




# 1993-94

annual report



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MERV NORRISH  
CHAIR

completion of NZ On Air's fifth year. The last five years have been relatively free of changes to broadcasting policy compared with the past. This stable environment has enabled broadcasters and producers to find their feet following deregulation and get on with what they do best - providing entertaining and informative programmes for the television and radio audience.

NZ On Air has played a key role in this development. Over the last five years, NZ On Air has achieved the following important results -

- The number of television programme hours receiving funding from the Public Broadcasting Fee has more than doubled - from 534 hours to 1,169. The Fee now caters for both mainstream and special interest audiences.
- Following careful review of the funding requirements for National Radio and Concert FM, both services have improved their cost efficiency. Recent surveys show that a healthy majority of the audience for National Radio and Concert FM believes that the quality of the services has either improved or at least remained consistent.
- Maori radio stations have grown with the help of NZ On Air funding from six to twenty-two stations. Access radio has increased from five to nine stations over the same period.
- New Zealand music has had a new lease of life on both radio and television through NZ On Air's funding of music videos and successful hit singles for radio, and through the innovative Kiwi Hit Disc which is supplied to all New Zealand radio stations.
- This year funding was provided to TV3 to extend transmission coverage. This will result in a further 195,000 people in remote areas being able to receive the network's programmes.
- The number of Fee payer accounts has increased over the five years from 848,480 to 1,009,019 and compliance has increased from 74% to 90% of potential Fee payers.
- Gross Public Broadcasting Fee income has increased from \$81.9 million to \$93.1 million over the five year period. There was no increase in the Fee itself during this period.

It is clear that Fee payers are getting a better deal for their Fee than they were five years ago.

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PAMELA  
MEERINGS -  
STEWART

ROGAN  
HORROCKS

BARBARA  
STEWART

MERV  
NORRISH

JIM  
STEVENSON

GAY  
SHARLOTTE

NZ On Air has been an effective force in New Zealand broadcasting but challenges still remain for the future.

Over the next decade, the proliferation of both radio and television broadcasting services will continue. The major changes are likely to occur in television. Technologies such as satellite, cable and digital compression, along with the expansion of conventional services into niches like regional television, will increase the number and type of services available to New Zealanders. Many of these services will transmit overseas programming or cater for specialist markets such as education, sport or shopping, and most will be subscriber or pay services.

NZ On Air will have an important role in ensuring that New Zealand's identity and culture in radio and television broadcasting is enhanced as the new broadcasting environment develops.

NZ On Air's record is largely due to the commitment and expertise of our Commission members and staff. My thanks for their continuing support and hard work. We look forward to another successful five years as a catalyst for distinctive New Zealand broadcasting. **MERV NORRISH CHAIR**

### executive director's report

NZ On Air's mission over the past year

has been to ensure that Fee payers get the maximum value for their Broadcasting Fee.

NZ On Air has funded programming on radio and television in order that viewers and listeners are catered for both as part of the mainstream audience and as people with special interests.

NZ On Air's contribution to the total amount of New Zealand-produced programming is considerable.

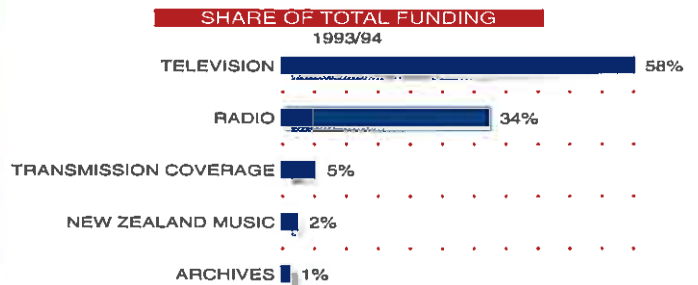
Almost 25% of the New Zealand programmes screened on television in 1993 were funded or part-funded by the Broadcasting Fee. When sports, news and current affairs on television are excluded, the funded or part-funded hours climb to over 40% of the total.

In radio, National Radio and Concert FM are both 100% supported by the Fee. At least 60% of the costs of Maori radio and Access radio stations are met by the Fee.

Without the Broadcasting Fee, New Zealand-produced broadcasting on both television and radio would be seriously impoverished.



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ONCE WERE WARRIORS

*NZ On Air-funded television programmes have enjoyed major successes this year. There have been more of them, spanning a wider range of interests, and winning more awards both here and internationally than before.*

television

NZ On Air-funded television

programmes have enjoyed major successes this year. There have been more of them, spanning a wider range of interests, and winning more awards both here and internationally than before.

The screen triumph was **BREAD & ROSES**. It played on Television One to around 500,000 people per episode and in cinemas throughout New Zealand. It also enjoyed excellent cinema audiences in Australia. The recipient of two awards at the New Zealand Film and Television Awards, **BREAD & ROSES** exemplifies the maturity of the New Zealand drama production industry.

**WORK OF ART** (Television One) also provided screen highlights with **SENSE OF PLACE**, **PACIFIC 3,2,1 ZERO** and **HAIR** all receiving award nominations. **SENSE OF PLACE** won Best Documentary at the New Zealand Film and Television Awards and **PACIFIC 3,2,1 ZERO** won awards locally and internationally. A number of new programmes under the **WORK OF ART** banner have been commissioned to screen later in 1994. These include programmes about Janet Frame, Peter Peryer and Len Lye.

Arts programming has gone from strength to strength this year. **THE EDGE** (TV3)

has moved to a new timeslot where it has been successful in gaining a

loyal following. NZ On Air has entered into successful partnerships

with major arts organisations - with the Arts Council, we have

funded the prestigious Documentary Fellowship which in the

first year was awarded to Merata Mita for her film on Ralph

Hotere and in 1994 to Annie Goldson for her film

which examines the 'red scare' incident at the

National Film Unit in 1948; with the International

Festival of the Arts, we funded a film of Christopher

Blake's new opera **BITTER CALM**; with The Royal

New Zealand Ballet, we funded a film of Douglas

Wright starring in **PETROUCHKA**; and with the NZSO,

we funded a number of recitals.

NZ On Air has a very productive relationship with

the New Zealand Film Commission. We have been

the minority funding partner on a number of feature

films intended for broadcast over the past few



BREAD & ROSES

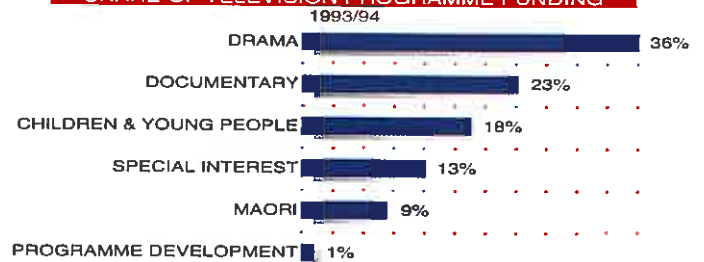


PACIFIC 3,2,1 ZERO



AN EVENING WITH DAME HUI

SHARE OF TELEVISION PROGRAMME FUNDING



years. Two of these, **DESPERATE REMEDIES** and **ONCE WERE WARRIORS**, have screened successfully in cinemas both here and overseas with **ONCE WERE WARRIORS** breaking box office records. Co-funded short films have also enjoyed considerable success with numerous award nominations: **MOTHER TONGUE** and **CHRISTMAS FOR LOU** both were winners at the Film and Television Awards. NZ On Air and the New Zealand Film Commission have agreed to co-finance a second series of one hour dramas for Sunday Theatre as a result of the success of the last series. In addition, four Maori dramas comprising the **NGA PUNA** series have been delivered and will screen on Television One in 1995.

Drama has been a priority for NZ On Air this year. Most of the new product will screen in 1995; that year will see a greater volume of New Zealand drama than ever before. Major new series, **COVERSTORY** (TV3) and **PLAINCLOTHES** (Channel 2) will be launched along with the first New Zealand-made situation comedies in several years. Along with **SHORTLAND STREET** (Channel 2), the Maori dramas and the plans for Sunday Theatre (Television One), it will be a year rich in New Zealand drama with offerings to suit all tastes.

NZ On Air set itself the task of developing indigenous comedy to a similar level of maturity as other major television genres. This task will take time but in 1994 there has been a strong beginning with **SKITZ** and **THAT COMEDY SHOW** screening on TV3. Several other sketch and situation comedy shows will appear in 1995 on all three networks.

Drama for children has taken a new turn with **MEL'S AMAZING MOVIES** (Channel 2), a serial drama set in the South Island. It has been designed to screen within **SON OF A GUNN**. Other new developments in children's programming include three animation projects which are currently in development and a comedy programme, **THE TRIVIA COMPANY** (TV3), designed for children aged 7 to 12. NZ On Air was delighted that **INFOCUS** (TV3) won the New Zealand Television Award for Best Children's Programme.

A second series of the children's programme, **oi**, has been commissioned for transmission on TV3 in 1995. This is part of an overall push by NZ On Air into science programming. **QUANTUM** (Television One), a prime-time weekly science information magazine, started screening this year and **THE BIG BYTE** (Channel 2), a magazine programme on computer issues, is due to hit our screens soon.

