



**NZ**

**ON**

**AIR**

*Irirangi* **TE MOTU**

BROADCASTING COMMISSION  
ANNUAL REPORT 1989 – 90

TE KAHUI IRIRANGI  
RIPOATA A-TAU 1989 – 90

## CONTENTS

Our Mission	1
Chairman's introduction	2
Executive Director's report	3
Statement of service performance	11
Financial statements	
– balance sheet	12
– income and expenditure statement	13
– statement of cashflows	14
– notes to the accounts	15
Audit Report	18
Television programmes funded during the year	19
Directory	21



## OUR MISSION

"To develop the  
distinctiveness, variety and  
quality of New Zealand  
broadcasting that reflects  
the culture and identity of  
all New Zealanders under  
the Treaty of Waitangi."



## CHAIRMAN'S INTRODUCTION

1990 will be remembered as the gateway to a new sense of nationhood. It was an auspicious time to set up the Broadcasting Commission: an organisation whose role is to help achieve a sense of nationhood in broadcasting.

The Commission came into existence at a time of radical change to the operational requirements of the public sector. We have developed a vigorous organisation capable of operating effectively within a predominantly commercial environment.

This is exemplified in our NZ On Air campaign. By promoting NZ On Air as our public face, we are showing the public what the Broadcasting Fee is buying. We believe the campaign will help motivate people to pay their Broadcasting Fee. This will increase revenue and expand the range of broadcasting and programmes that can be supported. Without the Broadcasting Fee, New Zealand would have television screens and radio that told us a lot about America, Australia and Britain – but not as much about ourselves as New Zealanders would like.

These developments have occurred against a background of revolutionary change in broadcasting in New Zealand. With the establishment of Radio New Zealand and Television New Zealand as State Owned Enterprises, the advent of TV3 and the tendering of radio

and television frequencies, there is now a vastly increased number of broadcasting delivery systems.

Broadcasting, particularly television broadcasting, is a capital-intensive industry. In a small country like New Zealand, deregulation and new technologies pose a threat to the volume and diversity of local programmes.

NZ On Air will help keep "New Zealand" firmly embedded in the fabric of the new broadcasting structure. We will assist broadcasters to achieve social objectives and ensure that the cultural contribution of broadcasting is not overwhelmed by commercial imperatives.

Details of the first year achievements are outlined in the Executive Director's report. However, I would like to highlight the following achievements which

demonstrate our effectiveness in meeting our responsibilities under the Broadcasting Act:

- By investing \$23.7 million in television programmes, we have assisted in the funding of local television programmes which cost a total of \$58.6 million.
- For the first time, Murchison and South Westland will be provided with radio signals.
- Southland and Northland will have access to full FM Concert Programme reception.
- National Radio and the Concert Programme have been strongly supported.
- There is an independent Maori News Service and six Maori radio stations helping to revitalise the Maori language.
- The Maori language television programmes – *Te Karere* and *Waka Huia* – have been maintained.
- Billy T. James has made a come-back on the small screen.
- *60 Minutes* has returned to TV3, putting more New Zealand documentaries into prime-time.
- Regional television news serves the special needs of South Island viewers.
- TVNZ's subtitling and news services for people with hearing disabilities have been saved.
- A wide range of New Zealand children's television programming is available including *In Focus*, *Video Dispatch*, *Maori Myths & Legends*, *10 out of 10*, *Bidi Bidi*, and *Rodney Rat*.
- *Tagata Pasifika* offers Pacific Islanders their own television magazine show.
- The arts have been represented with quality, specialist programmes like *Jean – the Ballet* and *10AM*.
- Funding has been provided to assist the collection and archiving of the country's television heritage.

Along with these successes, there have been predictable tensions. While it is not an easy task to achieve an appropriate balance between cultural and commercial broadcasting objectives, we believe that New Zealanders' cultural aspirations can be well served by the new broadcasting arrangements.

I am particularly grateful for the contribution and dedication of my fellow Commissioners and the staff. With their resolute commitment to our goals, I am confident that in the forthcoming year we will continue to help New Zealand programmes and our people get a fair share of the air.

**MERV NORRISH, Chairman**

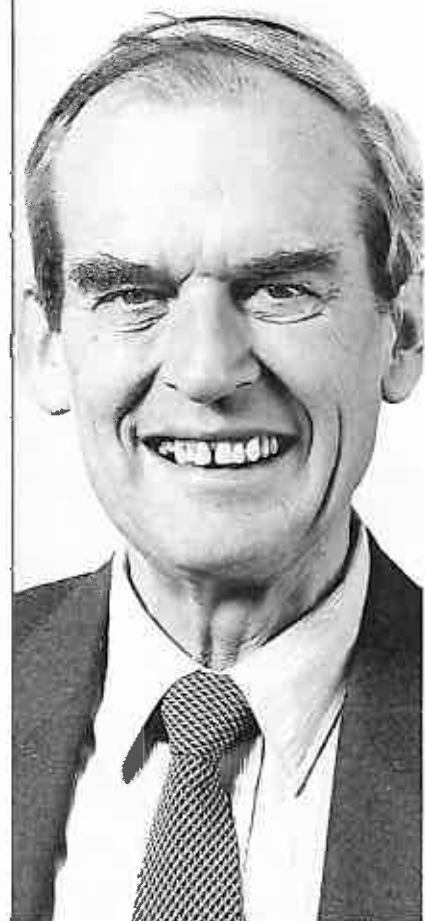


Photo: Guy Robinson

## EXECUTIVE DIRECTOR'S REPORT

NZ On Air has developed five goals for the period 1989 to 1992.

These goals were the foundation stones for our achievements in our first year of operation.

### Goal One

To ensure that mainstream audiences have access to a variety of quality programmes made for New Zealanders, by New Zealanders and about New Zealanders.

#### Achievements include:

##### Television:

<i>The Billy T James Show</i>	(TV3)	Comedy/drama series
<i>60 Minutes</i>	(TV3)	Series of documentaries
<i>The New Adventures of Black Beauty</i>	(TV3)	Children's drama series
<i>Jean - The Ballet</i>	(TVNZ)	Arts programme
<i>Magic Kiwis</i>	(TVNZ)	Documentary series
<i>Maori Battalion Marched to Victory</i>	(TVNZ)	Documentary
<i>Challenge Bluebird</i>	(TVNZ)	Documentary

##### Radio:

New Zealand spoken features and New Zealand music and drama on National Radio and the Concert Programme.

A three year plan to extend radio services to remote communities.

### Goal Two

To facilitate diversity in broadcasting by supporting a range of broadcasting opportunities for all audiences and programme makers, including minority and mainstream interests.

#### Achievements include:

##### Television:

<i>Pounamu 10AM</i>	for Maori viewers on Maori issues for followers of the arts in New Zealand
<i>Tagata Pasifika</i>	for New Zealand's Pacific Island communities
<i>News Review</i>	for people with hearing disabilities
<i>Praise Be</i>	for the Christian community
<i>In Focus &amp; Video Dispatch</i>	for children and young people

##### Radio:

Maori radio in six centres and an independent national Maori news service.  
Access radio in five centres.

### Goal Three

To respond to public opinion and to monitor, react to, and influence the broadcasting environment.

