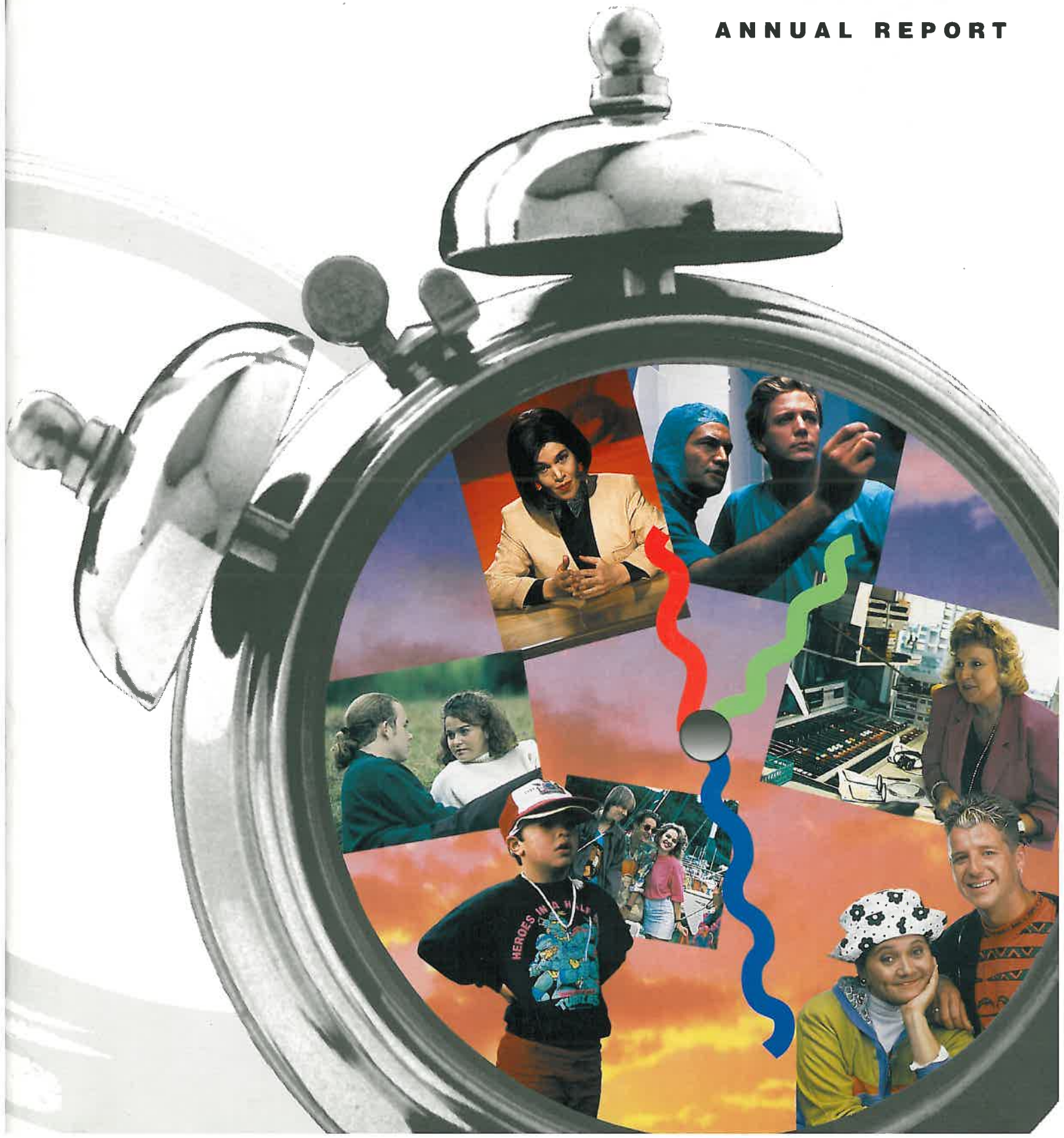


NZ
ON
AIR
hirangi TE MOTU

1991-92
ANNUAL REPORT



The Year's Highlights

- *NZ On Air funding provides for a record 187 hours of television drama - two and a half times more than last year.*
- *A new long-run serial drama, Shortland Street, is launched on Channel 2 and by year's end is attracting more than half a million viewers a night.*
- *New Zealand's first home-grown television programme for pre-schoolers, You And Me, goes to air on TV3.*
- *National Radio tops 20% New Zealand music content and Concert FM broadcasts 22 concerts live from the New Zealand International Festival of the Arts.*
- *New Zealand music receives a major boost with funding for 56 music videos and a series of 50 one-hour feature programmes on New Zealand music, Counting The Beat, on leading commercial radio stations around the country.*
- *Six new Maori radio stations go to air and two new Access radio ventures are launched.*
- *The number of Broadcasting Fees increase by 3.2% to 924,000.*

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the major thrust of NZ On Air's work in this, our third year, has been to reach out to new audiences.