NZ On Air has continued with the same breadth of special interest programmes as in previous



years including **TE KARERE**, **WAKA HUIA**, **MARAE**, **PRAISE BE**, **TAGATA PASIFIKA** (Television One) and **YOU AND ME** (TV3). We were also able to fulfill a long held ambition to provide a programme which caters specially for Asian New Zealanders. **ASIA DYNAMIC**

(Television One) has been running for some three months of this year and judging from the comments from that community, it has succeeded in bringing the peoples and traditions of Asia to each other and the rest

of New Zealand. Along with **ETHNIC COOKING** (TV3) and **OPEN DOOR** (TV3),

we have seen a substantial increase in the number of programmes reflecting New Zealand's ethnic diversity.

Teletext received a boost when funding was approved for TV3 to enable them to join TVNZ in bringing captioned programmes to deaf and hearing impaired people.

NZ On Air's partnership with the Assembly of Sport has continued to ensure that minority sports featured on Sunday Grandstand under the banner of **SMOKEFREE SPORTS** (Television One) covering a wide range of codes including karate, women's powerlifting, waterpolo and disabled ski championships.

Audiences for Fee-funded programmes have been excellent this year with outstanding performances from programmes as diverse as **SHORTLAND STREET** (Channel 2) which peaked at over 750,000 viewers for a single episode, **HEROES** (Channel 2) which attracted 790,000 viewers and **COUNTRY CALENDAR** (Television One) and **HEARTLAND** (Television One) which achieved over 700,000 for individual episodes. The success of social documentaries of the calibre of **INSIDE NEW ZEALAND** (TV3) along with environmental series such as **WILD SOUTH** (Channel 2) and **LIVING EARTH** (TV3) confirm New Zealanders' interest in their social and physical environments.

TV3 will screen 35% of this year's funded television programming hours. This is up on last year's 26%. Television One and Channel 2 will screen the remaining 65%. The increase for TV3 is a reflection of its success during the year in providing programming in line with NZ On Air's own objectives.

### **national radio & concert fm**

The country's flagship public radio services, National Radio and Concert FM, this year continued to provide national audiences with high quality radio programmes.

A review by National Radio of the programme schedule resulted in improvements to the services including changes to **MORNING REPORT** which were well received by audiences. This review of the

*The audience for some episodes of Heartland topped 700,000 viewers.*







*National Radio and Concert FM continued to provide national audiences with high quality radio programmes.*

schedule led to proposals to change National Radio's Pacific Island programming. The vernacular Pacific Island programmes in the early evenings have been replaced by increased coverage of Pacific Island news and current affairs in mainstream programming. While these latter changes were controversial, NZ On Air shares National Radio's view that the network can now better serve its audience and Pacific Island interests and issues.

A major highlight in Concert FM's year was its coverage of the International Festival of the Arts in Wellington. Adopting the slogan "Your Front Row Seat", Concert FM brought 25 of the Festival concerts to a national audience including the NZSO's performance of Benjamin Britten's **WAR REQUIEM** with Dame Malvina Major, performances by the National Maori Choir and a broadcast of the premiere of Christopher Blake's opera

**BITTER CALM**. Also there were 22 panel discussions or interviews broadcast from the

**READERS AND WRITERS WEEK**.

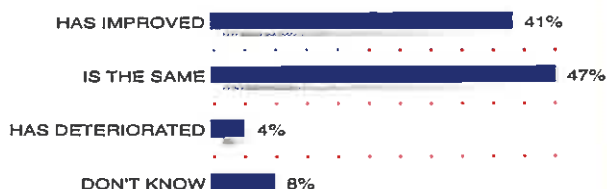
National Radio and Concert FM are both important outlets for New Zealand music which is not catered for by mainstream commercial radio. National Radio in particular is providing significant support for New Zealand music. This year, National Radio boasted 30% New Zealand music content and was responsible for recording and broadcasting local artists as diverse as Wellington country musicians The Big Fiddle, Auckland's Nga Tapuwae Choir, jazz combos The Midas Touch from Christchurch and The Nairobi Trio from Auckland and folk singer/song-writer Mike Harding from New Plymouth.

Both networks had encouraging results from the audience surveys conducted during the year by

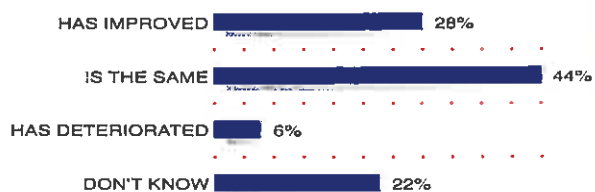
Research International. The latest Auckland survey gives National Radio a 14.9% share of the weekly cumulative audience (114,100 people) while Concert FM's share is 7.8% (59,700 people). In Wellington, National Radio boasted a 25.8% share of the weekly cumulative audience (71,500 people) while Concert FM achieved a 10.5% share (29,100 people). Latest estimates of the nationwide weekly cumulative audience for the two services gives National Radio a total of 610,000 listeners and Concert FM a total of 246,000 listeners.

NZ On Air's own surveying of Fee payers indicates that a healthy majority believes that the standard of the National Radio and Concert

**AUDIENCE PERCEPTION OF NATIONAL RADIO**



**AUDIENCE PERCEPTION OF CONCERT FM**



SOURCE: CM RESEARCH

FM services has either improved or has at least been maintained over the last year - 88% in the case of National Radio and 72% in the case of Concert FM.

The 1993/94 year completes the second year of the current three-year contract with New Zealand Public Radio Limited for providing the National Radio and Concert FM services. Over the coming year, work will begin on developing a new funding contract for the period beyond 30 June 1995 to ensure the continuation of these two vital public radio services.

**access radio & pacific island radio** Access radio now has a presence in eight centres around the country - Auckland, Hamilton, Masterton, Wellington, the Tasman Bays area, Christchurch, Dunedin and Invercargill - providing community

groups with the opportunity to broadcast programmes of their own making. The result is a lively alternative to the regular fare available to listeners and an empowering of minorities in the community.

The most significant change to the Access radio map this year was the merger of Boulder Radio in Nelson and Harvest Radio in Motueka/Golden Bay to form a new combined Tasman Bays Access radio service. The new service is due to go to air early in the new year.

A Plains FM programme picked up the Mobil

Radio Award for Best Community Access Programme again this year. Last year it was

**CHINESE VOICE IN THE GARDEN CITY** on Plains FM; this year the award went to the station's Niuean

programme, **TAMA ATU HAU**. The other finalists came from Auckland (a drama programme called

**OUR LOVE THROUGH WATER CRISIS** from a team of young Radio Chinese broadcasters) and from

Wellington (a programme from Gay BC about the problems for gay and deaf people).

In Levin, Radio for the Print Disabled relaunched itself as the Radio Reading Service and expanded its hours to include Saturday broadcasts.

The Samoan Capital Radio service in Wellington continues to provide a successful dedicated Samoan community radio service, sharing the Wellington Access Radio transmitter and studios.

In Auckland, Radio 531pi had a difficult first year and has yet to establish a viable financial base to assure its continuation.



## radio programmes

In 1991, NZ On Air launched a successful scheme aimed at getting New Zealand music programmes onto mainstream commercial radio stations around the country. This year, steps were taken to do the same for other programmes which meet NZ On Air's brief under the Broadcasting Act.

A series of vignettes about memorable and magic moments from New Zealand's past called **THE NEW ZEALAND CHRONICLES** was put together by independent radio programme producers, Word Pictures of Auckland, for broadcast on the Radio Pacific network.

A children's radio series called **THE QUEST** is to be produced by Word Pictures for broadcast by the Radio New Zealand network stations which take the **KIDSTIME** Sunday morning show from Newstalk ZB in Christchurch. **THE RAMPAGE RADIO SHOW**, a lifestyle magazine show aimed at teenagers similar to TV3's **INFOCUS**, has also received funding and will appear on 23 radio stations around the country.

NZ On Air is excited by the opportunity of partnerships of this kind between independent radio programme producers and commercial radio in reaching the mainstream radio audience.

## maori broadcasting

This year is the last full year that NZ On Air will be responsible for Maori broadcasting. From 1 January 1995, the new Maori broadcasting funding agency, Te Mangai Paho, will assume responsibility for the funding of Maori radio and television. From this date, the Minister of Communications has directed that 13.4% of the Public Broadcasting Fee income (net of collection costs) be transferred to Te Mangai Paho to fund Maori broadcasting initiatives.

NZ On Air's major role in Maori broadcasting over the last five years has been to establish iwi radio. This activity has grown from funding of \$4 million for six stations in 1989/90 to \$7.4 million and twenty-two Maori radio stations in 1993/94. In addition, the Mana Maori Media news service and a networking system were established during this period. Over 70% of Maori can now receive a primary strength signal from at least one Maori radio station.

A full list of Maori radio stations now receiving funding is given in the notes to the Financial Statements on page 29.

NZ On Air's total funding for Maori broadcasting for the year was \$12 million (\$7.4 million for radio and \$4.6 million for television). Details of NZ On Air's funding for Maori television programmes is



AOTEAROA RADIO

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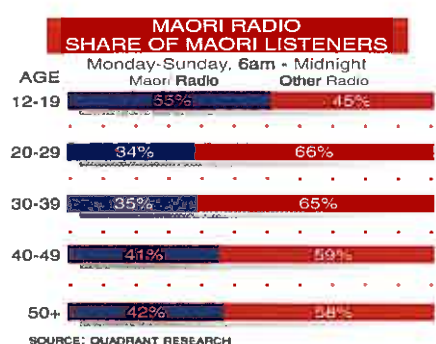
given in the list of television programmes funded on page 39.