#### Achievements include:

As a primary strategy we have undertaken research to ascertain whether the fee-paying public under-

stands our role and whether we are meeting their expectations.

To complement this we have, as a matter of policy, fully disclosed funding and policy decisions at regular media conferences.

To ensure more structured consultation, planning commenced during the year for a national Forum on broadcasting, to encourage New Zealanders to contribute to the development of public broadcasting policy. The Forum is scheduled for November 1990.

### Goal Four

To support Maori broadcasting aspirations.

#### Achievements include:

NZ On Air has focused on supporting Maori radio, particularly at a regional level. Specialist Maori radio stations in Auckland, Wellington, Northland, Ruatoria, Ngauruawahia and Rotorua have been assisted. The Mana News Service, which provides news and current affairs information for both Maori radio stations and National Radio was established.

Specialist Maori language television programmes have received support, including *Waka Huia* and *Te Karere*, and National Radio's *Te Reo o Aotearoa*. NZ On Air has also funded other television programmes on Maori culture and the Maori way of life.

The total commitment to Maori broadcasting was 14 percent of net fee income - more than twice the minimum required by the Minister of Broadcasting.

### Goal Five

To maximise fee collection and achieve cost-effective results.

#### Achievements include:

The aim of fee collection has been to achieve maximum returns with maximum efficiency. A new computer system was established with a data base enabling NZ On Air to contact non fee payers by direct mail.

NZ On Air also initiated an advertising campaign during the year to encourage people to pay their Broadcasting Fee and to regard it as an investment in New Zealand's cultural well-being.

High standards of client accountability were also established.



RUTH HARLEY, Executive Director

Photo: Sally Tagg

## THE YEAR IN RETROSPECT

### Television

Since its inception, NZ On Air has recognised the cultural importance of maintaining and developing an indigenous presence within the high impact medium of television. As a result, NZ On Air has part-funded quality prime time programmes to ensure a wide range of mainstream viewers are exposed to popular programmes about New Zealanders. Without funding from the Broadcasting Fee, fewer such programmes would be available for the enjoyment of New Zealand audiences.

#### Television drama

NZ On Air has provided funding support for 49 hours of television drama productions, including:

- *Bread and Roses* – a mini-series on the life of trade unionist Sonja Davies;
- *The New Adventures of Black Beauty* – a major drama series for young people;
- *Billy T James* – a home-grown sitcom;
- *Undercover* – a telefeature.

#### Television documentaries

With the 60 hours of documentaries funded by NZ On Air in the year under review, an extensive range of topics was covered, including:

- famous New Zealanders, such as Barry Crump and Kiri Te Kanawa;
- our agricultural history;
- early New Zealand explorers such as Brunner, Dieffenbach and Colenso;
- Nikki Jenkins, New Zealand's gymnastic champion;
- Auckland's Otago market;
- refugees from Poland and Vietnam;
- New Zealand's Greek and Orthodox Jewish communities;
- documentaries on Maori, including profiles on Dame Whina Cooper, Patricia Grace and Donna Awatere.

The *60 Minutes* series alone included 25 separate documentaries covering topics as diverse as the New Zealand film industry and the special needs of gifted children.

#### Maori television programmes

NZ On Air supported a number of specialist Maori programmes, including:

- two Maori language programmes – *Waka Huia* and *Te Karere*;
- programmes on Maori culture, such as the series *Pounamu*;
- a series of vignettes depicting Maori myths and legends.

#### Development Loans for Television

In addition to funds spent on production, a further \$273,000 was devoted to the development of television programmes by way of development loans.

During the year nine dramas received development funding. One of these went into production (*Billy T James* – TV3). In addition, funds were approved for the development of *Standing in the Sunshine*, a major documentary series celebrating 100 years of women's suffrage in New Zealand, and *Godzone*, a documentary series by leading New Zealand film makers, focusing on the New Zealand way of life.

#### Radio

##### National Radio and the Concert Programme

National Radio and the Concert Programme represent NZ On Air's single biggest investment in public broadcasting services. Together the two networks reach 89 percent of the New Zealand population and are listened to by over 700,000 New Zealanders (10 years and older) each week.

Of particular interest is the work of the two networks in providing in-depth news and information programmes about New Zealand life including *Good Morning New Zealand*, *In Touch with New Zealand*, *Rural Report*, *Checkpoint* and many more. Each network provides an important outlet for New Zealand music and drama. Notable successes are the popular and innovative children's programme, *Ears*, and the Mana News Service which provides a daily news and information with a Maori perspective.

In recognition of the importance of these services the Minister of Broadcasting has directed that funds be provided to maintain Radio New Zealand's National Radio and Concert Programme networks "in their present form" until at least 1 July 1992. The Minister has also required that the two networks be maintained free of commercial advertising (although the direction allows for the possibility of credits for subscriptions, sponsorships and underwriting arrangements for particular programmes).

