and the tourist industry, but a most important point to remember is the fact that a healthy tourist industry, by promoting this invisible and perpetual export, will do much to offset unfavourable trade balances and thus build up our overseas financial resources. Not only are the proceeds “new money,” they are also “ready cash” acquired without the physical removal of the main commodity. Nearly every other export from New Zealand involves complete physical removal. The gross return of all staple exports is charged with items that reduce the net return. The invisible export of “inwards tourist traffic” represents a gross return reducible only by a proportion of tourist administrative expenditure, advertising, and the relatively small value of consumable stores used by, and services rendered to, the tourist.

No other export item can make such a spectacular contribution to New Zealand's economic welfare, nor can any other item secure such proportionately remunerative results for such relatively small expenditure. Conversely, however, few other items of our export trade are so dependent on unvarying high-quality service for sustained sales volume. This high quality relates not only to the inherent excellence of the attractions we have, but also to our capacity to give good value and service for the money spent here. The good will we have so long enjoyed will thus be maintained into the future, but in this business, as in any other, we must jealously safeguard our reputation for “fair trading.”

THE GENERAL POSITION AND OUTLOOK

(a) THE OVERSEAS FIELD

It is impossible to forecast with accuracy when regular overseas passenger services to New Zealand will be available, but it is generally conceded that there appears to be little prospect of sea passages being at the disposal of tourists from Britain in time for the 1946-47 season. Some travellers with outstanding applications may be fortunate in obtaining accommodation in time for the latter part of the season, but, even so, it is unlikely that their numbers will be great. On the other hand, businessmen sponsored by the British Board of Trade will not be prevented from travelling, and will probably be going abroad in increasing numbers from now on, and combining pleasure with their business. A proportion will include New Zealand in their commercial surveys.

The prospects of resumption of shipping time-tables between Australia and New Zealand are now brighter, and it is reasonable to assume that because of this, and the improved and accelerated trans-Tasman Air service, visitors from the Commonwealth will constitute the vanguard of the external traffic.

North America is the other major field whence tourist visitors may be expected. Restrictions on external pleasure travel are understood to obtain at present in the United States of America, and these, together with the absence of transport, may affect a large influx from that quarter for some little time. Nevertheless, the inauguration of a new Pan American Airways Clipper service scheduled to operate in June, 1946, will (as the numbers of nationally important, official, and priority types of passengers diminish) make it possible for increasing numbers of sportsmen and ordinary civilian visitors to make use of this air-line.

It is significant that the volume of inquiries from the United States of America dealt with in Head Office and at Washington has been, and continues to be, large. Several of these inquiries emanate from members of the United States of America Armed Forces who have already visited or passed through New Zealand.

The position is similar with regard to Canada, but it is considered that that country will offer a better field than ever before for prospective tourists. The travel habits of the Canadians are stated to be less developed than those of citizens of the United States of America, but nevertheless, ample provision must be made in future plans for a worthwhile campaign of travel promotion in Canada.

There is every reason to believe that the transport situation will improve more rapidly in 1947, and in travel circles generally the opinion is vouchsafed that the early part of 1947 should see a return to normal transport conditions.

Every effort has been made to ensure that the Department will be in a position to handle the post-war traffic that is expected, and all the necessary machinery has been, or is being, provided.

The Department has kept abreast as far as possible with all travel developments in countries overseas, and it is appropriate here to note some of these briefly:—

North America.—Full reports have been received of the plans of other countries interested in traffic from North America, and the future prospects of New Zealand in this connection. Inquiries were made regarding the possibility of New Zealand exhibits at sportsman shows in the United States. A special campaign to influence anglers to visit New Zealand in the immediate post-war period was considered, but, owing to short notice and lack of transport, was deferred for attention in the following North American season.

The Department was represented at the Convention on Tourist and Publicity Bureaux which was held at Toronto from 6th to 8th November, 1945. There were present Ministers and Deputy Ministers of the various provinces, as well as leading travel personalities of Canada and the United States, and plans were laid for a Canada-wide development of the tourist industry in the near future. The findings of the Convention have been studied, as also have the legislative measures adopted by the various provinces in respect of the tourist industry in Canada.

The many New Zealand trainees who had come to Canada to train under the British Commonwealth Air Training Plan had, by their dissemination of knowledge concerning New Zealand, engendered a widespread interest in our country among Canadians. Similarly, the visits of the High Commissioner and other prominent New Zealand officials to various parts of Canada had created further interest. As a result, an unusual number of requests for information in anticipation of visits being possible in the near future has been received, and excellent use has been made of the film and advertising material available from the High Commissioner's Office. Libraries and schools have been supplied with general information, and an increasing number of articles has appeared in newspapers and magazines.

Connection was maintained with shipping and travel interests in anticipation of a resumption of travel business to New Zealand in the future.

Activities in the United States of America have for the most part been reported on by our Representative in Ottawa, but a certain amount of work has been undertaken by Washington. The latter office has been instrumental in procuring and despatching equipment and material for use by the Film and Advertising Studios at Miramar, and in arranging processing of colour film, but it has also dealt with a considerable number of requests for information (including travel information) regarding New Zealand.

British Isles.—New Zealand's attraction to people in the British Isles could hardly have been greater at any time in the past than it is to-day. At the present time, tourist traffic from the United Kingdom is effectively blocked because of the lack of steamship and air-line facilities, but as soon as that obstruction is removed we should be able to look forward confidently to a return of the traffic that we knew in the best pre-war years.