During the year, NZ On Air completed a survey of Maori radio listeners in those areas which receive a Maori radio station. This was the first ever survey specifically of Maori radio listeners and the first opportunity to measure the success of the Maori radio stations that have commenced broadcasting over the last five years. The results were extremely encouraging. Some of the highlights of this survey are:

- Maori radio has a weekly cumulative Maori audience of 115,000 (57% of the potential audience of 203,000 people over the age of 12).
- Maori radio has a 40% share of the time spent listening to radio by Maori listeners 12 years and over.
- Maori listeners spent on average 16 hours 31 minutes a week listening to Maori radio stations.
- More than half of the Maori audience (53%) is between the ages of 12 and 30.
- The majority of Maori listeners (72%) require that te reo Maori and English be used at least equally on air and a further 20% prefer te reo Maori to be either the more prominent language or the sole language used on air.

These survey results are a sound endorsement of the success of Maori radio and its level of acceptance by Maori audiences. Besides providing useful information on the size of the audience and the audience requirements, the survey also provides a benchmark to measure the future success of Maori radio funding policies.

No additional Maori radio stations were funded during the year. Because of the pending transfer



of funding from 1 January 1995, NZ On Air has not been in a position to develop new Maori radio funding policies nor has NZ On Air wanted to take any action which may cut across the funding policies that Te Mangai Paho has been developing. Besides monitoring the funding contracts with existing stations, NZ On Air's major activity has been to assist Te Mangai Paho with the transition. From 1 January, the priority for Te Mangai Paho will be to fund programmes produced by Maori primarily for a Maori audience. However, NZ On Air will

still retain a statutory obligation under Section 36(a) of the Broadcasting Act to make funds available for broadcasting and programme production that "reflects and develops New Zealand identity and culture by promoting Maori language and Maori culture". This will be done by funding Te Mangai Paho and also by funding programmes addressing Maori issues in a way relevant to all New

Zealanders within mainstream programming.

NZ On Air has especially enjoyed its association with Maori radio over the last five years and being part of this important development.

E hoha ana nga waka o nga Reo Irirangi Maori i raro i te maru o Irirangi Te Motu.

A te tau e heke mai nei ka hoatu te kaitiakitanga a Irirangi Te Motu ki Te Mangai Paho.

Ko ta matou tumanako kia tino pakari te paohotanga i roto o to tatou reo rangatira.

No reira, manini waka hei! Tere waka hei! Waka kei runga!

### transmission coverage

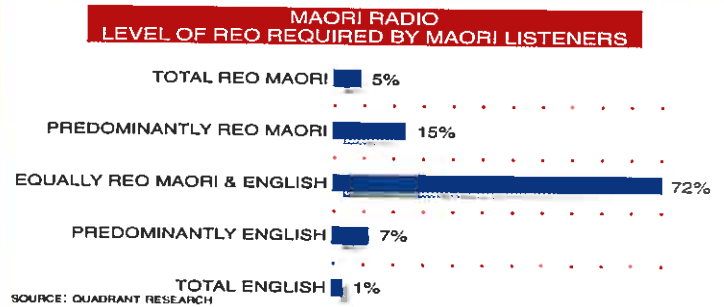
The Broadcasting Act requires NZ On Air to maintain and, where it considers appropriate, extend the coverage of television and radio to New Zealand communities that would not otherwise receive a commercially viable signal. In the past, NZ On Air funding for television transmission has been confined to maintaining the existing coverage of Television One and Channel 2 at the levels achieved by the BCNZ in April 1988 (99.9% of the population for Television One and 99.7% of the population for Channel 2). Over the last five years, NZ On Air has provided subsidies to TVNZ totalling \$13 million to enable TVNZ to maintain coverage at these levels.

During the year, funding was approved to enable TV3 to extend its coverage to those areas which were considered to be partly non-commercial. This was in response to a high level of demand from Fee payers in areas not receiving a TV3 service. NZ On Air provided \$4.1 million to TV3 as a contribution to capital costs to enable the network to build 61 new transmitters throughout the country to serve a further 195,000 potential viewers. When completed, this extension will increase the channel's coverage to 96% of the population.

NZ On Air's funding is provided on the basis that TV3 will meet the ongoing annual operating costs of this transmission extension.

It was not viable for either TV3 or NZ On Air to apply similar levels of subsidy to the remaining 4% of the population. However, to assist communities within the last 4% to receive a TV3 service, NZ On Air and TV3 have devised a joint funding scheme to assist those communities to purchase their own suitable transmission equipment.

During the year, NZ On Air continued to discuss with TVNZ an appropriate level of



*During the year, funding was approved to enable TV3 to extend its coverage... in response to a high level of demand from Fee payers.*

subsidy to maintain that part of TVNZ's transmission which may be non-commercial. NZ On Air believes the required level of subsidy is considerably less than that applied for by TVNZ. Discussions will continue in the coming year in order to arrive at an appropriate level. In the interim, TVNZ have continued to maintain coverage at the levels achieved by the BCNZ in April 1988.

Last year, four new National Radio transmitters were added to the network (South Waikato; Rotorua; Wairarapa; South Canterbury) and five new Concert FM transmitters went to air (Lower Northland; Whangarei; Rotorua; Poverty Bay; Eastern Bay of Plenty) as part of NZ On Air's plan to extend the reach of the two public radio networks to as many areas with a population of 10,000 or more as possible.

This year, agreement was reached with New Zealand Public Radio over the funding of three new Concert FM coverage extensions - Central and Northern Northland (including the Bay of Islands) and Central Otago. NZ On Air agreed to fund the capital costs of the three projects with the annual operating costs coming out of Concert FM's regular operating funding.

The two Northland projects are scheduled to go to air in November 1994 and the Central Otago service should be operational in January 1995.

This completes NZ On Air's April 1990 National Radio and Concert FM coverage expansion programme. National Radio coverage is currently 96% of the population and Concert FM is 90% of the population. The Northland and Central Otago Concert extensions will increase Concert FM's reach further.

In time, technology (for example, satellite signal distribution) will solve the problem of access to these services for people in small centres and sparsely populated areas.

This year, NZ On Air initiated research into ways in which these small centres might access National Radio and Concert FM signals on a low-cost basis pending a permanent solution via satellite or other means. NZ On Air has plans to carry out two trials - one in Twizel and one in Wanaka - aimed at providing an interim National Radio service.

If the Wanaka and Twizel trials are successful, other small centres may be able to use the model if they are prepared to share the cost with NZ On Air. Discussions with the Ministry of Commerce over the licensing of such services are continuing.

NZ On Air also has responsibilities in terms of a 1989 Ministerial directive to assist with community radio coverage in remote areas.

This year, funding was provided to solve local radio reception problems in the Coastal Taranaki area (from Okato in the north to Oeo in the south) via a relay of Energy FM's New Plymouth-based community radio programme and a solution to local coverage problems in the Taihape/Waiouru area was found via a hybrid service provided by Peak FM out of Taumarunui and Star FM out of Wanganui.

The Coastal Taranaki and Taihape/Waiouru services bring to nine the number of community radio coverage projects funded by NZ On Air this year. Others continuing to receive funding are in Murchison, the Mackenzie Country, the Waimarino, South Westland, Te Kuiti, Takaka and Te Anau.

### new zealand music

The New Zealand music industry

received a boost this year with two important broadcasting-related developments.

The first was the arrival of music television - Max, The Music Channel in Auckland which went to air at the end of October and Cry TV in Christchurch which went to air in mid-August - giving local music unprecedented access to the television airwaves.

The second was the launching of NZ On Air's **KIWI HIT DISC** project (previewed in last year's Annual Report) aimed at infiltrating the mainstream commercial radio playlist with quality local music.

The **KIWI HIT DISC** project has given New Zealand music a real boost. Since June 1993, nine of the compilation discs each carrying 15-16 tracks have been fed to radio. Artists as various as the chart topping Supergroove, The Mutton Birds and 3 The Hard Way have featured on the discs along with familiar artists like Annie Crummer and Moana & The Moahunters and newcomers like Urban Disturbance, Emma Paki and Matty J.

The response from radio and the music industry has been enthusiastic. The early



*The New Zealand music industry received a boost this year with two important broadcasting-related developments: the arrival of music television & Kiwi Hit Disc.*





*It was a big year for Supergroove, topping the singles and albums charts and picking up major television and radio airplay.*

indications are that **KIWI HIT DISC** is working to get more New Zealand music on air - certainly on those stations which are the target of the **KIWI HIT DISC** project - those that are in the business of programming new pop music and that are catering for the youth audience. A survey of radio is to be carried out early in the new year to measure the impact of **KIWI HIT DISC** on radio airplay and to confirm the very positive feedback that the project has generated.

On television, music videos continue to perform very well for NZ On Air. This year, NZ On Air funded another 90 clips bringing to 205 the number funded since the scheme was launched in 1991. So far, 164 of these clips have been released with the rest either still in

production or awaiting release. These 164 clips have notched up close to 1,500 screenings on national television - an average of nine screenings per clip. When airplay on The Max in Auckland and Cry TV in Christchurch is added in, the tally skyrockets. The 164 NZ On Air clips in circulation have played a staggering 6,700 times on Max and Cry, boosting the total screenings tally to over 8,200 or an average of 50 outings per clip.