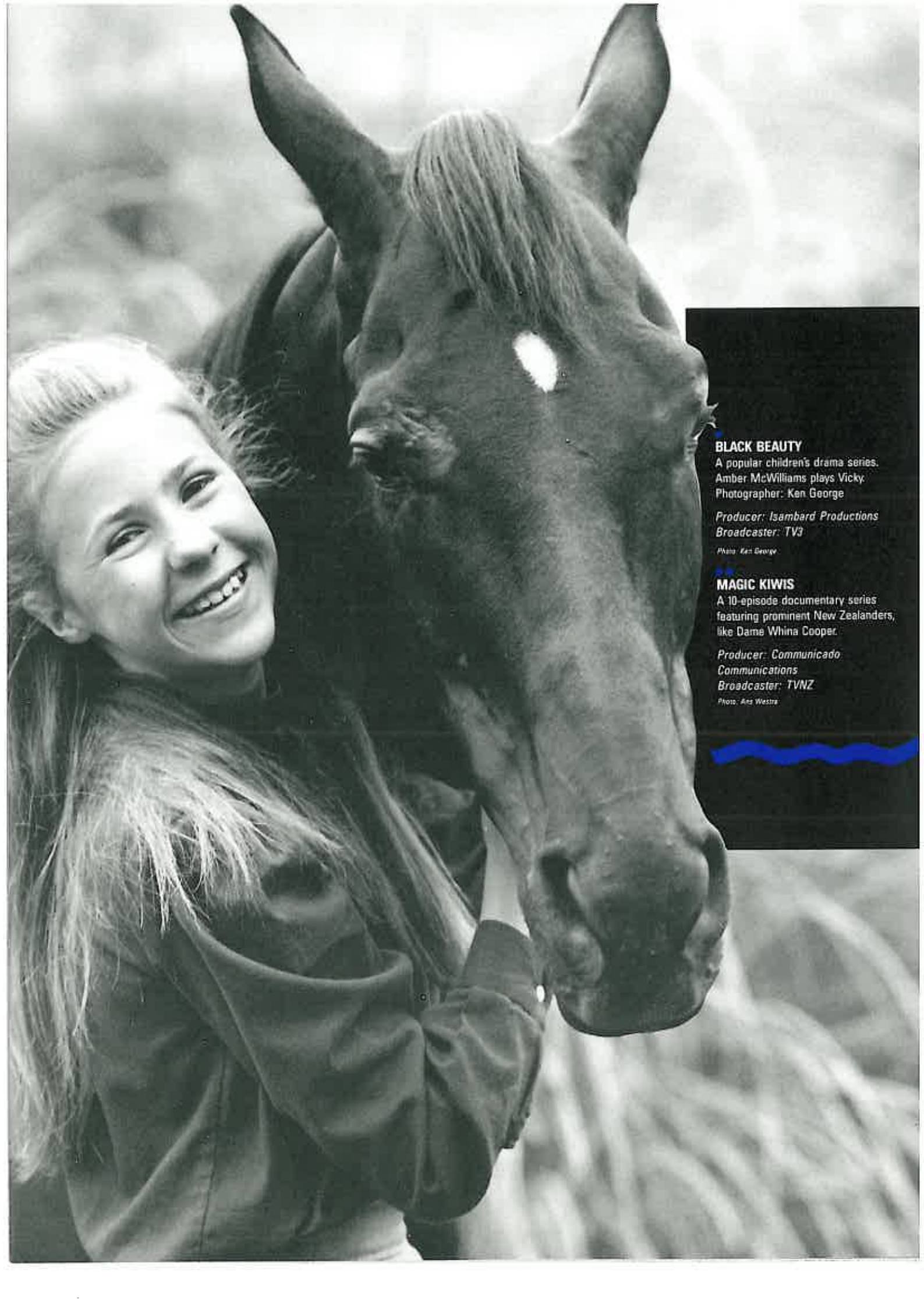
##### Access radio

Access radio is radio by the people, for the people. Access radio provides an effective means of meeting our statutory responsibility to ensure that a range of broadcasts is available for minorities in the community, including ethnic minorities.

In the year under review, a funding formula was established to recognise the work of all active access



Photo: Guy



**BLACK BEAUTY**

A popular children's drama series.  
Amber McWilliams plays Vicky.  
Photographer: Ken George

*Producer: Isambard Productions*  
*Broadcaster: TV3*

*Photo: Ken George*

**MAGIC KIWIS**

A 10-episode documentary series  
featuring prominent New Zealanders,  
like Dame Whina Cooper.

*Producer: Communicado*  
*Communications*  
*Broadcaster: TVNZ*

*Photo: Aris Westra*



broadcasters. Funds were allocated to Access Radio Auckland, Print Disabled Radio in Levin, Access Radio Wairarapa in Masterton, Plains FM in Christchurch and Wellington Access Radio. Planning is underway to support a new access radio initiative in Dunedin.

A total of \$733,000 was allocated to access radio – more than twice the level required by Ministerial direction.

### **Maori Broadcasting** **Maori radio**

Maori radio has provided one of the most exciting challenges for NZ On Air. Not long ago, there was only one Maori radio station on air. By 30 June 1990 there were six and by the end of 1991 that number could double.

NZ On Air has a special responsibility for broadcasting which promotes Maori language and culture. The Minister directed that at least six percent of the fee income (net of collection costs) be applied to Maori broadcasting. This six percent translated as \$4.6 million.

An early decision on Maori broadcasting was to allocate this sum solely to Maori radio and to provide additional funding for Maori television from the general television allocation.

Of the \$4.6 million devoted to Maori radio, the Minister directed that \$1.44 million be committed to Radio Aotearoa to "maintain a continuous AM radio service in the Auckland area".

Alongside Radio Aotearoa, funds were made available to other active Maori radio broadcasters and Mana Maori Media to establish an independent national Maori news and information service designed to serve not only Maori radio but also mainstream radio.

Eligible broadcasters are able to apply for a maximum of \$200,000 a year by way of operating funding, plus a maximum of \$100,000 as a capital grant towards transmission and studio facilities and small grants of up to \$15,000 for short-term or trial broadcasts.

Current support for Maori radio includes Radio Aotearoa in Auckland and Radio Te Upoko o Te Ika in Wellington as well as the Mana News Service. Support for iwi radio stations includes Tautoko Radio FM in Mangamuka Bridge (Northland), Radio Ngati Porou in Ruatoria, Te Reo Irirangi o Tainui in Ngaruawahia and Radio Te Arawa in Rotorua.

Funds were also set aside to establish and maintain a linking network which will enable all Maori radio broadcasters – existing and newcomers – to link individually, to reach *taura here* and to provide for national programming.

At year's end, consultations on Maori radio funding were continuing constructively.

### **Other Maori Broadcasting**

In addition to the \$4.6 million devoted to Maori radio, \$5.5 million was spent on Maori programmes for television and \$900,000 on Radio New Zealand's Te Reo o Aotearoa service, making a total commitment to Maori broadcasting of \$11 million or 14.4 percent of the net Broadcasting Fee income.

### **Transmission coverage to remote areas** **Radio**

In April 1990, NZ On Air announced a three-year plan to address priority radio coverage deficiencies. This plan was developed following a Ministerial direction that an enquiry be undertaken into radio coverage deficiencies throughout the country "as soon as practicable".

The plan embraced three categories:

- taking a primary community radio signal to all populations of 1000 or more;
- taking a primary National Radio and Concert Programme signal to all populations of 10,000 or more; and
- responding on a cost-sharing basis to community initiatives to bring a National Radio or Concert Programme signal to areas of population under 10,000.

The first areas to benefit from funding under the first category will be Murchison, South Westland, inland South Canterbury, inland Wanganui, areas of Hawkes Bay and Lakes Tarawera and Okareka in the Rotorua lakes district.