During the war years New Zealand and New-Zealanders have become better known in the British Isles. The press and the Ministry of Information have given generous publicity to our war effort, and also to the great contribution of food produced and shipped to Britain throughout the years of war. During those years, moreover, New Zealand servicemen in their thousands have visited the United Kingdom and mixed with the people of Britain. Thousands more have made the acquaintance of servicemen from Britain in other theatres of war. Our Services personnel have created a widespread interest in New Zealand and left behind a better knowledge of our country.

Despite the considerable over-all loss in British shipping, many vessels of the companies in the Australia-New Zealand trade have survived, and after ceasing to operate under the direction of the Ministry of War Transport during this year, and reconditioning, it is possible that some of the well-known liners will be back in service by the end of 1946 or early in 1947. The rate of reconversion should be accelerated next year. New tonnage to replace war losses has been ordered, but it is unlikely that these additions to fleets will be operating before 1948 at the earliest.

It is apparent that post-war airways will be far superior to those known before the war, and a bigger factor in international travel. Plans have been announced for increased frequencies in the "Kangaroo" service via Australia, and Avro Tudor II aircraft production models carrying from

forty to sixty passengers are expected to appear late in 1946 and operate some time in 1947. Preparations are well advanced for the introduction of connecting services to New Zealand on the alternative route via North America, and operations may begin with American machines capable of carrying from forty to sixty passengers.

Contact has been maintained by the London Representative with travel organizations, and full reports have been supplied so that the Department has been kept fully abreast of all developments, and has been able to study measures adopted by Government and associations for the furtherance of the tourist traffic.

India and the East.—An appreciable number of inquiries has been received from persons wishing to spend leave in New Zealand, but no encouragement could be offered owing to the difficulty in securing passages from India to Australia and from Australia to New Zealand. The Representative in Bombay is of the opinion that there will be no relief in the shipping position for an indefinite time.

A definite market exists, however, in India for the sale of New Zealand travel, and avenues considered suitable for exploration are Services personnel. Government officers and European businessmen who are entitled to several months leave out of India every three years, Indian businessmen who desire to extend trading activities to New Zealand, and Native Princes who travel extensively. The latter generally visit Europe, but no doubt a number could be persuaded to visit New Zealand.

The type of visitor that New Zealand may expect from India in future is accustomed to a fairly high standard of living in hotels in the principal cities of that country, and would expect to find a more or less comparable standard in our hotels—a standard that definitely is not available at the present time outside certain main centres or at some of the Department's hotels. As an example, it may be cited that a feature of hotels patronized by Europeans and the better-type Indian is a private bathroom attached to each bedroom.

Notwithstanding difficulties that render it impossible for tourists to travel at the present time, the recommendation is made that an initial advertising campaign should be opened at the earliest suitable opportunity.

Australia.—Restrictions on travel and other difficulties did not diminish appreciably during the year, and the movement of passengers was limited to those who could adduce good reasons for their journeys. Travel to New Zealand was therefore confined for the most part to officials, business executives, and persons who were required to travel for urgent and important personal reasons or returning to normal residence. Exit permits to leave Australia were not granted for unimportant personal reasons or for pleasure travel.

Surface travel opportunities were relatively few, and, although clearances of passengers were made from time to time, the number of vessels which called at Australian ports *en route* for New Zealand was insufficient to accommodate all those holding exit permits, and on occasions the numbers registered on waiting-lists exceeded two thousand. It was possible to alleviate the position to ensure the departure of most urgent cases in several instances.

Trans-Tasman air transport has at all times been heavily booked, and over certain periods throughout the year became congested to the extent that priority passengers often could not proceed at the time desired. Non-priority traffic was cleared by surface means as often as possible, and full use was made of R.N.Z.A.F. aircraft when civilian passengers could be accommodated.

There has been a growing tendency in Australia to recognize the importance of the tourist industry, and Federal and State Governments and local authorities are evincing considerable interest in the advancement of travel promotion. Up to the end of the year no important positive action had been taken, doubtless because of the pressing needs of housing and of rehabilitation of ex-members of the Services. Preliminary consideration has, however, been given to ways and means of re-establishing the tourist industry as far as possible under the present conditions. Developments in Australia have been watched with interest, and conferences of tourist bureaux and travel organizations, legislative measures, and the recommendations of affected bodies have been reported fully to, and have been examined by, the Department.

Steps were taken in January, 1946, to reopen the travel sections of Sydney and Melbourne offices. It was recognized that a token service only could be offered at that stage, but by the end of that month both establishments were in a position to provide a service to passengers who were successful in obtaining transportation to New Zealand.

A feature of travel work in the immediate post-war period in Australia has been the registration of travel inquiries received from prospective tourist visitors, with a view to maintaining contact with an assured clientele, so that, immediately the time is propitious, a complete service to these and other intending passengers can be extended.

The opinion is expressed by the Australian Representatives that the volume of people desiring to travel will be heavy immediately regular transportation between Australia and New Zealand becomes available, and it is hoped that then conditions within New Zealand will have eased to the extent that overseas visitors can be accommodated.