The other two strands of NZ On Air's music policy - the New Zealand Music On Radio scheme (feature programmes and series promoting New Zealand music on commercial and student radio) and the Radio Hits scheme (rewarding significant radio airplay) have also been successful. The flagship radio programme, **COUNTING THE BEAT**, playing weekly on 19 major radio stations like Mai in Auckland, the ZMs in Wellington and Christchurch and 93Rox in Dunedin, was joined this year by a new series called **ROCK YOUR RADIO** aimed more at rock-format stations and

**TOP TEN CLIPS (all television)**

- 1 **STRAITJACKET FITS** if i were you (231)
- 2 **SUPERGROOVE** scorpio girls (227)
- 3 **EMMA PAKI** system virtue (216)
- 4 **HALLELUJAH PICASSOS** rewind (197)
- 5 **EXPONENTS** house of love (179)
- 6 **URBAN DISTURBANCE** no flint no flame (178)
- 7 **ANDREW FAGAN** jerusalem (175)
- 8 **MATTY J & SOUL SYNDICATE** colour blind (170)
- 9 **3 THE HARD WAY** hip hop holiday (169)
- 10 **SUPERGROOVE** you gotta know (164)

**BUBBLING UNDER ..**

- HEADLESS CHICKENS** mt moon (154)
- HOLY TOLEDOS** love's not fair (150)
- KATENE SISTERS** keeping up the love thing (148)
- HOLY TOLEDOS** not to say (144)

**STRANDED IN PARADISE**, a 30-part documentary reviewing the history of New Zealand popular music went into production. Another NZ On Air-funded series - **UN-CHART-ED** which plays weekly on all six university radio stations - was a finalist in this year's Mobil Radio Awards.

The Radio Hits scheme gives record companies the opportunity to recover the costs of recording and releasing a single if and when the record achieves significant airplay on commercial radio. This year, 51 records qualified for funding with several artists - Supergroove, The Mutton Birds and The Holy Toledos - picking up the maximum three awards available in any one year. The 1994 year got off to a promising start. In the first six months, three New



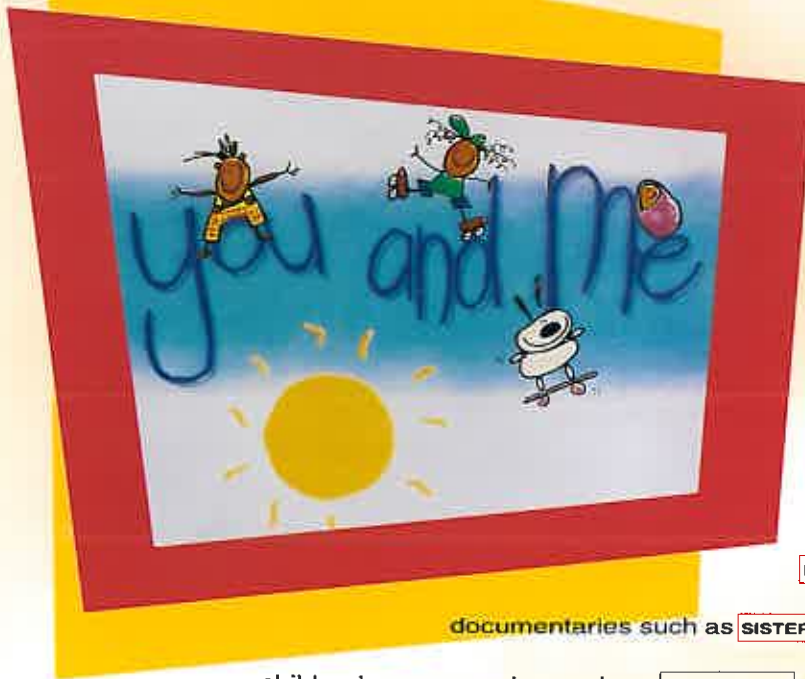
EMMA PAKI

Zealand records made No.1 on the national Top 50 singles sales charts - **THE HEATER** by The Mutton Birds, 3 The Hard Way's **HIP HOP HOLIDAY** and Supergroove's **CAN'T GET ENOUGH**, with **THE HEATER** and **HIP HOP HOLIDAY** sharing the top slot for the whole of March. Others came close - Sisters Underground's **IN THE NEIGHBOURHOOD** from the landmark **PROUD** album, Moana & The Moahunters' **TAHI** and **WHAT'S THE TIME MR WOLF** by Southside of Bombay from the **ONCE WERE WARRIORS** soundtrack. These projects were all supported by NZ On Air via music video funding or **KIWI HIT DISC** or the Radio Hits scheme.

## archiving

NZ On Air has a responsibility under Section 36(d) of the Broadcasting Act to encourage the establishment and operation of archives of programmes that are likely to be of historical interest in New Zealand.

For television, NZ On Air continued to assist the work of TVNZ's New Zealand Television Archive and the New Zealand Film Archive.



The New Zealand Television Archive received funding of \$460,322 as a contribution to annual operating costs. The services provided by the Archive included the archiving of 1,239 hours of both TVNZ and TV3 programming. This compared to 775 hours for the previous year. The range of programming included taping off-air **ONE NETWORK NEWS**, the archiving of popular series such as **SHORTLAND STREET**, **COUNTRY CALENDAR** and the **HEARTLAND** series, the archiving of important documentaries such as **SISTERS OF THE RIVER** and **THE GULLYITES** and the archiving of children's programming such as **YOU AND ME** and **INFOCUS**. The Archive also continued work on a project to complete the computerisation and preservation of programmes and colour news film items from 1973 to 1985.

Towards the end of the year, \$138,575 was confirmed to the New Zealand Film Archive for the archiving of independently produced television programmes pre-1993 not already archived by the New Zealand Television Archive and for the archiving of pre-1990 television commercials. This work will be completed during the coming year.

NZ On Air's support for radio archiving is focused on New Zealand Public Radio's Sound Archives in Christchurch and Nga Taonga Korero, the Maori sound archive based at National Radio's Te Reo O Aotearoa unit in Auckland.

At the Sound Archives in Christchurch, accessions work is at its highest level in the Archives' history - 3,727 new entries were added this year compared with 2,493 the previous year and 8,480 over the five years to 1992. Two preservation copying programmes are under way - making copies of the Archives' collection of fast-deteriorating acetate discs and copying the Concert FM collection of New Zealand composers, a special project funded jointly by NZ On Air, the Alexander Turnbull Library and Sounz (the New Zealand Music Centre).

During the year, the Sound Archives assisted the Canterbury branch of the National Archives to mount an audio-visual exhibition called **UNSEEN FACES & UNHEARD STORIES** and also supplied material for National Radio's popular history and comment series **SUNDAY EVENINGS WITH JIM SULLIVAN** and the epic series, **THE LAST OF THE WORLD WARS**.

In Auckland, work continued on cataloguing and preservation copying of deteriorating Maori sound recordings that form the priceless core of the Nga Taonga Korero collection. Another 1,200 hours of programme was transferred to DAT tape.

National Radio's restructuring of its Te Reo O Aotearoa unit was intended in part to devote more effort and resources to this archiving function and to service an increasing demand from iwi stations for access to the archived material.

### **public broadcasting fee**

Significant progress continues to be

made in reducing the number of people failing to pay the Broadcasting

Fee. This year saw a net increase of 35,000 Fee payers resulting

from 115,000 householders paying their Fee for the first time,

less 80,000 Fee account cancellations.

The total number of contributing Fee payers now

exceeds one million and the compliance level stands

at 90% - up from 86% last year.

The successful marketing of the services and

benefits that result from paying the Fee has

supported the compliance drive. Checks were

carried out on 132,225 households by letter, 35,778 by telephone and 33,143

required a household visit. As a result of this process, court action to recover Fees was required in only 110 cases.

Fee payers are making increasing use of the range of payment options available including direct



debit - 25% of all Fee payers now utilise monthly, quarterly or six-monthly options.

These strategies have boosted gross Public Broadcasting Fee income by \$3.3 million to \$93.1 million.

Despite this increase in income, NZ On Air remains committed to reducing collection costs. The past year has seen collection costs decrease from 9.9% of gross Fee income to 9.1%.

Part of the Fee strategy is to keep Fee payers informed about the purpose of the Fee and the

services it delivers. This is done by regular branding in the media and

by providing information direct to Fee payers about programmes and services provided from the Fee.

The effectiveness of these methods is measured by regular surveys.

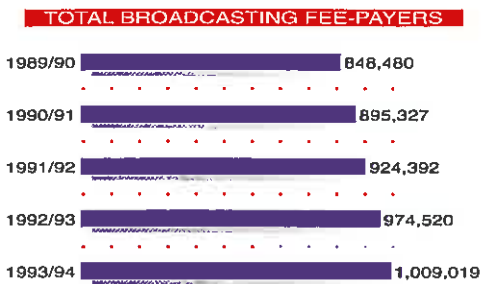
Awareness of how the Broadcasting Fee is used is high, with 90% of

Fee payers aware that their Fee funds New Zealand-made television

programmes and 70% aware of the funding of radio programmes.

Support for the Fee is also high with 73% of Fee payers surveyed believing that the Fee should be charged.