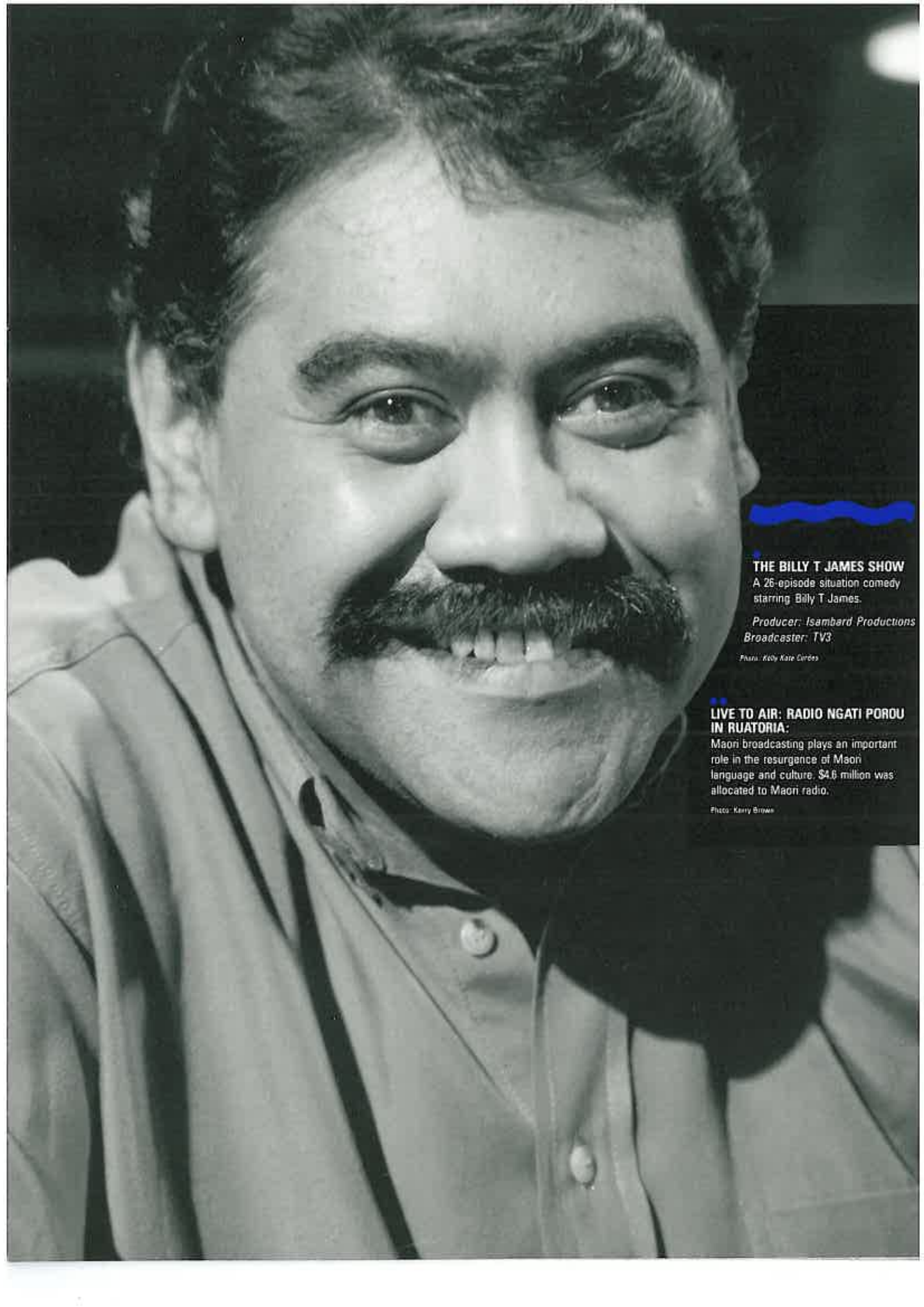
The first areas to benefit under the second category will be Southland, Northland, Gisborne/Poverty Bay, Rotorua, Eastern Bay of Plenty (each of which will receive the Concert Programme) and Tokoroa/Putaruru, Rotorua, Wairarapa and South Canterbury (National Radio).

At year's end, Radio New Zealand was carrying out the detailed work required to schedule the extensions.

In addition to coverage extensions, NZ On Air also funded the maintenance of radio services to a number of remote communities served by Radio New Zealand's community network. These services – known as hybrids and remote relays – are unprofitable and without funding support would be lost to the community. Examples are Taumarunui, Te Kuiti, Hawera, Gore, Kaitaia, Takaka, Twizel and Te Anau.

In 1989/90, we committed \$2 million per year for the next three years to the coverage extension plan and provided \$477,000 for the maintenance of the non commercial hybrids and remote relays.





◆ **THE BILLY T JAMES SHOW**

A 26-episode situation comedy starring Billy T James.

*Producer: Isambard Productions  
Broadcaster: TV3*

*Photo: Kelly Kate Cordes*

◆◆ **LIVE TO AIR: RADIO NGATI POROU  
IN RUATORIA:**

Maori broadcasting plays an important role in the resurgence of Maori language and culture. \$4.6 million was allocated to Maori radio.

*Photo: Kerry Brown*

A black and white close-up photograph of Isidor Saslav, the NZSO Concert Master. He is shown from the chest up, wearing a dark suit jacket, a white shirt, and a striped tie. He has a full, graying beard and mustache. His eyes are closed, and he has a focused, serene expression. He is holding a violin and a bow, with the instrument positioned across his chest. The background is a plain, light color. On the left side of the image, there is a dark vertical bar containing text and a blue wavy line.

**NZSO**

New Zealand's world-class symphony orchestra, funded in part from the Broadcasting Fee.  
Isidor Saslav, the NZSO Concert master.

## Television

The Minister also directed NZ On Air to undertake an enquiry into the extension of television coverage and the maintenance of existing coverage to areas that would not otherwise receive a commercially viable signal.

At year's end, the enquiry was underway. A difficulty has been evaluating the commercial viability of many of these areas within the new competitive television environment.

An early extension priority was the provision of a television service to the Chatham Islands. NZ On Air worked closely with the Chatham Islands community, the Lottery Grants Board and Television New Zealand to investigate the viability of a suitable programme service and delivery system. The sum of \$200,000 was set aside to meet the operational costs of this service. It is anticipated that the service will be operating by early 1991.

## Archives

Under the Broadcasting Act, there is a statutory obligation to "encourage the establishment and operation of archives of programmes that are likely to be of historical interest in New Zealand".

In fulfilment of this obligation, NZ On Air recognised, as an immediate priority, the funding of the Radio New Zealand Sound Archive in Timaru. We also recognised the need to ensure suitable provision is made to archive relevant material produced by Maori and independent broadcasters. Consideration of these issues will be a priority in the coming year.

Likewise, with the proliferation of television broadcasters, the need for a standardised system for television archiving is an urgent consideration. NZ On Air has adopted a three step plan to address this need:

- to secure suitable archiving for programmes funded by the Broadcasting Fee;
- to assist Television New Zealand to provide adequately for its archive material; and
- to encourage the establishment of standardised procedures for all producers and broadcasters.

During the year, funds were provided to enable the first two steps of this plan to be carried out. It will be a priority for the coming year to encourage all television broadcasters and producers to work towards the introduction of standard archive procedures for the industry.

## New Zealand Symphony Orchestra

As part of the restructuring of broadcasting, the Government announced that the funding responsibility for the New Zealand Symphony Orchestra would be transferred from the Broadcasting Fee to the Arts Vote through the Department of Internal Affairs. The transition would be effected over two years.

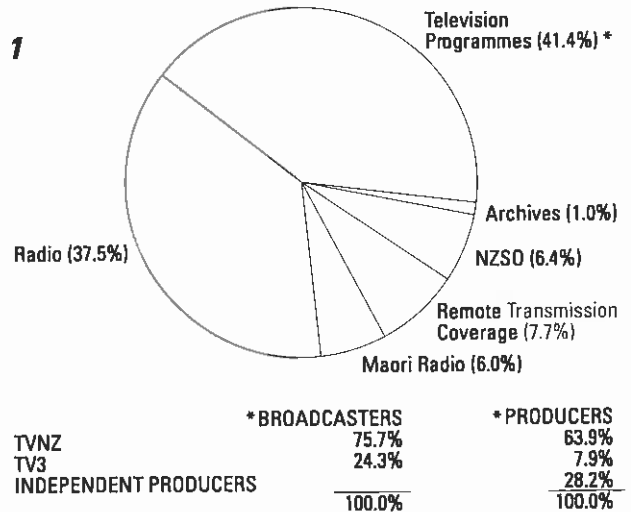
In the 1989/90 year – the first transition year – NZ On Air provided 67 percent of the Orchestra's funding with the balance coming from Internal Affairs. In 1990/91 NZ On Air's contribution will reduce to 33

percent and from 1991/92 Internal Affairs will assume full responsibility for the Orchestra.

NZ On Air's 67 percent share of the Orchestra's funding amounted to \$4.9 million in 1989/90.