Many ex-services personnel are now travel-minded as a result of their movements during service, and these and others who earned abnormally high incomes during the past several years are now financially in a position to undertake overseas travel. The prospects for record business from Australia have never before been brighter, and if trans-Tasman transport becomes available and the requisite accommodation can be provided for visitors within a reasonable time, there is no doubt that the Commonwealth must become a more important source of tourist revenue than ever in the past.

South Africa.—There are strong indications that the Union of South Africa is a potential source of tourist traffic that warrants more intensive exploration. During the year inquiries received directly and by the Honorary Representatives in Johannesburg and Durban show an upward tendency.

It will be recollected that prior to the war, when a direct passenger service was instituted by the Shaw, Savill, and Albion Line with the vessel "Dominion Monarch," there was a steady growth of traffic from South Africa.

New Zealand has had honorary representation in the Union for many years, and was a participant in the Empire Exhibition at Johannesburg some time ago. Thus the interest in New Zealand has been stimulated continuously for a fairly lengthy period, and the results up to the outbreak of war, in terms of tourist traffic, had been progressively good.

The Department has under consideration proposals to appoint representatives in South Africa immediately it is convenient to do so.

(b) THE DOMESTIC FIELD

The position generally in regard to internal tourist traffic was very satisfactory during the year. The financial results of booking activities again show an increase, and this is attributable very largely to the volume of business transacted for ex-members of the Services, accompanied by near relatives, who took advantage of the facilities provided by the Bureaux and Booking-agencies. There are, however, certain adverse features now apparent; all booking-offices report serious difficulties in connection with hotel accommodation and with reservations on all transport services. The easing of certain transport restrictions has had the effect of straining all travel and accommodation facilities to the utmost capacity, and it is clear that in the national sense New Zealand had, during the year under review, insufficient of these facilities to serve the requirements of the travelling public.

As conditions gradually improve in the future, the necessity for increased and better accommodation and the amplification of existing transport services becomes more and more a matter of pressing urgency. Although from the revenue standpoint the results achieved were gratifying, the fact must not be lost sight of that recent experience serves only to emphasize these needs. All practical steps should therefore be taken to ensure that appropriate services are provided in the near future for domestic travellers and for the tourist visitors who will come to this country from overseas.

(c) THE TOURIST INDUSTRY

It is regretted that little progress has so far been made in certain directions that are beyond the purview of the Department, but which are within its active interest. There are certain services, such as hotels and guest houses, whose ability to cope with an accelerated tourist traffic is at present doubtful. It is, of course, apparent that accommodation interests are fully cognizant of the fact and that they are now taking such steps as are possible within the limits of their present capacity to prepare for the handling of more tourists. The limiting and restricting factors associated with rebuilding, extensions and improvements to premises, and the increasing of staff (especially hotel staff) are problems too well known to require emphasis here.

REVIEW OF THE YEAR'S WORK

I. ADVERTISING

(a) FILM AND ADVERTISING STUDIOS

Photographs.—Photography is an important factor in the dissemination of information locally and abroad, and during the year some 112,000 photographs of all sizes were produced. Of these, 10 per cent. represented war subjects. Since the return of members of the Services from overseas, the demands for war photographs have decreased, and the opportunity has been taken to increase the despatch to countries beyond New Zealand of photographic subjects dealing with the scenery, industries, natural resources, and the people.

Two photographers are employed fully in obtaining up-to-date subjects to supplement the existing collection.

During the year the Studios have taken over the work of production of photographic material for Air Department Public Relations.

Film Strips.—This work continues to expand, and a considerable number of strips has been produced for educational and health publicity purposes. Scenic strips featuring the North and South Islands have been prepared and distributed overseas.

Lantern Slides.—A collection of natural colour slides is being assembled, and as soon as the range of subjects becomes sufficiently comprehensive, sets will be distributed for lecture purposes in countries overseas.

National Film Library.—With the cessation of hostilities many of the library films became obsolete and consideration had to be given to the best method of utilizing the services of the organization under peacetime conditions. It was decided, therefore, that the library could more properly fulfil its functions of general education under the control of the Education Department, and it was agreed that this should come about and that the library be transferred to a city location.

Art Branch.—The activities of this section have changed over to meet the peacetime requirements of various Departments. Several new travel posters have been prepared in anticipation of overseas requirements, and this preparatory work for eventual campaigns is continuing.

Film.—The Film Production Manager reports:—

“The major activity of the National Film Unit continued to be the production of the newsreel *Weekly Review*. The end of the war called for some changes in the format and content of the reel, with emphasis upon such matters as rehabilitation of servicemen and the industrial and social problems involved in national readjustments to peacetime life. In civilian attire *Weekly Review* is received with sustained interest by audiences throughout the Dominion. Extracts from it were screened throughout Australia at almost weekly intervals during the year by an Australian newsreel company, and some items were incorporated in American newsreels.

“Special film undertakings, of which there were seven, included the production of a short film on Maori songs and dances, the commencement of a colour film, intended for theatrical release, called *High Country*—sheep-farming, and a 1,000-foot record of the reclamation of vehicles for the U.S. Army. Production of a 1,500 ft. film-history of *Housing in New Zealand* was begun early in the year. The problems of production in colour are still great, and further experimental work is being undertaken with a view to arriving at the system most suitable for local use.

“In January, 1946, a cameraman of the National Film Unit was sent to Japan to cover the arrival and activities of J Force in that country.