Over the next year, compliance levels are expected to increase to around 91.5% which will increase gross Fee income to over \$94 million. In future years, it is expected that compliance will level off at best at 95% resulting in gross Fee income reaching a plateau of a maximum of \$97 million. The current Fee of \$110 was last increased in 1989. For the last five years, NZ On Air has been able to increase its income through increased compliance. There is now only modest scope for further increases. Unless the Fee is reviewed, there will be a loss of purchasing power from the Fee income and a corresponding diminution of services. **RUTH HARLEY EXECUTIVE DIRECTOR**



**CONTENTS**

- Management Statement
- Statement of Accounting Policies
- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Statement of Commitments, Contingent Liabilities and Resources
- Statements of Objectives and Service Performance
- Report of the Audit Office

BROADCASTING COMMISSION

**management statement**

FOR THE YEAR ENDED 30 JUNE 1994

*The management of the Broadcasting Commission is responsible for the preparation of these financial statements and the judgements used herein. The management of the Broadcasting Commission is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the management, these financial statements fairly reflect the financial position and operations of the Broadcasting Commission for the year ended 30 June 1994.*



**MERV NORRISH**

CHAIR



**RUTH HARLEY**

EXECUTIVE DIRECTOR

**statement of accounting policies**

FOR THE YEAR ENDED 30 JUNE 1994

**1. ACCOUNTING ENTITY**

The Broadcasting Commission (NZ On Air) was established by the Broadcasting Act 1989 (the Act). The functions and procedures of NZ On Air are set out in the Act. The financial statements have been prepared in terms of the first schedule of the Act and Part V of the Public Finance Amendment Act 1992. The financial statements cover the following activities of NZ On Air:

- (i) Collection of the Public Broadcasting Fee; and
- (ii) Allocation of funds to:
  - television programme production;
  - radio broadcasting;
  - television and radio remote transmission coverage;
  - television and radio archives; and
  - consultation and administration.

The guiding principles of NZ On Air are covered in the mission statement and goals.

**mission statement**

**THE PURPOSE OF NZ ON AIR IS TO BE A CATALYST FOR DISTINCTIVE  
NEW ZEALAND BROADCASTING.**

To achieve this, NZ On Air has the following goals:

- To fund programming on radio and television about New Zealand and New Zealand interests, including drama and documentary, that:
  - Ensures that mainstream audiences have access to a variety of good quality New Zealand programming;
  - Promotes Maori language and culture in mainstream programming for all New Zealanders;
  - Provides a range of broadcasts for special interest audiences such as women, children, persons with disabilities and minorities in the community including ethnic minorities; and
  - Promotes New Zealand music.
- To maintain, and where appropriate, extend the coverage of television and radio to New Zealand communities that would otherwise not receive a commercially viable signal.
- To encourage the establishment and operation of archives of programmes that are likely to be of historical interest in New Zealand.
- To maximise income from the collection of the Public Broadcasting Fee to provide funding for New Zealand broadcasting.

**2. GENERAL ACCOUNTING POLICIES**

The measurement base adopted is that of historical cost. Reliance is placed on the fact that NZ On Air is a going concern. Accrual accounting is used to measure revenue and expenditure.

**3. PARTICULAR ACCOUNTING POLICIES**

The following particular accounting policies which materially affect the measurement of income and expenditure and the financial position have been applied:

**(a) Accounts receivable**

Accounts receivable are shown at their estimated net realisable value after allowing for doubtful debts.

**(b) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Provision for depreciation is calculated on a straight line basis to write down the cost of the assets by equal instalments to an estimated residual value at the end of the economic life of the asset.

Motor vehicles	3 years to a residual value of 50% of original cost
Computer equipment	3 years to a residual value of 10% of original cost
Office equipment	5 years to nil residual value
Furniture and fittings	6 years to nil residual value
Leasehold alterations	6 years to nil residual value



- (c) **Goods and services tax (GST)**  
The financial statements have been prepared exclusive of GST.
- (d) **Treatment of the allocation of funds and grants**  
The allocation of funds and grants to broadcasting projects is treated as expenditure in the year the commitment is made. However, specific allocations against future years' income are recorded in the statement of commitments.
- (e) **Cash and bank and short term deposits**  
These investments are recorded at cost.
- (f) **Public Broadcasting Fee**  
Income from the Public Broadcasting Fee is accounted for at the time the invoice is issued. This is based on the Broadcasting (Public Broadcasting Fees) Regulations 1989 which establishes the Fee payer's liability as payable in advance.
- (g) **Income from broadcast production funding**  
Where NZ On Air is entitled to income as part of its terms and conditions of providing funding, such income is only recognised as and when the income is received.
- (h) **Financial instruments**  
NZ On Air is party to financial instrument arrangements including cash and bank, short term deposits and accounts receivable as part of its everyday operations, which have been recognised in the financial statements. Revenue and expenditure in relation to all financial instruments are also recognised in the financial statements.

#### **4. CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used last year.

## BROADCASTING COMMISSION

**statement of financial performance**

FOR THE YEAR ENDED 30 JUNE 1994

	Notes	Actuals 1994 (\$000)	Budget 1994 (\$000)	Actuals 1993 (\$000)
<i>Income</i>				
Public Broadcasting Fee		93,142	90,252	89,760
Interest from deposits		1,297	1,170	1,448
Other income	1	2,609	150	4,246
<i>Total income</i>		<b>\$97,048</b>	<b>\$91,572</b>	<b>\$95,454</b>
<i>Operating expenditure</i>				
Public Broadcasting Fee collection costs	2	8,486	8,528	8,900
Administration	3	1,466	1,528	1,525
		\$9,952	\$10,056	\$10,425
<i>Funding expenditure</i>				
Television	4	52,219	50,025	50,388
Radio	5	22,654	23,211	23,512
Maori radio	6	7,385	7,422	7,717
Transmission coverage	7	4,663	2,960	1,393
New Zealand music	8	1,652	1,040	775
Archives	9	1,045	1,318	1,119
Consultation and research		218	322	115
		\$89,836	\$86,298	\$85,019
<i>Total expenditure</i>		<b>\$99,788</b>	<b>\$96,354</b>	<b>\$95,444</b>
<i>Net surplus (deficit) for the year</i>	10	(2,740)	(4,782)	10
Transfer from early childhood television fund	11	1,281	1,281	1,519
<i>Public equity at 1 July</i>		3,523	3,523	1,994
<i>Public equity at 30 June</i>		<b>\$2,064</b>	<b>\$22</b>	<b>\$3,523</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

BROADCASTING COMMISSION

**statement of financial position**

AS AT 30 JUNE 1994

	Notes	1994 (\$000)	1993 (\$000)
<b>Current assets</b>			
Cash and bank	12	1,239	5,182
Short term deposits	13	24,759	17,188
Accounts receivable			
- Public Broadcasting Fee	14	24,921	19,933
- General		286	705
Prepayments		33	119
<b>Fixed assets</b>			
	15	202	206
		<b>\$51,440</b>	<b>\$43,333</b>
<b>Current liabilities</b>			
Accounts payable		1,151	762
Public Broadcasting Fees received in advance		119	149
Funding liabilities	16	46,375	35,887
<b>Early childhood television fund</b>			
	11	1,731	3,012
<b>Public equity</b>			
		2,064	3,523
		<b>\$51,440</b>	<b>\$43,333</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

## BROADCASTING COMMISSION

**statement of cashflows**

FOR THE YEAR ENDED 30 JUNE 1994

	Notes	1994 (\$000)	1993 (\$000)
<i>Cash flows from operating activities</i>			
<b>Cash was provided from:</b>			
Public Broadcasting Fee		88,124	84,371
Other income received		276	804
Interest received		1,414	1,186
Goods and services tax (GST)		631	-
<b>Cash was applied to:</b>			
Funding advances to broadcasters and programme producers		(77,053)	(70,326)
Payment to suppliers and employees (including Public Broadcasting Fee collection costs)		(9,697)	(10,608)
Goods and services tax (GST)		-	(361)
<b>Net cash inflows from operating activities</b>	10	<b>\$3,695</b>	<b>\$4,866</b>
<i>Cash flows from investing activities</i>			
<b>Cash was applied to:</b>			
Short term deposits		(7,571)	(1,903)
Purchase of fixed assets		(67)	(41)
<b>Net cash outflows from investing activities</b>		<b>(\$7,638)</b>	<b>(\$1,944)</b>
<i>Cash flows from financing activities</i>			
Net increase (decrease) in cash held		(3,943)	2,922
Opening cash as at 1 July		5,182	2,260
<b>Closing cash as at 30 June</b>	12	<b>\$1,239</b>	<b>\$5,182</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.