## Allocation of Net Income

Allocation of net income after deducting Broadcasting Fee collection costs, administration costs, and the transfer to accumulated funds.



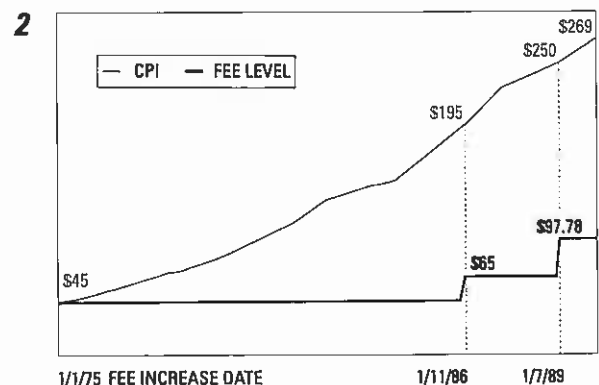
## Public Broadcasting Fee Collection

On 1 July 1989 the annual Broadcasting Fee for a colour television set increased from \$71.50 to \$110. This contributed to an increase in the gross annual revenue of \$22 million bringing total revenues for the year ending 30 June 1990 to \$81.9 million.

This is only the third fee increase in the last 15 years. Figure 2 shows this increase in relation to the movement of the CPI over this period. This illustrates that the annual fee, if indexed to the CPI, would have risen to \$269 per annum by 1990 (exclusive GST).

## Annual Colour Broadcasting Fee Rate (Excl GST)

Compared To the CPI Movement For the Years 1 January 1975 to 30 June 1990



It has been an objective during the year to increase the number of people paying the fee and, also, to keep collection costs at a realistic level. Important achievements include:



### JEAN - THE BALLET

The television presentation of Mary-Jane O'Reilly's, centred on the life of New Zealand's most famous aviatrix, Jean Batten. Lee Patrice dances the role of Jean.

Producer: Gibson Group  
Broadcaster: TVNZ

- a new computer system introduced late in 1989 which makes it possible to identify and contact non fee payers by direct mail. This system has been used for the residential compliance programme piloted in Wellington and Christchurch and will be progressively introduced to other areas in the coming year;
- easier and more flexible methods of payment, including quarterly and half yearly payment options, payment by mail, and by credit card. The introduction of a fee concession to persons receiving Guaranteed Retirement Income who live alone resulted in a concession being given to 102,493 fee payers during the year;
- substantial improvements to the customer servicing aspect of fee collection to handle the 12,000 written and 25,000 telephone enquiries made each year, including a "0800" toll free service;
- the use of a debt collection agency, as a last resort, for collecting overdue fees. The agency collects 90 percent of accounts referred;
- measures to reduce the cost of collection and increase efficiency following restructuring of the collection system;
- the achievement of higher compliance levels and increased income from hotels and motels.

During the year, the data base was comprehensively updated to establish accurate numbers of fee payers. At 30 June 1990 the number of current fees totalled 848,480 including 47,292 fees paid by hiring companies and 24,144 fees paid by businesses and accommodation houses.

Having established an accurate assessment of the number of current fee payers, realistic targets for compliance can now be set for future years. The goal is to increase the level of compliance over the next two years from the present 80 percent level to 95 percent by 30 June 1992. By 30 June 1991 the level of compliance should reach 88 percent. If successful, this will have the effect of increasing gross fee revenues by \$4 million by 30 June 1991, and a further \$7 million by 30 June 1992.

The NZ On Air advertising and promotions campaign established a "product" name as the public face of the Broadcasting Commission. As part of that campaign, a pamphlet is being distributed progressively to every New Zealand household, demonstrating that the Broadcasting Fee represents value for money. The pamphlet outlines the wide range of broadcasting services provided for the small daily cost of 30 cents.

**RUTH HARLEY, Executive Director**

**BROADCASTING COMMISSION**

**STATEMENT OF SERVICE PERFORMANCE**

FOR THE YEAR ENDED 30 JUNE 1990

**KEY PERFORMANCE MEASURES**

**REQUIRED OUTPUT** For the year

**TELEVISION**

To fund a variety of programmes.

**ACHIEVEMENT** For the year

**Programmes:**

	Funding Mix
Drama	22%
Documentary	17%
Children	14%
Maori	24%
For Minority Groups	6%
For People with Disabilities	3%
News & Arts	14%

**100%**

**RADIO**

To continue to fund National Radio and the Concert Programme in their present form.

**Annual Hours Broadcast**

National Radio	
- 1989	8,736 hours
- 1990	8,736 hours
Concert Programme	
- 1989	6,570 hours
- 1990	6,570 hours

**MAORI BROADCASTING**

To apply at least 6% of the net Public Broadcasting Fee to Maori broadcasting.

**% of net Public Broadcasting Fee applied was:**

Maori radio	6.0%
Radio New Zealand	
- Te Reo o Aotearoa	1.2%
Maori television programmes	7.2%

**Total % 14.4%**

**PUBLIC BROADCASTING FEE COLLECTION COSTS**

To retain Public Broadcasting Fee collection costs at 6.8% or less of gross Public Broadcasting Fees.

**Collection costs % to gross Fees: 6.0%**

**ADMINISTRATION COSTS**

To retain administration costs at 2% or less of gross Public Broadcasting Fees.

**Administration costs % to gross Fees: 1.5%**

**NZ  
ON  
AIR**  
Group 14 1990

**BROADCASTING COMMISSION**

**BALANCE SHEET**

AS AT 30 JUNE 1990

		\$	\$
<b>CURRENT ASSETS</b>			
Call & Short Term Deposits	Note 2		14,915,223
Accounts Receivable			
General			9,918
Prepayments			634,002
Public Broadcasting Fee		8,921,433	
Less Provision for Doubtful Debts		(443,468)	8,477,965
	Note 3		309,869
<b>FIXED ASSETS</b>			<u>\$24,346,977</u>
<b>CURRENT LIABILITIES</b>			
Bank of New Zealand – Current Account			151,689
Accounts Payable			1,010,619
GST Payable			828,438
<b>FUNDING COMMITMENTS</b>	Note 4		15,912,856
<b>FUNDS</b>			
Accumulated Funds			553,405
Remote Transmission Coverage Fund	Note 5		5,300,000
Maori Broadcasting Fund	Note 5		589,970
			<u>\$24,346,977</u>