“During the year the total of film distributed increased from 1,000,000 ft. in both sizes to 1,250,000 of 35 mm. and 353,000 of 16 mm.”

(b) REPLANNING OF LITERATURE

Satisfactory progress has been made with the production of advertising booklets. The major sales booklet for overseas distribution is in the hands of the Government Printer, a new tourist folder-map and a sporting booklet are also ready for production. Various sectional pieces, either booklets or folders, more particularly descriptive of individual resorts, routes, or regions of tourist interest dealing with the whole of New Zealand, have also been prepared and the work is now almost completed.

(c) FORWARD PLANNING

The Department has prepared plans for future advertising activities with a view to the successful undertaking of these essential tasks.

II. MAINTENANCE AND DEVELOPMENT OF RESORTS, HOTELS, ETC., UNDER THE DEPARTMENT'S CONTROL

(i) SANATORIA AND BATHS

Rotorua.—The Bath House is now treating patients to its maximum capacity the whole year round, and this is likely to continue. Considerable additions would be required to supply treatments to all who applied if overseas visitors began to arrive. The number of overseas visitors at present remains negligible, and it is clear that facilities are sufficient only for New Zealand residents.

The closure of the Air Force Convalescent Hospital and the provision of mineral baths and a pyretic bath at the Services Convalescent Hospital have reduced the number of Services patients.

The average number of patients in the Sanatorium over the year was 39. This number could be kept to between 50 and 60 if it were possible to obtain adequate staff at the Sanatorium and Bath House.

The Acting-Balneologist reports that 8,138 treatment baths were given to Sanatorium patients during the year, and that massage and special treatments numbered 8,001. There were 1,474 first consultations and 2,026 second consultations.

Constant difficulty has been experienced with regard to staff, and the Sanatorium shares in this respect with all hospitals. For long periods it has been impossible to utilize much of the Sanatorium accommodation owing to this staff shortage, with the result that waiting-lists have grown in length and delays in admission have increased.

The work of bath attendants and office staff has been carried out efficiently, and tributes have been paid to the courtesy and attention of these members. The energies of the works staff have resulted in a supply of hot mineral water that was considerably better than in the preceding year. A temporary Priest public bath was constructed for women, and the addition of new pyretic baths has been of great assistance in providing valuable auxiliary treatment.

There is a general shortage of trained masseurs and masseuses in New Zealand, but the reduced staff has efficiently carried out the massage and physiotherapy work associated with the balneological establishment.

Te Aroha.—Revenue receipts were maintained during the year and again show a slight increase. The number of treatment and other baths increased by about 6,000 to 29,383.

The Cadman Bath building was repainted, and minor repairs and maintenance work were carried out in the reserve.

A survey was made of the domain, and plans were drawn up for a scheme of reconstruction, including new treatment and swimming-bath buildings. The buildings in present use are of wood and are from forty-five to sixty-five years old. Alterations were carried out to the administrative building.

The Mokena Geyser, source of the spa's hot mineral water supply, was rebored during the year.

As a result of the five months' drought there was a shortage of cold water towards the end of the season. This prolonged drought brought about poor conditions for growth, and garden displays were not of the usual high standard, while greens and courts suffered severely during the season's play owing to difficulty in watering.

The patronage of the games facilities and the revenue derived from them have remained steady.

Morere Hot Springs.—The report of the caretaker of this popular East Coast resort discloses a considerable increase during the year of visitors and revenue.

The various buildings have been maintained in excellent order and have also been renovated and repainted. The tracks and walks through the bush of the reserve have been extended and improved.

Inadequacy of accommodation, both hotel and motor-camp facilities, at this resort are emphasized. It is undoubted that if extensions could be provided many visitors would make a longer stop-over at this relatively small but very attractive health resort.

The Department's reserve has been efficiently patrolled and steps have been taken to prevent the depredations of deer and goats, to preserve the natural beauties and the bird life.

(ii) HOTELS, ETC.

Waitomo Caves.—There has been a very marked improvement in business at this resort, and revenue has increased by £7,463 to £15,399 during the year in review. Thirteen thousand five hundred people visited the caves. It is estimated that about 35 per cent. of the total visitors represents ex-servicemen on leave.

With the improvement in the petrol and tire position there has been a considerable amount of traffic from Auckland and nearby districts by private car, but when controls are lifted a substantial increase in the numbers of touring motorists is expected.

Extra domestic staff secured before the season commenced made possible the opening-up of rooms in the wooden portion of the hotel, but, notwithstanding this, it has not been possible to accommodate all guests offering during holiday periods and on several week-ends.

Bus tours from Auckland have operated each week-end, and during the summer excursion parties of twenty have arrived from that city on an average of twice a week. In addition, there have been special excursions from Wellington, Wanganui, and Dunedin, while several large parties have made day trips from Hamilton to inspect the caves.

No major works have been undertaken during the year, and practically all maintenance necessary has been carried out by local staff. The matter of improving the lighting in the caves is now under investigation.

Gardens, hotel farm, and reserves have been kept in good order, and are, in fact, in better condition than they have been for several years.

Lake House, Waikaremoana.—This house, since its reopening on 1st December, has been very well patronized, with a resultant increase in revenue.