BROADCASTING COMMISSION

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 1994

1. OTHER INCOME

	1994 (\$000)	1993 (\$000)
Writebacks of previous years' commitments which have since been withdrawn or reduced	2,295	1,973
Share of income from the sale of television programmes for uses other than for New Zealand television broadcasts	246	596
Refund from Radio New Zealand of part of the 1992 year's funding arising from actual costs of National Radio and Concert FM being less than the budgets on which the funding payments were originally based	-	1,473
Other income	68	204
	<b>\$2,609</b>	<b>\$4,246</b>

2. PUBLIC BROADCASTING FEE COLLECTION COSTS

Direct collection costs	4,642	4,639
Compliance costs	2,356	2,760
Awareness advertising campaign	1,314	1,320
Administration	163	171
Depreciation	8	7
Audit fees	3	3
	<b>\$8,486</b>	<b>\$8,900</b>

3. ADMINISTRATION EXPENDITURE

Personnel costs	689	634
Commission members' fees	60	49
Travel and communications	150	177
Office overheads	258	213
Legal, public relations, and consultants	230	369
Depreciation	63	67
Audit fees	16	16
	<b>\$1,466</b>	<b>\$1,525</b>

4. TELEVISION PROGRAMME FUNDING

	1994		1993	
	Hours	Funding (\$000)	Hours	Funding (\$000)
Drama	229	18,662	213	16,864
Documentaries	200	11,924	214	16,295
Children and young persons programmes	476	9,386	447	6,202
Maori programmes	116	4,600	118	4,750
Special interest programmes	148	7,095	134	5,775
	<b>1169</b>	<b>\$51,667</b>	<b>1126</b>	<b>\$49,886</b>
<b>Total Production funding</b>				
<b>Plus Development funding</b>		<b>552</b>		<b>502</b>
		<b>\$52,219</b>		<b>\$50,388</b>
<b>Total Television funding</b>				

**5. RADIO**

	1994 (\$000)	1993 (\$000)
<b>Radio New Zealand</b>		
National Radio	16,107	16,670
Concert FM	4,543	4,980
	<b>\$20,650</b>	<b>\$21,650</b>
<b>Access community radio</b>		
Auckland Access Community Radio	195	135
Auckland Pacific Island Radio	275	402
Hamilton Access Radio	114	85
Wairarapa Access Radio	30	30
Print Disabled Radio (Levin)	71	77
Wellington Access Radio	248	352
Samoan Capital Radio (Wellington)	7	133
Nelson Access Radio	85	112
Harvest Community Radio (Motueka)	-	30
Tasman Bays combined access radio venture	115	-
Plains FM (Christchurch)	193	196
Otago Access Radio	156	138
Goldfields Community Radio (Lawrence)	-	17
Southland Access Radio	135	135
	<b>\$1,624</b>	<b>\$1,842</b>
<b>Programmes on commercial radio</b>		
	<b>380</b>	<b>20</b>
<b>Total Radio funding</b>	<b>\$22,654</b>	<b>\$23,512</b>

**6. MAORI RADIO**

Aotearoa Radio (Auckland, Wellington & Christchurch)	1,108	1,231
Te Upoko O Te Ika (Wellington)	450	624
Mana Maori Media news service	975	924
<b>Iwi Radio Stations</b>		
Te Reo Irirangi O Te Hiku O Te Ika (Kaitiaki)	200	200
Te Whare Awhina O Te Iwi (Mangamuka Bridge)	200	200
Nga Uri O Hineamaru (Whangarei)	200	200
Mai Communications Cooperative Society (Auckland)	200	400
Te Reo Irirangi O Tainui (Ngaruawahia)	200	200
Te Reo Irirangi O Pare Hauraki (Paeroa)	200	200
Te Reo O Tauranga Moana (Tauranga)	200	200
Te Reo Irirangi O Ngati Awa (Whakatane)	200	200
Radio Ngati Porou (Ruatoria)	200	200
Te Reo Irirangi O Te Arawa (Rotorua)	200	200
Te Reo Irirangi O Ngati Raukawa (Tokoroa)	200	200
Te Reo Irirangi O Maniapoto (Te Kuiti)	90	90
Te Reo Irirangi O Turanganui A Kiwa (Gisborne)	200	232
Tuwharetoa Maori Trust Board (Turangi)	200	200
Te Reo Irirangi O Taranaki (New Plymouth)	200	200
Te Reo O Ngati Kahungunu (Taradale)	200	200
Te Reo Irirangi O Whanganui (Wanganui)	200	200
Te Reo Irirangi O Rangitane (Palmerston North)	200	200
Atiawa FM (Lower Hutt)	267	40
Te Reo Irirangi O Ka Waka Ki Otautahi (Christchurch)	200	200
National Maori radio network system	895	976
	<b>\$7,385</b>	<b>\$7,717</b>

**7. TRANSMISSION COVERAGE**

	1994 (\$000)	1993 (\$000)
<i>Television</i>		
Extension of TV3's non-commercial coverage	4,124	-
Chatham Islands television service	228	228
Other transmission costs	13	-
Television New Zealand's non-commercial coverage	-	638
<i>Radio</i>		
Radio New Zealand's non-commercial community relays and hybrid stations	142	221
Non-commercial community radio extensions	156	306
	.....	.....
	<b>\$4,663</b>	<b>\$1,393</b>

**8. NEW ZEALAND MUSIC**

New Zealand music on radio	1,202	460
New Zealand music videos	450	315
	.....	.....
	<b>\$1,652</b>	<b>\$775</b>

**9. ARCHIVES**

<i>Television</i>		
New Zealand Television Archive (TVNZ)	460	592
New Zealand Film Archive	139	84
<i>Radio</i>		
New Zealand Public Radio Sound Archives	446	443
	.....	.....
	<b>\$1,045</b>	<b>\$1,119</b>

**10. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES WITH THE NET SURPLUS (DEFICIT) FOR THE YEAR**

Reported net surplus (deficit) for the year	(2,740)	10
Add non-cash items: Depreciation	71	74
	.....	.....
	(\$2,669)	\$84
Add (less) movements in other working capital items:		
• Increase in accounts receivable	(4,569)	(5,764)
• Decrease in prepayments	86	(119)
• Increase in accounts payable	389	(377)
• Decrease in Public Broadcasting Fees received in advance	(30)	(205)
• Increase in funding liabilities	10,488	11,247
	.....	.....
	\$6,364	\$4,782
Net cash inflow from operating activities	<b>\$3,695</b>	<b>\$4,866</b>

**11. EARLY CHILDHOOD TELEVISION FUND**

Balance 1 July 1993	3,012	4,531
Transfer to income and expenditure for the year	(1,281)	(1,519)
	.....	.....
Balance 30 June 1994	<b>\$1,731</b>	<b>\$3,012</b>

This fund has been established to meet the ongoing funding of an early childhood television series over the next two years.

**12. CASH AND BANK**

	1994 (\$000)	1993 (\$000)
Cash comprises cash balances held on hand and with New Zealand banks.		
Bank of New Zealand - current accounts	1,139	82
Bank of New Zealand - call deposits	100	2,600
ANZ Banking Group (New Zealand) Limited - call deposits	-	2,500
	.....	.....
	<b>\$1,239</b>	<b>\$5,182</b>

**13. SHORT TERM DEPOSITS**

Treasury bills	11,189	13,595
ANZ Banking Group (New Zealand) Limited	6,650	2,000
National Bank of New Zealand Limited	4,920	1,593
Bank of New Zealand	2,000	-
	.....	.....
	<b>\$24,759</b>	<b>\$17,188</b>

**14. ACCOUNTS RECEIVABLE - PUBLIC BROADCASTING FEE**

Accounts receivable - Public Broadcasting Fee	26,802	21,499
Less Provision for doubtful debts	(1,881)	(1,566)
	.....	.....
	<b>\$24,921</b>	<b>\$19,933</b>

**15. FIXED ASSETS**

	Original Cost (\$000)	Accumulated depreciation (\$000)	1994 Book value (\$000)	1993 Book value (\$000)
Furniture & fittings	132	84	48	63
Leasehold alterations	99	77	22	39
Computer equipment	184	112	72	32
Office equipment	51	39	12	16
Motor vehicles	93	45	48	56
	.....	.....	.....	.....
	<b>\$559</b>	<b>\$357</b>	<b>\$202</b>	<b>\$206</b>

**16. FUNDING LIABILITIES**

At the time funds are committed to a programme or a particular project the commitment is recorded as a liability and the liability is then reduced as the funds are advanced according to the terms of the funding agreement. Funds are normally paid by instalments to meet the cashflow requirements of the programme or the particular project.

At year end funds had yet to be drawn down for the following activities:

	1994 (\$000)	1993 (\$000)
Television programmes	40,140	34,363
Radio, non-commercial transmission coverage, and archives	6,235	1,524
	.....	.....
	<b>\$46,375</b>	<b>\$35,887</b>

It is expected that these funding liabilities will all be paid during the next 12 months.

**17. FINANCIAL INSTRUMENTS**

**Credit Risk**

Financial instruments which potentially subject NZ On Air to risk consist of cash and bank, short term deposits and accounts receivable. NZ On Air invests funds only with registered banks with satisfactory credit ratings or in government securities. Exposure to any one financial institution is restricted in accordance with NZ On Air's treasury policy.

**Concentration of credit risk**

NZ On Air is not exposed to any concentrations of credit risk.

**Fair values**

There were no differences between the fair value and carrying amounts of financial instruments as at 30 June 1994.

**Credit facilities**

NZ On Air did not have bank overdraft facilities as at 30 June 1994.



BROADCASTING COMMISSION

**statements of commitments,  
contingent liabilities and resources**

FOR THE YEAR ENDED 30 JUNE 1994

**STATEMENT OF COMMITMENTS**

	1994 (\$000)	1993 (\$000)
Lease commitments		
- Less than 1 year	516	962
- 1 year to 2 years	-	962
- 2 years to 5 years	-	1,412
	\$516	\$3,336
Non cancellable contracts for programme and project funding for future years		
- Less than 1 year	23,757	27,436
- 1 year to 2 years	74	19,474
- 2 years to 5 years	119	193
	\$23,950	\$47,103

**STATEMENT OF CONTINGENT LIABILITIES**

	1994 (\$000)	1993 (\$000)
Legal proceedings and disputes ( <i>Note</i> )	\$638	-

*Note:* At the time of completing the financial statements Television New Zealand Limited (TVNZ) raised the prospect of seeking a judicial review in order to determine a level of subsidy to be paid to TVNZ by the Broadcasting Commission (NZ On Air) for that part of its transmission coverage which TVNZ considers to be non-commercial. TVNZ is claiming \$11.7 million per annum. NZ On Air's assessment of the annual subsidy for the year is \$638,000. On present information NZ On Air's view is that TVNZ's claim is effectively without substance and NZ On Air will vigorously defend any proceedings commenced by TVNZ.