The accompanying notes form part of these financial statements

BROADCASTING COMMISSION

**INCOME AND EXPENDITURE STATEMENT**

FOR THE YEAR ENDING 30 JUNE 1990

		\$	%	BUDGET For the Year	%
<b>INCOME</b>					
Public Broadcasting Fee		81,944,144	98.2%	83,420,000	100%
Interest From Deposits		1,436,594	1.7%	0	0%
Other Income		24,000	0.03%	0	0%
<b>TOTAL INCOME</b>		<b>\$83,404,738</b>	<b>100.0%</b>	<b>\$83,420,000</b>	<b>100%</b>
<b>LESS OPERATING EXPENDITURE</b>					
Public Broadcasting Fee Collection Costs		4,882,582	5.9%	5,692,919	7%
Administration	Note 6	1,238,853	1.5%	1,471,326	2%
<b>NET INCOME</b>		<b>\$77,283,303</b>		<b>\$76,255,755</b>	
<b>PROGRAMME FUNDING</b>					
Television	Note 11	31,660,929	38.0%	31,723,055	38%
Radio	Note 7	28,659,251	34.4%	29,366,000	35%
Maori Broadcasting	Note 8	4,033,724	4.8%	4,675,200	5%
Remote Transmission Coverage	Note 9	677,333	0.8%	5,000,000	6%
New Zealand Symphony Orchestra		4,991,500	6.0%	4,991,500	6%
Archives	Note 10	817,191	1.0%	500,000	1%
<b>TOTAL FUNDING EXPENDITURE</b>		<b>\$70,839,928</b>		<b>\$76,255,755</b>	
<b>EXCESS OF INCOME OVER EXPENDITURE</b>					
		6,443,375		0	
- Transfer to Remote Transmission Cover Fund	Notes 5 & 9	5,300,000	6.4%	0	
- Transfer to Maori Broadcasting Fund	Notes 5 & 8	589,970	0.7%	0	
<b>ACCUMULATED FUNDS 30 JUNE 1990</b>		<b>\$553,405</b>	<b>0.5%</b>	<b>\$0</b>	

The accompanying notes form part of these financial statements

**BROADCASTING COMMISSION**

**STATEMENT OF CASHFLOWS**

*FOR THE YEAR ENDED 30 JUNE 1990*

***Cash flows from operating activities***

***Cash was provided from:***

Public Broadcasting Fee	74,353,159
Opening cash acquired from the Ministry of Commerce	292,629
Other income received	24,000

***Cash was disbursed to:***

Funding advances	(55,056,498)
Payment to suppliers and employees (including Public Broadcasting Fee collection costs)	(5,929,485)

***Net cash flows from operating activities***

13,683,805

***Cash flows from investing activities***

***Cash was provided from:***

Proceeds from sale of fixed assets	3,198
Interest received	1,325,863

***Cash was applied to:***

Short term deposits	(14,564,491)
Purchase of fixed assets	(360,064)

***Net cash used in investing activities***

(13,595,494)

Net increase in cash held

88,311

***Cash balance – Current & Call Accounts***

**\$88,311**

*The accompanying notes form part of these financial statements.*



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1990.

## 1. STATEMENT OF ACCOUNTING POLICIES

### General Accounting Policies

The Broadcasting Commission was established by the Broadcasting Act 1989 and commenced operations on 1 July 1989. The financial statements cover the following activities of the Broadcasting Commission:

- (i) Collection of the Public Broadcasting Fee; and
- (ii) allocation of funds to:
  - television programme production;
  - radio broadcasting;
  - television and radio transmission coverage;
  - television and radio archives; and
  - the New Zealand Symphony Orchestra.

The financial statements have been prepared in terms of the first schedule of the Broadcasting Act 1989.

In preparing the financial statements, the going concern concept has been adopted and the historical cost method used as the measurement of income and expenditure. The accrual method of accounting is used to match revenue with expenditure. The Statement of Cash Flows is prepared using the direct method.

### 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) Comparative Figures

As the Commission commenced operations on 1 July 1989 there are no comparative figures for previous years.

#### (b) Accounts Receivable

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

#### (c) 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

#### (d) Goods and Services Tax (GST)

Income and expenditure has been measured exclusive of GST.

#### (e) 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. The exceptions to this policy are:

- (i) where a level of income has been contracted and is reasonably assured, then such commitments are treated as assets and valued at the minimum level of expected income;
- (ii) for short term advances made on a full recourse basis where the payment is secured by some means so as to give a reasonable expectation of repayment; and
- (iii) specific allocations against future years' income.

#### (f) Investments

All investments (except those covered by (e) above) are recorded at cost.

#### (g) Public Broadcasting Fee

Income from the Public Broadcasting Fee is accounted for on an accrual basis at the time the invoice is issued.

#### (h) Income from Broadcast Production Funding

Where the Commission 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.

**2. CALL AND SHORT TERM DEPOSITS**

Call Deposits	
Bank of New Zealand	\$240,000
Term Deposits	
Treasury Bills	6,936,526
National Bank of New Zealand Limited	2,027,902
Westpac Banking Corporation	2,168,746
ANZ Banking Group (New Zealand) Limited	3,542,049
	<u>\$14,675,223</u>
	<u>\$14,915,223</u>

**3. FIXED ASSETS**

	AT COST	ACCUMULATED DEPRECIATION	BOOK VALUE	BUDGETED COST
Furniture & fittings	87,937	10,282	77,655	88,190
Leasehold alterations	97,563	11,374	86,189	129,663
Computer equipment	89,717	18,120	71,597	78,609
Office equipment	33,032	4,746	28,286	30,200
Motor vehicles	53,676	7,534	46,142	53,616
	<u>\$361,925</u>	<u>\$52,056</u>	<u>\$309,869</u>	<u>\$380,278</u>

**4. FUNDING COMMITMENTS**

At the time the Commission commits funds to a programme or particular project the commitment is recorded as a liability and the liability is reduced as the funds are advanced within the terms of the funding agreement.

Funds are normally paid by instalments to meet cashflow requirements.

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

Television programmes	12,960,836
Radio, remote transmission coverage, and archives	2,952,020
	<u>\$15,912,856</u>

**5. MOVEMENT IN FUNDS**

Remote Transmission Coverage Fund

Opening Balance 1 July 1989	0
Transfer from surplus income (See Note 9)	5,300,000
Balance as at 30 June 1990	<u>\$5,300,000</u>

Maori Broadcasting Fund

Opening Balance 1 July 1989	0
Transfer from surplus income (See Note 8)	589,970
Balance as at 30 June 1990	<u>\$589,970</u>

**6. ADMINISTRATION EXPENDITURE**

Staff costs and external consultants	549,474
Commissioners' costs	102,711
Communications	114,908
Office overheads	249,058
Public relations	163,646
Depreciation	52,056
Audit fees	7,000
	<u>\$1,238,853</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1990

**7. RADIO**

<b>RADIO NEW ZEALAND</b>	19,102,294
National Radio	5,710,374
Concert Programme	913,703
Te Reo o Aotearoa	117,354
Te Upoko o Te Ika transmission costs	2,082,107
Radio New Zealand transitional grant	<u>\$27,925,832</u>

**ACCESS RADIO**

Plains FM	230,000
Radio New Zealand – Wellington Access Radio	294,919
Auckland Access Radio	167,000
Wairarapa Access Radio	23,500
Print Disabled Radio	18,000
	<u>\$733,419</u>
	<u>\$28,659,251</u>

**8. MAORI BROADCASTING**

<b>RADIO</b>	1,440,000
Radio Aotearoa	406,200
Te Upoko o Te Ika	650,000
Mana Maori Media News Service	116,524
Maori Radio Consultancy Costs	
<b>Iwi Radio Stations:</b>	65,000
Radio Ngati Porou	65,000
Radio Tautoko	65,000
Te Reo Irirangi o Tainui	50,000
Radio Te Arawa	761,000
Radio Network	400,000
Iwi Capital Development	15,000
Short Term Broadcasts	<u>\$4,033,724</u>

There is a Ministerial direction to apply 6% of the Public Broadcasting Fee revenue, net of collection costs, to promote Maori broadcasting.