The dry summer spell caused the lake-level to recede below any previous records. This has had serious results as regards the source of water for the nearby hydro-electric-power stations. From a sightseeing angle, the low level also has serious implications, and difficulty was experienced in landing launch parties at Aniwhiwa Falls en route to Lake Waikare-iti.

Several new huts have been erected at the camping-ground, and all huts have been in use over the holiday periods.

Maintenance work was carried out during the winter months, and included the reconditioning and repair of all tracks and outbuildings.

Tokaanu.—In view of the impending transfer of this hotel to a new site, no major reconstruction work has been undertaken. Maintenance work on plant and buildings has been carried out as required, and a good service has been provided for the travelling public and for visiting sportsmen.

The dry summer experienced resulted in the lake-level falling at the rate of 1 ft. a month. Subsequent rains were sufficient to give only a temporary check to the continued fall. At times it was necessary to bring drinking-water from unpolluted streams some miles away.

Fishing during the season was fair on the lake, but somewhat disappointing in the rivers, particularly towards the end of the season. The Tongariro River was discoloured for most of the season by volcanic ash from Ruapehu. There was a consequent falling-off in the numbers of guests at the hotel, but it is gratifying to record a reasonably good increase in revenue.

The Hermitage, Mount Cook.—A substantial increase in revenue has been shown at this resort during the year, and there is considerable business in prospect. An impetus will undoubtedly be given to the sport of ski-ing owing to the early onset of winter and the fact that the New Zealand Ski Championships are to be held at the Hermitage after postponement during the war years.

A very considerable amount of maintenance, repair, renovation, and improvement work has been carried out as indicated in the report for the previous year—central heating throughout the buildings has now been installed, and all bedrooms have been provided with hot and cold water; a new lounge has been provided, and a lounge bar replaces the previous unsatisfactory facilities; staff quarters have been extensively improved, and various items of furniture and fittings have been renewed, replaced, or augmented. The kitchen has been replanned and up-to-date equipment is being installed. This work is not yet completed, and therefore service has been given under difficulties during the year.

Te Anau.—This hotel has shown a substantial increase in revenue over the preceding year.

The usual maintenance work was carried out, and during the summer the old buildings attached to the annexe were dismantled. Owing to the prevailing shortage of materials, no expenditure has been incurred on improvements.

A twelve-seater bus was stationed at Te Anau by the New Zealand Railways Road Services during the season and operated excursions to Eglinton Valley. These proved popular, and many guests availed themselves of the trips; 163 bookings were taken from the hotel during February and March. Increased sightseeing facilities inaugurated were the placing on Lake Te Anau of a 36 ft. launch licensed to carry twenty-six passengers. Trips were freely availed of by visitors. During February and March 410 guests from the hotel made launch excursions.

Glade House, Milford Hotel, and Milford Track.—The Milford Track continued closed to traffic, but preparations will be made to recondition the Department's installations as soon as possible.

The track to Lake Ada from Milford was cleared, and a track opened to View Peak at the rear of Milford Hotel.

The Milford Hotel has remained open during the difficult war period and has been reasonably well patronized throughout the past year. Visitors for the most part have consisted of tramps and others who have essayed the whole or portion of the journey from the Homer Tunnel to Milford Sound substantially by foot. Most visitors have arrived via Te Anau and the Eglinton Valley Road, but increasing numbers have walked from Lake Wakatipu via Elfin Bay and the Greenstone Valley, or from the Routeburn via Harris Saddle. A week-end party of forty-four arrived from Invercargill during January.

Unprecedented rains during February caused damage to the upper portion of the new road from Milford to Homer Tunnel. An inspection was made by members of the Main Highways Board of avalanche damage at Homer portal. Instructions were issued to proceed with access bridges, and it is understood that the work will commence after the winter.

Launch excursions on Milford Sound proved popular, the regular day cruise especially. A short launch excursion has also been operated to Stirling Falls and is increasing in popularity as an "after-dinner cruise."

Distinguished visitors during the year included the Minister of France, M. Armand Gazel and Mme Gazel. H.M.S. "Newfoundland" cruised into Milford Sound during October.

General maintenance work has received attention, and included the repair and reconditioning of launch and dinghies, and the overhaul by the Public Works Department of the lighting-plant.

Cascade Creek Camp.—This camp was reopened on 17th December. A fair number of guests was accommodated during the season, and the establishment proved popular under efficient management. The camp was closed for the "off season" on 25th April.

Chateau Tongariro.—During the year this hotel was handed back to the Department by the Mental Hospitals Department. The activity at Mount Ruapehu resulted in considerable damage to installations, principally in connection with the hydro-electric plant, owing to the abrasive qualities of the volcanic ash, and to the water-supply system. The matter of locating alternative sources of water was investigated during the year, and a report from the Public Works Department is awaited.

Although considerable renovation and reconditioning will be necessary before the hotel is again opened to accommodate visitors, the hut service has been maintained, and over the Easter period and for some weeks subsequently the Whakapapa Huts were fully booked.

Owing to the falls of new snow, winter sports activities at this resort were not seriously handicapped.

Stewart Island.—The Department continued to subsidize the improved shipping service to this resort. No finality was reached with regard to the question of a suitable site for the erection of an hotel, but the matter will receive further attention when materials, labour, and funds have been made available.

