

The work of the overseas branches and representatives will be referred to later in this report.

Mr. W. Hill, for many years District Manager for the Department in Rotorua, retired from the Service in December last, his place being filled by the transfer of Mr. L. J. Bayfield, previously District Manager at Christchurch.

Every endeavour has been made during the past year to effect economies in staffing, and I am glad to be able to report savings under that heading at the rate of several thousand pounds per annum. The staff is giving loyal and enthusiastic service, and efficiency has not been sacrificed in the efforts to reduce costs.

#### THE DEPARTMENT'S FUNCTIONS.

As I have now been in charge of the Department for a period of approximately twelve months, I desire to take this opportunity of reviewing in general terms the functions of the Department and the lines along which, with approval, I propose to work for the future.

The consolidation of the work of the Tourist and Publicity Departments is a recognition of the fact that in the main our national publicity effort is directed towards increasing tourist traffic to the Dominion. Publicity is therefore, as our "tourist-sales" advertising, an integral part of the tourist effort.

The other main sections of the Department's work are represented by (a) the provision in New Zealand and overseas of booking services designed to facilitate and encourage travel in the Dominion; (b) the administrative control of many of the important scenic assets; and (c) the provision and control of facilities designed to encourage tourist traffic in New Zealand. These last-mentioned functions are carried out by methods adapted to the differing circumstances. In some few instances the Department operates directly on commercial lines by the provision of accommodation, transport, and guiding services. In other cases steps have been taken to lease particular reserves or property to private enterprise.

In large measure the expenditure of the Department is not designed to show a direct financial return to the State. The provision and maintenance of parks and gardens and playing-areas, and the means of access to scenic resorts, subsidies to local authorities for similar purposes, and other expenditure of a like nature represent a continuous charge upon the funds at the Department's disposal. In other instances the circumstances are such that while some revenue is secured the Department cannot expect to derive a return fully commensurate with expenditure which is intended primarily to increase the tourist facilities. Notwithstanding these facts, the total gross cost of the Department is materially offset by the total revenue received, which in the year just ended amounted to £68,524.

Broadly stated, therefore, the Department's functions are to encourage tourist travel in the Dominion (and particularly from overseas), to provide the necessary booking services, either independently or in association with overseas travel agencies, to develop facilities, and to control State-owned scenic assets.

The effort to increase traffic to the Dominion is essentially made under two main headings—(a) publicity in varying forms, and (b) the provision of overseas offices and agencies to provide information and booking-facilities linked with the booking-organization within the Dominion. These two phases of what may be called "the overseas effort" are inter-dependent. Publicity must be backed by all necessary provision to enable prospective visitors to secure detailed information and actually to book tours to and through the Dominion. Conversely, overseas travel agencies or departmental branches cannot be expected to secure substantial business for New Zealand unless they are supported by adequate publicity.

The matter of our publicity work in its various phases will be dealt with in a separate section of this report.

The Department maintains its own offices and staffs overseas to a limited extent only, but representation through honorary agents and part-time officers has been secured at a number of important points largely through the generous assistance of New-Zealanders living abroad. Our own offices at Sydney, Melbourne, and Toronto, and the High Commissioner's Office in London are staffed and equipped not only to assist in publicity work and the giving of information, but also are able to carry out the more difficult work of actually booking tours. The association at those offices of work in relation to trade development, tourist, and publicity activities, and many other duties for a number of Government Departments, has necessitated and justified the establishment of these branch offices. Honorary agents who are mainly, though not entirely, concerned with publicity work are located at Brisbane, Johannesburg, Durban, Calcutta, Colombo, Tientsin, Honolulu, Vancouver, and San Francisco. As opportunity offers, the system of appointing honorary agents is being extended with very satisfactory results.

In connection with the reorganization of our Australian representation a decision was made to transfer the main office from Melbourne to Sydney, and in the latter city new ground-floor offices have been leased in a particularly favourable location at the corner of Pitt Street and Martin Place, opposite the General Post Office. This change has necessitated increased expenditure, but the "publicity" value of the move has been ample justification. The office has been attractively fitted and the window-display space put to best possible uses. The results of the change have been entirely satisfactory.

During the past year our Australian organization has been greatly strengthened by the appointment of a number of agents on a commission basis, and we now have booking-office representation in twenty-seven of the main cities and towns of the Commonwealth. Definite business results have been secured in face of difficult economic conditions. The appointment of agents on a similar basis in a further twenty-four centres is under action.