During the year \$4,033,724 was committed to specific projects.

The balance of \$589,970, making up the 6%, had not been specifically committed as at the year end but has been transferred (see Note 5) to a specific Maori broadcasting fund for expenditure in the next financial year.

**9. REMOTE TRANSMISSION COVERAGE**

Chatham Islands television coverage	200,000
Radio New Zealand remote and hybrid stations	477,333
	<u>\$677,333</u>

In addition \$5,300,000 has been transferred from the Income and Expenditure Account to a specified fund (see note 5) to contribute to the extension of coverage of National Radio and the Concert Programme and the maintenance and extension of non commercial television coverage for which the Commission will finalise funding in future financial years.

**10. ARCHIVES**

TVNZ Archive	421,888
Radio New Zealand Sound Archive	301,916
Provision for television programmes produced by TV3 and independent producers	93,387
	<u>\$817,191</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1990

**11. TELEVISION PRODUCTION FUNDING**

PRODUCER & PROGRAMME TYPE	PROGRAMME HOURS	% Hours	COMMISSION FUNDING	% OF \$
Produced by TV3	9	1.7%	680,000	3%
Produced by Independents	40	7.5%	4,427,229	19%
<b>DRAMA PROGRAMMES</b>	<b>49</b>	<b>9.2%</b>	<b>\$5,107,229</b>	<b>22%</b>
Produced by TVNZ	10	1.9%	699,567	3%
Produced by TV3	13	2.4%	530,000	2%
Produced by Independents	37	6.9%	2,930,868	12%
<b>DOCUMENTARY PROGRAMMES</b>	<b>60</b>	<b>11.2%</b>	<b>\$4,160,435</b>	<b>17%</b>
Produced by TVNZ	85	15.9%	1,045,709	4%
<b>NEWS</b>	<b>85</b>	<b>15.9%</b>	<b>\$1,045,709</b>	<b>4%</b>
Produced by TVNZ	44	8.3%	1,472,356	6%
Produced by TV3	0.5	0.1%	15,000	0%
<b>PROGRAMMES FOR MINORITY GROUPS</b>	<b>45</b>	<b>8.4%</b>	<b>\$1,487,356</b>	<b>6%</b>
Produced by TVNZ	46	8.6%	1,820,346	8%
Produced by TV3	110	20.6%	867,015	4%
Produced by Independents	6	1.1%	508,372	2%
<b>PROGRAMMES FOR CHILDREN</b>	<b>162</b>	<b>30.3%</b>	<b>\$3,195,733</b>	<b>14%</b>
Produced by TVNZ	72	13.5%	5,169,817	22%
Produced by TV3	2	0.4%	395,295	2%
<b>MAORI PROGRAMMES</b>	<b>74</b>	<b>13.9%</b>	<b>\$5,565,112</b>	<b>24%</b>
Produced by TVNZ	23	4.3%	738,174	3%
<b>PROGRAMMES FOR PEOPLE WITH DISABILITIES</b>	<b>23</b>	<b>4.3%</b>	<b>\$738,174</b>	<b>3%</b>
Produced by TVNZ	20	3.8%	1,500,000	6%
Produced by Independents	16	3.0%	987,459	4%
<b>ARTS AND CULTURAL PROGRAMMES</b>	<b>36</b>	<b>6.8%</b>	<b>\$2,487,459</b>	<b>10%</b>
<b>TOTAL</b>	<b>534</b>	<b>100.0%</b>	<b>\$23,787,207</b>	<b>100%</b>
Plus TVNZ Bulk Transitional Grant			\$7,600,000	
<b>TOTAL PRODUCTION</b>			<b>\$31,387,207</b>	
<b>PLUS DEVELOPMENT FUNDING</b>			<b>\$273,722</b>	
			<b>\$31,660,929</b>	

**REPORT OF THE AUDIT OFFICE**

The Audit Office, having been appointed in terms of the first schedule, section 13, of the Broadcasting Act 1989, has audited the financial statements of the Broadcasting Commission.

The audit was conducted in accordance with generally accepted auditing standards and practices.

In the opinion of the Audit Office, the financial statements appearing on pages 12 to 18 fairly reflect the financial position as at 30 June 1990 and the financial results and cashflow of the Broadcasting Commission for the twelve months ended on that date.

**Graham Vaughan-Jones,**  
**Assistant Controller and Auditor-General**  
 27 August 1990, Wellington, New Zealand

## TELEVISION PROGRAMMES FUNDED DURING THE YEAR

PROGRAMME (BROADCASTER)	PRODUCER	EPISODES & DURATION	COMMISSION FUNDING \$
<b>DRAMA PROGRAMMES</b>			
<i>1990: The Issues (TV3)</i>	Isambard Productions	13x23 minutes	370,825
<i>Billy T James Show (TV3)</i>	Isambard Productions	26x24 minutes	1,081,100
<i>The New Adventures of Black Beauty (TV3)</i>	Isambard Productions	26x23 minutes	1,500,000
<i>Bread and Roses (TVNZ)</i>	Preston* Laing Productions	4x46 minutes	1,000,000
<i>Elliot's Court (TV3)</i>	Isambard Productions	1x23 minutes	166,750
<i>Laugh Inz (TV3)</i>	TV3	9x46 minutes	680,000
<i>Linda's Body (TVNZ)</i>	Sycorax Enterprises	1x24 minutes	128,554
<i>Undercover (TVNZ)</i>	Gibson Group	1x72 minutes	180,000
			<b>\$5,107,229</b>
<b>DOCUMENTARY PROGRAMMES</b>			
<i>14 Days on the Trail (TVNZ)</i>	Porter & Falconer Productions	1x46 minutes	95,615
<i>A Family Affair (TVNZ)</i>	Pamela Meekings-Stewart	1x46 minutes	70,000
<i>A Matter of Mana (TVNZ)</i>	Far Road Films	2x46 minutes	150,000
<i>A Question of Balance (TVNZ)</i>	Marmalade Video	1x46 minutes	64,692
<i>At The Risk of Our Lives (TVNZ)</i>	Ninox Films	3x46 minutes	450,000
<i>Challenge Bluebird (TVNZ)</i>	John Coombs	1x46 minutes	80,000
<i>Exiles (TV3)</i>	Janis McArdle & Chris Bishop	1x46 minutes	86,534
<i>In Rich Regard (TVNZ)</i>	Craig Walters & Madeline Sheahan	1x46 minutes	120,000
<i>Just for Laughs (TVNZ)</i>	Comedia Productions	1x46 minutes	100,000
<i>Kia Ora Kia Orana (TV3)</i>	Isambard Productions	1x46 minutes	45,000
<i>Magic Kiwis (TVNZ)</i>	Communicado Communications	10x23 minutes	199,834
<i>Nikki (TV3)</i>	Moscow Productions	3x20 minutes	60,000
<i>Operation Clean Up (TVNZ)</i>	Television New Zealand	1x46 minutes	135,230
<i>Opo (TVNZ)</i>	Miranda Film & Television Productions	1x46 minutes	70,000
<i>Options (TV3)</i>	Gibson Group	1x90 minutes	150,000
<i>Pacific Nature Film Festival (TVNZ)</i>	Television New Zealand	1x46 minutes	100,000
<i>Pacman (TV3)</i>	Zee Films	1x49 minutes	68,400
<i>Reaching for the Skies (TV3)</i>	TV3	1x46 minutes	30,000
<i>Sixty Minutes (TV3)</i>	TV3	26x20 minutes	500,000
<i>Star of David (TVNZ)</i>	Pinflicks Productions	1x46 minutes	120,000
<i>Taking a Stand (TVNZ)</i>	Stephanie & John Millar	1x46 minutes	80,000
<i>Tē Mana, Tē Ihi, Tē Wairua (TV3)</i>	Sandlings Productions	1x48 minutes	115,000
<i>The AIDS Babies (TVNZ)</i>	Top Shelf Productions	1x46 minutes	31,525
<i>The Enduring Land (TVNZ)</i>	Gibson Group	4x46 minutes	249,993
<i>The Hokonui Rebel (TVNZ)</i>	Richard Driver & Alison Langdon	1x46 minutes	90,000
<i>The James Gang Rides Again (TV3)</i>	George Andrews Productions	1x46 minutes	50,000
<i>The Quiet Fighter (TVNZ)</i>	Margaret Henley & Barbara Cairns	1x46 minutes	24,000
<i>The Spanish Connection (TVNZ)</i>	Matte Box Films	1x46 minutes	100,000
<i>Too Years (TVNZ)</i>	Vid-Com	1x46 minutes	80,425
<i>Waka (TV3)</i>	Nimrod Film Productions	1x46 minutes	120,250
<i>We Reared Each Other (TVNZ)</i>	Trisha Stratford	1x46 minutes	59,600
<i>Wild Track (TVNZ)</i>	Television New Zealand	16x23 minutes	464,337
			<b>\$4,160,435</b>
<b>NEWS</b>			
<i>Regional News-Christchurch (TVNZ)</i>	Television New Zealand	224x8.75 minutes	510,216
<i>Regional News - Dunedin (TVNZ)</i>	Television New Zealand	224x8.75 minutes	535,493
			<b>\$1,045,709</b>