(iii) MISCELLANEOUS

(a) *Little Barrier Island*

The caretaker reports that bird-life on the island appears to be in a thriving condition. Quite a large number of kiwis has been seen during the year. It is noted that the annual hatchings have been very good, and a large number of the young of all species has been seen.

During the period from November to early March there was a severe dry spell, and it was necessary to haul water for domestic purposes and to place suitable receptacles containing water in positions accessible to the birds. The suggestion has been made that a suitable bird-bath be built, and this matter is under attention.

A new well was sunk and water obtained at 12 ft. The two tracks to the centre of the island have been maintained, as also has the track over the Shag Cliffs.

The growth of weeds has been kept in check. Seventeen wild cats have been destroyed. Few rats have been caught, and although it is not suggested that the pests have been eradicated, there is evidence that their numbers have been reduced to a point where they are no longer a serious menace.

During the year a radio telephone with a small generating-plant was installed, and the sanctuary is now in communication twice daily with the naval base at Devonport.

The General Manager made an official inspection early in 1946.

Official permits to land on the reserve granted to approved visitors (restricted principally to naturalists or those interested scientifically in our avifauna) were availed of by nine persons, who stayed for varying periods up to ten days on the island, and by three others for a few hours only.

There is every evidence that the sanctuary is being conducted on proper lines, that the natural inhabitants are thriving, and that adequate patrols have been carried out.

(b) *Rotorua*

(1) *Electrical System*.—The year has shown marked progressive development in the electrical distribution of power in the Rotorua area, 257 new connections being added, comprising 229 houses and 13 rural connections. The growth of the load has been curtailed in terms of the Electricity Control Regulations, and has not kept step with the applications for increased loading by consumers.

The Department has, during the year, been fully conscious of the need for supplying the rural areas adjacent to Rotorua with the benefits accruing from the availability of electric power. The farming district of Kaharoa was surveyed, and authority to reticulate the area at a cost of £6,150 was obtained. Owing to non-delivery of materials it has been impossible to proceed with the work, but immediately these are to hand the matter will receive attention. The reticulation of two other areas was authorized, and progressive attention will be given as soon as delivery of the materials makes this possible.

New construction completed during the year provided the old Maori settlement at Hinemoa Point with electric power. An extension of the high-tension lines was carried out at Ngakuru to serve farmers not included in the original reticulation and to open up country not yet settled. Cable has been installed in the State housing block for underground reticulation, and is being continued in pace with the building construction. No other major new construction was undertaken, but a total of 11 miles of small extensions, mainly low-tension lines, was made.

General maintenance of lines, as in the previous year, was pushed ahead in an endeavour to overtake arrears. Reinspection of consumers' installations has progressed steadily, and all country areas and the southern end of the borough have been completed.

The system was particularly free from interruptions.

In common with other supply authorities, it was found necessary to pursue a policy of power-conservation to keep the daily load within the limits set by the Electricity Controller, resulting in load rejection at stated periods during the winter months.

(2) *Water and Drainage System*.—Increased building activity resulted in a number of domestic connections to the water and drainage system, but the work has been hampered by the non-arrival of cast-iron pipes on order for more than fifteen months.

The past year was remarkable for the length of the dry spell experienced, and the Rotorua system was able to cope with the domestic demand by limiting the use of hoses in gardens, but outlying areas stand in need of increased reticulation.

During the year a Commission sat to decide the future ownership of the Rotorua water-supply. Pending the result, and at the request of the Borough Council, no major works were undertaken in the borough. Maintenance work only was carried out.

The failure of the hot-water supply from Whakarewarewa has increased the amount of cold water being used at the baths, since it is found necessary to reduce the very high temperatures obtained from the steam-bores in use.

The only major work of importance carried out during the year was the complete reticulation in 4 in. cast-iron pipe (with full provision for fire-services) of the State housing block.

A survey of domestic connections was made, which will eliminate many irregularities and result in increased revenue.

The sewerage system is in need of some reconstruction owing to chemical action affecting pipe-joints and manholes in certain limited areas.

The operation of Electricity Control Regulations made it necessary to put the Diesel standby pumping-plant into use in order to maintain continuous pumping during power shut-downs.

If the ownership of the water and drainage systems remains with the Department, consideration must be given to the complete revision of the by-laws relating to these systems.

(3) *Baths and Sanatorium.*—As pointed out in last year's report, the level of Lake Roto-a-tamaheke is still too low to be of practical use for the purpose of obtaining hot water. Various other sources of hot-water supply have been investigated, and the work is still proceeding. In the meantime, the Baths and Sanatorium are depending on hot-water bores and the Rachel Pool in the Government grounds, these proving adequate at the present time for all requirements.

The production of hot water from bores necessitates a hot-water storage reservoir in the grounds. Use was made of vats for this purpose, but they proved inadequate, and a new vat or reservoir with a maximum capacity of 75,000 gallons was constructed at a cost of £600. The temperature of the water is maintained at over 160 degrees F. As soon as building materials become available the construction of a further hot-water storage vat is envisaged. This will provide an alternative reservoir and allow for better operation.

(4) *Gardens and Reserves.*—In spite of the handicap imposed by the long, dry summer, a very fine floral display was maintained. The playing areas and, in particular, the bowling-greens were given special attention and a high standard reached which was favourably commented upon by visiting players.

Development work was carried out in various sections of the gardens, and the results will become apparent in the future as the work proceeds.