Historically the Broadcasting Fee has provided well for the interests of a fairly narrow range of groups within the community. Television One viewers, National Radio listeners and people living in the main metropolitan centres have been the principal beneficiaries. This year we made real progress in our endeavours to deliver Fee-funded services to a broader range of groups throughout the country.

Significant among these was *young people*. Our research indicated that the group of New Zealanders least likely to be exposed to New Zealand images on television was young people. This research led to strategies to attract young viewers.

The results can be seen in *You And Me*, the first uniquely New Zealand television programme for pre-schoolers, and *Shortland Street*, a local drama designed with spectacular success to attract a young audience.

The results can also be seen in the two New Zealand music initiatives pioneered during the year - 56 New Zealand music videos, New Zealand music programmes on six campus radio stations and *Counting The Beat*, a New Zealand music feature broadcast weekly on 13 leading commercial radio stations around the country.

This drive to broaden the range of Fee-funded services was reflected in the priority given to ensuring that prime-time programming addressed *minorities* and *special interests* in the community. For deaf and hearing impaired people, subtitled programmes through Teletext have increased from just five hours a week in 1989 to 30 hours a week in 1991 across three channels. In terms of special

interests, documentaries exploring provincial New Zealand (*Heartland*), Maori subjects (*Aussie Haka*, *Black Singlet Legacy*) and the arts - opera, dance, public sculpture and the New Zealand International Festival of the Arts - were funded for prime-time.

Six new Maori Radio stations and two new Access Radio ventures began full time broadcasting and a dedicated Samoan community radio service was launched to cater for the nearly 20,000 Samoans in Wellington - all examples of services which recognise and celebrate the diversity in our community.

In *remote and rural* New Zealand we provided radio and television services where none would exist without NZ On Air's intervention - television in places like Northland, Poverty Bay and Westland and local radio in places like Te Kuiti, Taumarunui, Murchison and the Mackenzie Country.

It has been a successful year for NZ On Air. Three years down the track, I believe we can be justifiably proud of our achievements.

My thanks to my fellow Commissioners and the staff for their support and hard work through the year but my special thanks go to the thousands of talented broadcasters and programme makers who give us *New Zealand on air*.

Chairman's Introduction



Merv Norrish
Chairman

NZ ON AIR MEMBERS



Merv Norrish
Chairman

Formerly Secretary of Foreign Affairs and then Chief Executive of the Ministry of External Relations and Trade. NZ On Air Chairman since 1989.



Alan Galbraith
Deputy Chairman

An Auckland-based Queen's Counsel. Chairs NZ On Air's Television Subcommittee.



Roger Horrocks

Associate Professor in the English Department at Auckland University specialising in film and television courses. A member of NZ On Air's Television Subcommittee.



Gay Charlotte

Manager of the Broadcasting and Jazz Schools at Christchurch Polytechnic providing education in television, radio, broadcast journalism and jazz performance. Chairs NZ On Air's Radio Subcommittee.



Jim Stevenson

A Wellington partner in the national law firm Buddle Findlay specialising in competition, consumer and communications law. A member of NZ On Air's Radio Subcommittee.



Hiwi Tauroa

Formerly Race Relations Conciliator and currently Chairman of Te Runanga A Whaingaroa. A member of NZ On Air's Radio Subcommittee.

INTRODUCTION

Last year 45% of NZ On Air's funding was committed to New Zealand television programmes; 37% was spent on radio - National Radio and Concert FM and Access radio; 7% went to support Maori radio; 6% was spent on radio and television transmission coverage; and 2% was devoted to the archiving of radio and television material. Funding for the NZSO accounted for the 3% balance.