## TELEVISION PROGRAMMES FUNDED DURING THE YEAR

PROGRAMME (BROADCASTER)	PRODUCER	EPISODES & DURATION	COMMISSION FUNDING \$
<b>PROGRAMMES FOR MINORITY GROUPS</b>			
<i>Christmas Promo (TV3)</i>	TV3	1x 5 minutes	15,000
<i>Church Outside Broadcasts (TVNZ)</i>	Television New Zealand	4x59 minutes	180,778
<i>Praise Be (TVNZ)</i>	Television New Zealand	43x29 minutes	594,672
<i>Tagata Pasifika (TVNZ)</i>	Television New Zealand	25x23 minutes	696,906
			<b>\$1,487,356</b>
<b>PROGRAMMES FOR CHILDREN</b>			
<i>Aunties Alphabet (TV3)</i>	Vid-Com	4x26 minutes	246,972
<i>Bidi Bidi (TVNZ)</i>	Television New Zealand	13x11 minutes	278,045
<i>Hungry Sam (TV3)</i>	Julie Webb-Pullman	12x 5 minutes	13,900
<i>In Focus (TV3)</i>	TV3	12x25 minutes	209,959
<i>L.I.F.E. (TVNZ)</i>	Television New Zealand	33x23 minutes	828,377
<i>Maori Myths &amp; Legends (TV3)</i>	Isambard Productions	60x 2 minutes	247,500
<i>Ten Out of Ten (TVNZ)</i>	Television New Zealand	14x23 minutes	212,866
<i>The Early Bird Show (TV3)</i>	TV3	52x90 minutes	400,000
<i>The Otherside (TV3)</i>	TV3	60x 2 minutes	257,056
<i>The Video Dispatch (TVNZ)</i>	Television New Zealand	39x23 minutes	501,058
			<b>\$3,195,733</b>
<b>MAORI PROGRAMMES</b>			
<i>Aotearoa Festival (TVNZ)</i>	Television New Zealand	1x46 minutes	55,199
<i>Dame Te Atairangikaahu (TVNZ)</i>	Television New Zealand	1x46 minutes	125,886
<i>Maori Battalion Marched to Victory (TVNZ)</i>	Television New Zealand	1x46 minutes	140,185
<i>Maori Magazine - Pounamu, Whakairo, &amp; Maori Entertainment Series (TVNZ)</i>	Television New Zealand	21x23 minutes	1,238,212
<i>Maori Proverbs (TV3)</i>	TV3	3x 1 minute	301,295
<i>Te Karere (TVNZ)</i>	Television New Zealand	219x12.5 minutes	2,159,021
<i>Waka Huia (TVNZ)</i>	Television New Zealand	30x59 minutes	1,451,314
<i>Waka Taua (TV3)</i>	TV3	1x90 minutes	94,000
			<b>\$5,565,112</b>
<b>PROGRAMMES FOR PEOPLE WITH DISABILITIES</b>			
<i>News Review (TVNZ)</i>	Television New Zealand	45x23 minutes	265,174
<i>Subtitling (Teletext) (TVNZ)</i>	Television New Zealand	not applicable	473,000
			<b>\$738,174</b>
<b>ARTS AND CULTURAL PROGRAMMES</b>			
<i>10 AM (TVNZ)</i>	Television New Zealand	20x46 minutes	1,500,000
<i>Drums of the Commonwealth (TVNZ)</i>	John Kirk & Martyn Sanderson	1x60 minutes	35,000
<i>Info (TV3)</i>	Communicado Communications	13x46 minutes	832,459
<i>Jean - The Ballet (TVNZ)</i>	Gibson Group	1x90 minutes	120,000
			<b>\$2,487,459</b>

## DIRECTORY

### *Membership of the Commission*

<i>Merv Norrish</i>	of Wellington	Chairman
<i>Alan Galbraith</i>	of Auckland	Deputy Chairman
<i>Roger Horrocks</i>	of Auckland	
<i>Stuart Melville</i>	of Dunedin	
<i>Merimeri Penfold</i>	of Auckland	
<i>Gay Sharlotte</i>	of Christchurch	

### *Senior Staff*

<i>Ruth Harley</i>	Executive Director
<i>Chris Prowse</i>	Finance Director
<i>Selwyn Crane</i>	Manager, Broadcasting Fee
<i>Brendan Smyth</i>	Programme Manager
<i>Emily Loughnan</i>	Programme Manager
<i>Rick Rapana</i>	Project Manager
<i>Rose Church</i>	Administration Manager
<i>Elizabeth Morrison</i>	Finance Executive

### *Office*

2nd Floor, 54-56 Cambridge Terrace  
PO Box 9744, Wellington, New Zealand  
Telephone: (04) 829-524 Facsimile: (04) 829-546



#### **THE EARLY BIRD SHOW**

Matt Campbell and Cameron Chittock making puppets for the early morning children's television show.

*Producer: TV3*

*Broadcaster: TV3*

*Photo Kerry Brown*



Irirangi

TE

MOTU

*New Zealand On Air*

TE KAHUI IRIRANGI  
RIPOATA A-TAU 1989 - 90

BROADCASTING COMMISSION  
ANNUAL REPORT 1989 - 90