**STATEMENT OF RESOURCES**

<b>(a) Personnel</b>		
Members of the Commission (part-time)	1994 6	1993 6
Staff (full-time equivalents)	10.5	10.5
<b>(b) Broadcasting Equipment</b>		
<p>NZ On Air has purchased equipment at a cost of \$799,556 which is used by New Zealand Public Radio Limited for National Radio and Concert FM transmission and for the national Maori radio network system, and by Fife FM, Port FM and Radio Scenicland for the extension of non-commercial community radio coverage. NZ On Air has expensed the cost of this equipment and plans to transfer ownership in the near future to the appropriate entities.</p>		

BROADCASTING COMMISSION

statements of objectives and  
service performance

FOR THE YEAR ENDED 30 JUNE 1994

Unless otherwise stated the time of delivery of the service performance is for the year ended 30 June 1994.

FEE COLLECTION

**Objective** - To increase the income from the Public Broadcasting Fee by increasing the level of compliance.

	Performance Target	Performance Actual
<b>Quality</b>		
Level of compliance	87.2%	90%
<b>Quantity</b>		
Gross Fee Income (\$000)	\$90,252	\$93,142
Cost of Collection (\$000)	\$8,528	\$8,486

TELEVISION PROGRAMMES

**Objective** - To fund a range of programming for both primetime and special interest viewers.

Quality (types of programmes)	Performance Target		Performance Actual	
	Quantity (hours)	Cost (\$000)	Quantity (hours)	Cost (\$000)
<b>For primetime viewers</b>				
- Drama	232	18,610	229	18,662
- Documentaries	150	12,000	200	11,924
<b>For special interest viewers</b>				
- Children	500	7,250	476	9,386
- Ethnic & other minorities	130	3,360	106	4,030
- Arts & culture	47	2,420	42	2,144
- Teletext & other disability services	n/a	1,800	n/a	921
	<b>1,059</b>	<b>\$45,440</b>	<b>1,053</b>	<b>\$47,067</b>

Note: Maori television programming is included in the Maori broadcasting service performance.

NATIONAL RADIO

**Objective** - To maintain National Radio substantially in its present form but on a cost-effective basis and with the flexibility to meet changing audience needs especially for special interest listeners.

Quality (types of programmes)	Performance Target Quantity (% of total annual hours of 8760)	Performance Actual Quantity (% of total annual hours of 8760)
NZ Spoken programmes	44%	52%
Including -		
Current affairs & lifestyle	18%	20%
News bulletins	9%	10%
For special interest listeners	15%	20%
NZ Drama	2%	2%
NZ Music	(% of music) 20%	(% of music) 30%
Cost (\$000)	\$16,107	\$16,107

**CONCERT FM**

**Objective** - To maintain Concert FM substantially in its present form but on a cost-effective basis and with the flexibility to meet changing audience needs especially for special interest listeners.

Quality (types of programmes)		Performance Target Quantity (% of total annual hours of 6570)	Performance Actual Quantity (% of total annual hours of 6570)
Music Including -	NZ Music including: NZ Composed	85% 13% 3%	85% 13% 3%
Spoken Including -	NZ Produced including: NZ Drama	15% 10% 1%	15% 10% 1%
Cost (\$000)		\$4,543	\$4,543

**MAORI BROADCASTING**

**Objective** - To fund broadcasting which promotes Maori language and Maori culture.

Quality (Using Maori language)	Performance Target		Performance Actual	
	Quantity (# of stations)	Cost (\$000)	Quantity (# of stations)	Cost (\$000)
Maori radio stations promoting Maori language and Maori culture	22	\$7,462	22	\$7,385
	(# of hours)		(# of hours)	
Maori television programmes promoting Maori language and Maori culture	130	\$4,485	116	\$4,600

**NON-COMMERCIAL TELEVISION**

**Objective** - To ensure that the transmission coverage of Television New Zealand Limited's Television One and Channel 2 is maintained at the levels achieved by the Broadcasting Corporation of New Zealand on 1 April 1988.

**Quality & Quantity**

Performance Target	Performance Actual
Television One reaching 99.9% of population	99.9% (Note 1)
Channel 2 reaching 99.7% of population	99.7% (Note 1)
Cost (Note 2)	

Note 1: The percentage of the population covered is based on the 1986 census data.

Note 2: No payments were made to Television New Zealand Limited for non-commercial coverage during the year. The cost of this coverage is being negotiated between NZ On Air and Television New Zealand Limited.



# Audit New Zealand

*report of the audit office  
to the readers of the statements of account of  
the broadcasting commission*

FOR THE YEAR ENDED 30 JUNE 1994

## **AUTHORITY AND SCOPE OF AUDIT**

The statements of account, appearing on pages 23 to 34 were prepared pursuant to section 41 of the Public Finance Act 1989 and are the responsibility of the Broadcasting Commission. The Audit Office's responsibilities include a requirement, pursuant section 43 of the Public Finance Act 1989, to express an audit opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards, with the objective of obtaining reasonable assurance that the statements of account are free from significant errors or omissions. In our audit we reviewed the evidence to support the amounts and disclosures in all statements. We also assessed the accounting practices used.

## **UNQUALIFIED OPINION ON STATEMENTS OF ACCOUNT**

In our opinion the statements of account of the Broadcasting Commission fairly reflect

- The achievement in respect of the performance targets and other measures adopted for the year ended 30 June 1994;
- The financial results and cash flows for the year ended 30 June 1994; and
- The financial position as at 30 June 1994.

**KAREN WALLACE**

Audit New Zealand  
On behalf of the Controller and Auditor-General  
12 September 1994  
Wellington  
New Zealand

BROADCASTING COMMISSION

key statistics

FIVE YEAR COMPARISON

<i>Public Broadcasting Fee (PBF) Statistics</i>	1994	1993	1992	1991	1990
Total number of Fee payers at year end.	1,009,019	974,520	924,392	895,327	848,480
Total number of concessional Fee payers at year end. Concessional rates apply to New Zealand superannuitants who live alone.	136,581	137,626	134,418	125,254	102,493
Standard annual PBF (excluding GST of \$12.22)	\$97.78	\$97.78	\$97.78	\$97.78	\$97.78
Concessional annual PBF (excluding GST of \$8.12).	\$64.88	\$64.88	\$64.88	\$64.88	\$64.88
Residential compliance level (based on census data - 1,088,299 potential TV homes)	90%	86%	80%	78%	74%

<i>Television Production Funding Statistics</i>	1994	1993	1992	1991	1990	
<b>By Producer</b>	- TVNZ	36% *	40% *	35%	40%	64%
	- TV3	4%	2%	3%	8%	8%
	- Independent Producers	60%	58%	62%	52%	28%
		100%	100%	100%	100%	100%
<b>By Broadcaster</b>	- TVNZ	56%	75%	77%	78%	76%
	- TV3	44%	25%	23%	22%	24%
		100%	100%	100%	100%	100%
		100%	100%	100%	100%	100%

\* includes South Pacific Pictures and Avalon Studios which are wholly owned subsidiaries of TVNZ.

**By Programme Type**

Hours funded:	1994	1993	1992	1991	1990
- Drama	229	213	187	77	49
- Documentaries	200	214	112	119	60
- Children and young persons	476	447	410	283	162
- Maori programmes	116	118	145	118	74
- Special interest programmes	148	134	90	91	189
	1169	1126	944	688	534

<i>Radio funding statistics</i>	1994	1993	1992	1991	1990
Number of Maori stations	22	21	18	12	6
Number of Access stations	9	9	8	6	5
Number of Pacific Island stations	2	2	-	-	-