Executive Director's Report

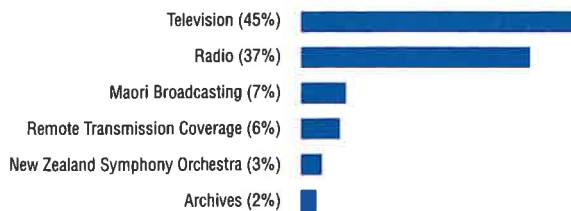


Ruth Harley Executive Director

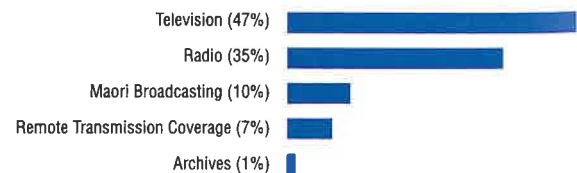
This year NZ On Air's funding responsibility for the NZSO came to an end. Television programme expenditure was up on last year to 47%; radio accounted for 35%; and Maori radio was up to 10%. Funding for radio and television coverage accounted for 7% this year and 1% was devoted to archiving.

NZ ON AIR FUNDING

Last Year



This Year



DRAMA

this year NZ On Air funded 187 hours of prime-time drama on television. This represents nearly two and a half times last year's 77 hours.

This achievement is due in large part to the launching of New Zealand's first daily drama, *Shortland Street*; TV3's critically acclaimed weekly drama series, *Homeward Bound*; and South Pacific Pictures' family series, *Deepwater Haven*, to be screened by TVNZ next year. By year's end *Shortland Street* had established a good foothold with its youth target audience, attracting around half a million viewers each night, and in its first six months had employed more than 150 actors.

South Pacific Pictures' adult drama series, *Marlin Bay*, went into production during the year for transmission from August 1992.



Marlin Bay. Ken George

More Issues returned to TV3 during the year, this time under the title *Issues*. A new sketch comedy series is being developed for TVNZ.

Two series of New Zealand plays are being completed for screening in 1993 and five New Zealand feature films will be assured television screenings as a result of funding from NZ On Air and the broadcaster. These films include *The End Of The Golden Weather*, an adaptation of the Bruce Mason play which won eight awards at the NZ Film Awards including Best Film, Best Director and Best Male Actor. The film has also enjoyed box office success this year and should attract a good television audience when it screens next year on TVNZ.

DOCUMENTARIES

NZ On Air's investment in New Zealand documentaries was recognised in the documentary section of the New Zealand Film Awards this year with three finalists - *Learning New Stuff*, following the progress of a young boy with behavioural problems through Auckland's Glenburn Centre; *Behind Closed Doors*, dealing with domestic violence; and *Lew Pryme - Welcome To My World*, the story of the entertainer's battle with AIDS. The winner - *Learning New Stuff* - attracted 750,000

viewers at its first screening and was rebroadcast in June this year.

NZ On Air funded 112 hours of documentary programmes this year including familiar series like *Country Calendar*, the *Heartland* series which celebrated New Zealand's regional diversity and *First Hand*, a series of documentaries by first-time film makers which attracted good audiences. *First Hand* used portable Super VHS technology and a one-person crew thereby allowing special intimacy with the subject.



Funding for New Zealand television programmes remains NZ On Air's major expenditure, consuming 47% of the funds available from the Broadcasting Fee. These are programmes which would not be made without the support of the Fee.

A wide range of one-off documentaries was funded including *Exiles* in which New Zealander Halina Ogonowska-Coates explores her Polish roots; *Whina*, a controversial look at the life of Dame Whina Cooper; *The Street Is My Home*, a close look at New Zealand's homeless; and *See What I Mean*, highlighting the achievements and difficulties of the deaf and hearing-impaired.

MAORI

NZ On Air's commitment continued to the flagship Maori language and culture programmes *Marae*, *Waka Huia* and the daily Maori news, *Te Karere*. One-off documentaries to be rescreened in prime-time like *Black Singlet Legacy* and one currently in production documenting the Maori contribution to rugby in New Zealand were funded. Funding was also provided for extensive coverage of the Aotearoa Festival of the Arts at Ngaruawahia, screening on both Television One and TV3.

Other programmes featuring Maori and Maori subjects like *Te Hoenga Waka O Hokianga* which follows a waka journey around the Hokianga, and *Aussie Haka* are included within NZ On Air's expenditure on prime-time documentaries.



Heartland. Bruce Morrison

CHILDREN AND YOUNG VIEWERS

NZ On Air's policy of funding age-specific children's television programmes yielded a rich return this year.

The launching of *You And Me* towards the end of the year was a milestone in children's television in New Zealand.

You And Me is the first programme for the under-five age group to be developed entirely in New Zealand. Its commitment to reflecting the diversity within New Zealand life is evident

within each day's programme. Continuity is important to the success of an early childhood series such as *You And Me*. In recognition of this, NZ On Air has established an Early Childhood Television Programme

Fund to support early childhood television over the next four years.