(5) *Buildings.*—A great deal of essential repair work necessarily lapsed during the war period. The more urgent of this work has received attention, but with a limited staff and shortages of material there still remains much to be undertaken to restore several buildings to first-class condition.

At the Main Baths, following the necessity of shutting down the southern wing, a new women's bath has been constructed in the northern wing. This bath is a temporary expedient pending restoration of the southern wing.

The available staff has not only been engaged in work carried out on buildings in the Rotorua area, but has also undertaken work in connection with the Department's hotels in the North Island, such as plumbing, painting, and carpentering for minor repairs.

(6) *Waimangu Round Trip*.—During the war years this section received a severe setback for various reasons, and owing to lack of staff the service and standard set in pre-war years deteriorated. Great credit is reflected on the curtailed staff, who have carried on under very trying conditions. The successful operation of this side-trip during the year is gratifying and proves that the Waimangu Round Trip remains one of the most comprehensive and interesting tours of the Rotorua district, deserving of continued maintenance.

Much work remains to be done to bring this section back to a satisfactory condition, but the more pressing work has been carried out. The phenomenal rise in the level of Lake Rotomahana, some 3 ft. over the year, created many difficulties and necessitated the reconstruction of the landing jetties at both ends of the lake.

The Waimangu-Rotomahana Track was repaired for the full length, and some new track cut at the lake end; bridges were repaired and, where necessary, new ones built. The Rotomahana slipway was extended 40 yards to cope with the sudden rise in the lake level.

A new engine was fitted to the small launch "Mororo" on Lake Tarawera, which has considerably improved its usefulness. This launch was the oldest on the lake and had been regarded as almost ready for writing off. All boats were hauled out for inspection and overhaul. The "Mororo" and "Rangatihi" on Lake Tarawera were completely repainted, and the "Manuwai" on Lake Rotomahana partly painted. The launch "Patiti" has been discarded. The row-boats and outboard motors have been overhauled and, where necessary, repaired, but further work is beyond the capabilities of the present staff. Replacement of existing launches by new and up-to-date craft is at present under attention.

(7) *Wharves and Beacons*.—The main Rotorua Wharf is out of repair and will soon require major renovation or entire replacement. The Department is vitally interested from a tourist and scenic point of view in these wharves, beacons, and jetties, but it is understood that steps will presently be taken to arrange for general control, perhaps by the Marine Department, of these and other installations of a like nature on inland and enclosed waters throughout New Zealand.

(c) *Queenstown*

(1) *Domain*.—The recreation reserve at Queenstown has been maintained in excellent condition, and all playing areas within this domain have been well patronized by visitors and residents. Winter conditions again were mild, and growth on playing greens accordingly was good.

Both bowling-greens were "plugged," top-dressed, resown, and levelled for accuracy. They have responded to the treatment given in 1944 for the elimination of moss, and the nuisance has now almost disappeared. Estimates have been obtained with a view to laying down a new green, which is needed, and which, moreover, will give flexibility in the upkeep of all greens.

The croquet-lawn was top-dressed, resown with seed where necessary, and is now in good playing order.

The asphalt tennis-courts laid down many years ago are now deteriorating and it is necessary to consider the laying-down of new courts. Work carried out in the nature of repairs to cracked surfaces has shown only disappointing results, and the cracks have reappeared during the same season.

Outside lawns and flower-plots continued fresh and attractive as the result of careful attention, and have responded well to warm summer rains.

Huts and Tracks.—Routeburn Track and huts are in good order. The suspension bridge over the Routeburn River at the bus terminus was renewed and now provides safe access to the bush. A commodious shelter hut has been erected at the terminus by the bus-proprietor.

Elfin Bay—Howden track is stated to be in good order until the bush is entered at Lake McKellar, about 2 miles from Howden Hut. This 2 miles of track is muddy and there are several big trees down. Trees are also reported to be down over the track between Howden and Routeburn before reaching Lake McKenzie, and a foot-bridge across a stream near the lake is necessary.

The tracks to Ben Lomond and Queenstown Hill are in good condition and have been popular routes. It is regretted to report vandalism at the Ben Lomond Hut—this has suffered at the hands of irresponsible parties who have used several of the barge-boards of the shelter for fuel.

Tourist Traffic.—The Honorary Tourist Agent reports the busiest year on record and attributes the increase in the volume of work to returned members of the Services travelling on leave with their next-of-kin.

All accommodation has been taxed beyond capacity, and hundreds of applicants have been disappointed. Most of the guest houses have experienced staff difficulties, and in a number of instances were obliged to cancel reservations already made. The accommodation thus lost could not, in most cases, be booked elsewhere.

Transport services on all routes were fully patronized, and improvements in the Queenstown—Gore Railway Bus Service have evoked favourable comment.

III. PASSENGER-BOOKING ACTIVITIES

The sales turnover for internal travel for the year under review is an index to the volume and importance of the work performed by the various Bureaux and Booking-agencies of the Department. Total sales amounted to the record figure of £841,724, which exceeds the sales made during the preceding year by £221,993.