## television programmes funded

FOR THE YEAR ENDED 30 JUNE 1994

Programmes (Broadcaster)	Producer	Episodes & Duration	NZ On Air Funding \$	% of Total Cost
<b>DRAMA/COMEDY</b>				
A Bit After Ten Series II (TVNZ)	Concept Television	13 x 1/2 hour	353,338	
Coverstory (TV3)	Gibson Group	13 x 1 hour	3,645,000	
In Search Of The Great NZ Male (TV3)	Ultimate Productions	1 x 1 1/2 hour	142,096	
Letters To Blanchy (TVNZ)	Isambard Productions	4 x 1/2 hour	500,000	
Melody Rules (TV3)	TV3 Network Services	26 x 1/2 hour	1,262,990	
Mirror Mirror (TVNZ)	Gibson Group	20 x 1/2 hour	1,500,000	
Neighbourhood Network (TV3)	Tucker Films	7 x 1/2 hour	496,712	
Plainclothes (TVNZ)	South Pacific Pictures	18 x 1 hour	3,300,000	
Pony (TVNZ)	Pony Productions	2 x 1 hour	1,091,750	
Shortland Street Series III (TVNZ)	South Pacific Pictures	260 x 1/2 hour	2,250,000	
Skitz (TV3)	Gibson Group	26 x 1/2 hour	1,375,000	
Sunday Theatre (TVNZ)	Various	7 x 1 hour	1,400,000	
That Comedy Show (TV3)	Isambard Productions	20 x 1/2 hour	1,345,055	
		<b>229 hours</b>	<b>\$18,661,941</b>	<b>49%</b>
<b>DOCUMENTARY</b>				
A Moth To The Flame (TV3)	Frame Up Films	1 x 1 hour	129,176	
An Immigrant Nation (additional) (TVNZ)	Top Shelf	8 x 1 hour	279,076	
Animals And Us (TV3)	Communicado	13 x 1/2 hour	342,043	
Banned (TVNZ)	University of Auckland	1 x 1 hour	75,700	
Cassino (TV3)	Execam	1 x 1 hour	100,000	
Country Calendar (TVNZ)	Avalon Studios	23 x 1/2 hour plus 1 x 1 hour	259,605	
Documentary Fellowship (TVNZ)	Annie Goldson	1 x 1 hour	50,000	
Families (TV3)	Families NZ Television	13 x 1/2 hour	325,000	
Family-The Winds of Home (TVNZ)	Television New Zealand	1 x 1 hour	100,000	
Heroes Series III (TVNZ)	Communicado	13 x 1/2 hour	587,693	
How The Other Half Lives (TVNZ)	RSVP Productions	1 x 1 hour	85,748	
Inside New Zealand Series III (TV3)	TV3 Network Services	30 x 1 hour	2,700,000	
Just When You Thought It Was Safe (TV3)	Wild Films	1 x 1 hour	100,000	
Kaikoura - A Whale's Tale (TVNZ)	Potiki Films	1 x 1 hour	100,000	
Living Earth Series IV (TV3)	TV3 Network Services	48 x 1/2 hour	772,900	
Long Time Clean (TVNZ)	Zee Films	1 x 1 hour	89,780	
Made In New Zealand Series II (TVNZ)	Communicado	46 x 1/2 hour	517,500	
Made In New Zealand Series I (TVNZ)	Communicado	10 x 1 hour	131,771	
Making Babies (TVNZ)	Infotainment Film & Video	1 x 1 hour	50,000	

**CONTINUED**

Programmes (Broadcaster)	Producer	Episodes & Duration	NZ On Air Funding \$	% of Total Cost
New Zealand At War (TVNZ)	Communicado	6 x 1 hour	900,000	
Not Just A Domestic (TVNZ)	Communicado	1 x 1 hour	90,000	
Once A Convent Girl (TVNZ)	Colleen Hodge Productions	1 x 1 hour	85,130	
Playing Possum (TVNZ)	Zee Films	1 x 1 hour	100,000	
Police Dogs (TVNZ)	Dexterity Productions	1 x 1 hour	85,000	
Police Recruit (TVNZ)	Avalon Studios	1 x 1 hour	100,000	
Quantum (TVNZ)	Pro Television	15 x 1/2 hour	201,942	
Really Living (TVNZ)	Avalon Studios	26 x 1/2 hour	598,000	
Serious Road Trip (TVNZ)	Future Productions	1 x 1 hour	73,250	
Tagata Tangata (additional) (TVNZ)	Pasifika Knowhow		70,466	
The Art Collectors (TVNZ)	Point of View Productions	1 x 1 hour	89,221	
The Japanese Way (TVNZ)	Zee Films	1 x 1 hour	100,000	
The Best Years Of Their Lives (TVNZ)	RSVP Productions	1 x 1 hour	66,492	
The Great NZ Family Showdown (TV3)	Seannachie/Antrim	1 x 2 hour	150,989	
The Big Byte (TVNZ)	Big Byte Productions/ Avalon Studios	26 x 1/2 hour	450,000	
The People Next Door (TVNZ)	Triangle Television	1 x 1 hour	89,620	
The New Zealand Wars (TVNZ)	Landmark Productions	5 x 1 hour	1,186,941	
To Be Like A Lady (TVNZ)	Communicado	1 x 1 hour	116,000	
Treasure Island-A Woman's Story (TVNZ)	Ace of Hearts	1 x 1 hour	100,000	
War Stories/Tui (TV3)	Preston-Laing	2 x 1 hour	275,000	
Wild Country Wild Horses (TVNZ)	Keith Hunter	1 x 1 hour	100,000	
Young Farmer of the Year (TVNZ)	Avalon Studios	1 x 1 hour	100,000	
		<b>200 hours</b>	<b>\$11,924,043</b>	<b>50%</b>

#### CHILDREN AND YOUNG PERSONS

A Story Of Christmas (TVNZ)	Television New Zealand	1 x 1/2 hour	41,085
Correspondence School Breakup (TVNZ)	Avalon Studios	1 x 1 hour	40,031
Infocus (TV3)	Kids TV	39 x 1 hour	1,525,911
Korero (TVNZ)	Television New Zealand	100 x 1 minute	72,526
Lifespan Smokefree Stage Challenge (TVNZ)	Television New Zealand	1 x 1 hour	151,632
Mel's Amazing Movies (TVNZ)	Television New Zealand	13 x 12 mins	441,543
Oi Series II (TV3)	Johnston Productions	13 x 1/2 hour	396,000
Oscar And Friends (TV3)	Gnome Productions	15 x 10 mins	1,325,690
Son Of A Gunn (TVNZ)	Television New Zealand	230 x 1/2 hour	600,000
The Fancy Thats (TVNZ)	Television New Zealand	50 x 10 mins plus 2 x 1/2 hour	372,000
The Trivia Company (TV3)	Johnston Productions	13 x 1/2 hour	440,000
Tiki Tiki Forest Gang (additional) (TVNZ)	Taylor-made Productions		84,359
Tiki Tiki Forest Gang (TV3)	Taylor-made Productions	52 x 1/2 hour	1,187,098

Programmes (Broadcaster)	Producer	Episodes & Duration	NZ On Air Funding \$	% of Total Cost
Top Team/Go For It (TVNZ)	Kids TV	1 x 1/2 hour	26,760	
What Now (TVNZ)	Television New Zealand	44 x 3 hour	1,400,000	
You And Me (TV3)	Kids TV	260 x 1/2 hour	1,281,220	
		<b>476 hours</b>	<b>\$9,385,855</b>	<b>72%</b>

#### MAORI

Marae (TVNZ)	Television New Zealand	38 x 1 hour	1,610,000	
Te Karere (TVNZ)	Television New Zealand	200 x 10 min	2,240,000	
Waka Huia (TVNZ)	Television New Zealand	38 x 1 hour	750,000	
		<b>116 hours</b>	<b>\$4,600,000</b>	<b>91%</b>

#### SPECIAL INTEREST

Asia Dynamic (TVNZ)	Television New Zealand	36 x 1/2 hour	747,201	
Bitter Calm (additional) (TV3)	Gibson Group		20,000	
Christmas Concert-NZSO (TVNZ)	Television New Zealand	1 x 1 hour	112,897	
Church OB's (TVNZ)	Television New Zealand	3 x 1 hour	159,401	
Ethnic Cooking (TV3)	Isambard Productions	26 x 1/2 hour	426,305	
Frenzy Series II (TV3)	Manifesto Communications	26 x 1/2 hour	284,320	
From Aswan To Alexandria (TV3)	Ninox Films	1 x 1 hour	125,395	
Kiri On The Waterfront (TVNZ)	Television New Zealand	1x 2 hour	70,000	
Kiri At The Albert Hall (TVNZ)	Television New Zealand	1 x 2 1/2 hour	52,300	
Mobil Song Quest (TV3)	C4 Productions	1 x 1 hour	79,921	
NZ Music Video Awards (TVNZ)	Great Pacific Entertainment	1 x 1 hour	89,577	
NZ Entertainer Of The Year Awards (TV3)	C4 Productions	1 x 1 1/2 hour	174,686	
NZ Film & Television Awards (TVNZ)	Television New Zealand	1 x 2 hour	200,000	
Open Door Series II (TV3)	Morningside Productions	26 x 1/2 hour	961,575	
Parent Time (TV3)	Kids TV	130 x 5 mins	26,000	
Praise Be (TVNZ)	Television New Zealand	45 x 1/2 hour	551,100	
Smokefree Sports Series IV (TVNZ)	Television New Zealand	30 x 12 mins	105,500	
Tagata Pasifika (TVNZ)	Television New Zealand	38 x 1/2 hour	927,761	
Teletext (TV3)	Television New Zealand	Subtitling	84,066	
Teletext (TVNZ)	Television New Zealand	Subtitling	837,000	
The Edge Series III (TV3)	Gibson Group	35 x 1/2 hour	1,060,000	
		<b>148 hours</b>	<b>\$7,095,005</b>	<b>89%</b>



## directory

### MEMBERS

Merv Norrish	of Wellington	<i>Chair</i>
Jim Stevenson	of Wellington	<i>Deputy Chair</i>
Roger Horrocks	of Auckland	
Pamela Meekings-Stewart	of Wellington	
Gay Charlotte	of Christchurch	
Barbara Stewart	of Christchurch	

### STAFF

Ruth Harley	<i>Executive Director</i>
Chris Prowse	<i>Deputy Executive Director</i>
Selwyn Crane	<i>Manager, Broadcasting Fee</i>
Rose Church	<i>Administration Manager</i>
Elizabeth Morrison	<i>Finance Executive</i>
Brendan Smyth	<i>Programme Manager (Radio and New Zealand Music)</i>
Jane Wrightston	<i>Programme Manager (Television)</i>
Robyn Andrews	<i>Personal Assistant/Secretary</i>
Madeline Palmer	<i>Receptionist</i>
Anita Roberts	<i>Personal Assistant/Secretary</i>
Teresa Tito	<i>Personal Assistant/Secretary</i>

### OFFICE

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