For the slightly older age group, *Tiki Tiki Forest Gang* and the lively *Son Of A Gunn Show* provide weekday entertainment and information, with *What Now* filling the bill in the weekend.

Teenagers are catered for with *Short Sportz* and the teen-made news and current affairs programme *In Focus* which will also be producing four prime-time specials for screening later in 1992.

Programmes like *Shortland Street* and NZ On Air-funded New Zealand music videos (see elsewhere in this report) also enjoy the support of young audiences.

SPECIAL INTERESTS

The expansion of the Teletext subtitling service for the deaf and hearing-impaired to include the daily news was a major achievement. The service was launched during Deaf Awareness Week in September 1991. When NZ On Air was set up in 1989 there were five hours a week of subtitled programmes; there are now 30 hours a week, including the news.

NZ On Air funded *Sunday*, the weekly arts programme on Television One, and also funded a number of prime-time specials with an arts focus like *Dance And The Camera* and *La Boheme - The Return Of The Diva* along with coverage of the New Zealand International Festival of the Arts, the

Young Musicians Competition and Dame Kiri Te Kanawa's Expo concerts with the New Zealand Symphony Orchestra in Seville.

Funding was provided for *Praise Be* and three televised church services over the course of the year.

Although sport is not in general terms a priority for NZ On Air funding, we did renew our support for the successful *SmokeFree Sports Series*, a project undertaken in partnership with the Health Sponsorship Council and Television New Zealand. The series focuses on sports which do not usually attract coverage like women's sport, disabled sports and ethnic sports.

NZ On Air continued to fund *Tagata Pasifika*, the magazine programme for the Pacific Island community. The audience for the programme increased as a result of its move to a later timeslot on Sundays. Other programmes dealing with ethnic minorities in New Zealand included the documentary *Going Dutch* celebrating the contribution of the Dutch community and *Revelations*, a short drama in which a young Greek woman in New Zealand rebels against the traditional ways of her migrant family.



Son Of A Gunn Show.
Harry Ruffell

You And Me. Otago Daily Times

nZ On Air continued to fund the two Radio New Zealand public radio networks - National Radio and Concert FM - in line with a directive from the Minister of Broadcasting. The operating funding for the year was \$22.4 million (National Radio \$17.2 million and Concert FM \$5.2 million although actuals, once finalised in the new year, could reduce the cost to \$16.3 million and \$4.6 million respectively). In addition, there was a one-off payment of \$1.6 million to meet restructuring costs. This payment was in lieu of a payment for a rate of return to Radio New Zealand.

*National
Radio
& Concert FM*

Both National Radio and Concert FM provided the quality programmes that are the hallmark of the two networks. Programmes like *Good Morning New Zealand*, *Morning Report*, *Checkpoint* and *Country Saturday* are national institutions.

It is particularly pleasing to note that National Radio's New Zealand music content topped 20% this year - a combination of choral music, brass bands, Maori and Pacific Island groups as well as vocal and instrumental soloists and groups, "new faces" like The Gypsy Pickers from Takaka and more established artists like Wellington's *When The Cat's Been Spayed* and country singer, Al Hunter.



Julie Collier. NZ Listener

National Radio worked with Wellington singer/songwriter Julie Collier on her major children's musical, *The Witches Academy*, a project which was recognised with a Mobil Award this year. The musical was recorded by National Radio and premiered on Boxing Day 1991.

Concert FM's comprehensive coverage of the 1992 New Zealand International Festival of the Arts was a highlight of the year - 22 live broadcasts featuring the Festival production of the Richard Strauss opera *Salome* and artists as diverse as American soul singer Nina Simone, Malcolm McNeill and Malvina Major, the New Zealand National Youth Choir and the New Zealand String Quartet. Concert FM adopted the slogan "Concert FM - Your Front Row Seat" for its Festival coverage.



New Zealand String Quartet. Stephen Robinson

During the year NZ On Air funded the first truly national

survey of radio listenership in order to measure the audience for National Radio and Concert FM. Hitherto information on the audience for the two services had been derived from the regular metropolitan commercial market surveys but these surveys only occasionally measured provincial centre audiences and never took account of rural audiences.

The national survey - carried out by OTR Spectrum Research/AGB McNair - indicated that the weekly 10+ cumulative audience for National Radio is 576,000 people and the weekly cumulative audience for Concert FM is 272,000. The weekly cumulative

audience for National Radio was down slightly on previous estimates but the figure for Concert FM was considerably higher.