The trend of sales since 1938–39 has been substantially upwards and is attributed to various factors, chief among which is the greater use of the public transport services and the restricted employment of private motor-vehicles. The absence of regular overseas transport facilities, excepting airways services (where essentiality of journey must be established before bookings can be arranged) has induced the average New Zealand traveller, who in normal times would proceed abroad, to explore the holiday resources of his own country. A large proportion of the ex-members of the Forces has completed their booking arrangements through the offices of the New Zealand Government Travel Service, and the present increase is in large measure due to this additional and unusual business.

During the year week-end excursions, special day trips, group and party tours were operated by several Bureaux with uniformly satisfactory results. In the case of certain offices, types of excursions have established a standard, and popular support stimulated by the enthusiasm of satisfied visitors has made week-end or other excursions to resorts a regular feature throughout the year.

The increasing volume of business being dealt with by this Department's Travel Service emphasizes popular support of the booking system. The touring public has continued wholeheartedly to avail itself of the service offered.

IV. LIAISON WITH ALLIED INTERESTS

The promotion of tourist travel in recent years has become a highly specialized task involving considerable experience and technical skill along varied lines and requiring a spirit of co-operation among all organizations which individually provide services for the tourist and combine to cater for the tourist industry on a national basis.

Any country wishing to attract tourists must have the necessary scenic appeal, recreational facilities, climatic, and other resources to lure and satisfy the visitor. New Zealand possesses these assets in abundance and in great diversity.

To cater for the many requirements of travel, however, there must be adequate equipment to provide access, accommodation, comfort, and pleasure, and the successful development of the industry depends largely on the extent to which the demand for these facilities can be satisfied. The Department is fully aware of the necessity for catering adequately for the requirements of the present-day traveller, and has been assisted in its examination of these complex problems by the Tourist Development Committee, an advisory body comprising representatives of all major organizations directly connected on a national basis with the tourist industry of New Zealand. During the year under review the Tourist Development Committee has continued its activities.

Matters which the Committee has investigated include the following:—

- (1) Adequate advertising and publicity for New Zealand's tourist attractions:
- (2) Consideration of the Department's recommendations to the Royal Commission on Licensing on aspects of the licensing laws as they apply to tourist resort hotels:
- (3) The provision of modern transport facilities:
- (4) The establishment of training schools for hotel staff:
- (5) Proposals for the "staggering" of the annual holidays of workers, where possible, throughout the travel year to minimize congested travel facilities at peak periods of the year:
- (6) Plans for improvements to the principal tourist resorts:
- (7) The development of the major spas of New Zealand along the lines of modern health resorts:
- (8) The better utilization of the national parks, scenic reserves, and public domains of New Zealand for the use and enjoyment of the people, including the provision of cabin camp accommodation at selected public domains which cater largely for travellers.

Some progress has been achieved in some sections, but many difficulties have been experienced. Efforts are being made to secure a general improvement in the standard of tourist hotel accommodation, a work which is most necessary, but in view of the shortages of building materials and labour, in addition to the housing problem, it is not likely that large-scale hotel constructional work will be possible for some time to come. To the extent that these conditions permit, a policy of improvements to hotel accommodation is being encouraged in an effort to obtain higher standards as soon as possible.

The citizen of to-morrow will be travel-minded. He will demand comfortable travel facilities by air, rail, road, and water, and will expect hotel accommodation of a reasonably high standard of service. There will be keen competition for his patronage, and this country will have an opportunity of taking an increased share of the world's tourists. For this reason the tourist industry would be given a high priority in the national scheme for future progress.

REVENUE AND EXPENDITURE

The following is a table of revenue and expenditure over two consecutive years to the end of the year in review:—

	1944—45.	1945—46.
	£	£
Expenditure	249,485	277,396
Less revenue and credits-in-aid ..	207,841	227,643
Excess of expenditure over revenue	41,644	49,753
Development of tourist resorts ..	38,550	31,125
Total net expenditure ..	£80,194	£80,878

APPENDIX

HIGH ASCENTS IN THE MOUNT COOK DISTRICT DURING THE 1945—46 CLIMBING SEASON

Peak.	Party.	Guide.
Elie de Beaumont	H. Ayres and S. Bodger.
Minarets	J. Reeve	S. Bodger.
Minarets	Miss E. Pilbrow and Miss J. Muirhead	S. Bodger.
Minarets	Mrs. Drew, Miss McAuley, and Dr. F. Smith	M. Bowie.
De la Beche	Miss E. Pilbrow and Miss J. Muirhead	S. Bodger.
De la Beche	Miss McAuley, Mrs. Drew, and Dr. F. Smith	M. Bowie.
Aiguilles Rouge ..	Miss E. Pilbrow and Miss J. Muirhead	S. Bodger.
Aiguilles Rouge ..	Miss McAuley and Dr. F. Smith ..	M. Bowie.
Hamilton	Dr. F. Smith	M. Bowie.
Malte Brun	Miss McAuley	M. Bowie.
Hamilton	S. Brockett	M. Bowie.
Malte Brun	S. Brockett	M. Bowie.
Annan	S. Brockett	M. Bowie.
Traverse of Madonna, Du Faur and Cadogan	S. Brockett	D. Webster.
Silberhorn	Miss P. McMahon and D. Mackenzie ..	H. Ayres.
Tasman	Miss P. McMahon and D. Mackenzie ..	H. Ayres.
Tasman	J. Ede	H. Ayres.
Silberhorn	J. Ede	H. Ayres.
Dixon	Miss P. McMahon and D. Mackenzie ..	H. Ayres.

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