The survey provides an important benchmark. It is intended that national surveys will be conducted annually from now on so that both NZ On Air and the broadcasters can more accurately track trends in audience behaviour.



Sharon Croebie - National Radio. The Dominion

Although this year's funding was less than last year, it is NZ On Air's view that some aspects of the services are still overpriced and the costs can be reduced further without any loss of quality in the broadcasting services.

During the year NZ On Air worked with Radio New Zealand and Government officials on the separation of National Radio and Concert FM from Radio New Zealand. Government policy is that the services should be managed by a stand-alone entity.

NZ On Air's view is that whatever the final structure, National Radio and Concert FM:

- should be run by independent management which focuses on the important cultural roles of these services;
- should have the choice to acquire services on a contestable basis based on quality and price; and
- should be publicly accountable for both their performance and expenditure.

access radio is fundamental to NZ On Air's work under Section 36(c) of the Broadcasting Act where we are committed to provide for the interests of "... minorities in the community, including ethnic minorities ..." in broadcasting. Access radio empowers community groups and ethnic minorities by offering them the opportunity to broadcast programmes of their own making.

Access radio is a store of lively, intriguing and often off-beat radio. Of special interest during the year was Christchurch's Kid's FM project where Plains FM turned over 25 hours of airtime to children to make and broadcast programmes for children; also of interest was the collaboration between Access stations in Auckland, Wellington, Christchurch and Dunedin to promote the Secondary Schools Radio Debates and Auckland Access Radio's *Ireland Calling* programme which linked with other Access stations to broadcast the All Ireland Football and Hurling Finals live from Ireland.

The established Access broadcasters in Auckland, Wellington and Christchurch made excellent progress during the year. Auckland Access Radio began broadcasting on its own frequency (810kHz) and expanded its hours to 56 a week. Wellington Access Radio (783kHz) and Plains FM in Christchurch (96.9MHz) also increased their hours to meet demand - Wellington is now on air 63 hours a week and Plains is up to 72 hours.

Access Radio

In Dunedin the Otago Community Broadcasters' Society continued to broadcast via the local student radio station, Radio One, and on Radio New Zealand's AM Network but the limitations of these piggybacking arrangements have prompted the Society to plan for its own studio and transmission facilities.

We welcomed two new Access broadcasters during the year - the Nelson Community Broadcasting Society (1440kHz) and the Southland Community Broadcasters Society based in Invercargill (98.0MHz and leased time on 558kHz in Gore) - and towards the end of the year, funding was approved for a new venture in Hamilton (1206kHz).

NZ On Air maintained support for Print Disabled Radio in Levin. Print Disabled Radio is a unique operation. It provides a radio reading service for people who "cannot see, hold or understand regular publications", broadcasting locally on 1602kHz and nationwide on domestic shortwave (3935MHz).

During the year NZ On Air's work in Access radio was extended to provide special funding for projects catering for ethnic communities of 10,000 or more people using existing Access radio transmission facilities. The first project to be undertaken under this policy was Samoan Capital Radio, a 30-hour-a-week radio service for the large Samoan population in Wellington.

Expenditure for Access radio increased this year by 23% to \$1,032,081.



Plains FM - Christchurch. The Press

We are particularly pleased with developments in New Zealand music this year.

Towards the end of last year NZ On Air announced two new initiatives aimed at increasing the amount of New Zealand music on both radio and television and providing for the interests of the youth audience. The first was a scheme to fund the production of radio programmes promoting New Zealand music for broadcast on commercial and student radio and the second was a scheme to fund the production of New Zealand music videos for broadcast on the television channels' specialist music video shows.

The radio scheme gave rise to *Counting The Beat*, a very successful series of 50 weekly one-hour programmes profiling New Zealand music produced by The Beat Team in Auckland and broadcast on 14 commercial radio stations around the country including Auckland's 91FM, Kiwi FM in Hamilton, Lake City 96FM in Rotorua and 93Rox in Dunedin.

Towards the end of the year, NZ On Air announced funding for a second major series for commercial radio - a 20-part New Zealand music retrospective called *Walking In Light* which will trace the development of New Zealand music over the last 25 years. *Walking In Light* will go to air in early 1993 and will be broadcast by 15 stations including Radio Hauraki in Auckland, Windy in Wellington and C93FM in Christchurch.

Student radio has always championed New Zealand music. Through the new radio scheme, NZ On Air was able to support student radio's work in New Zealand music by funding specialist New Zealand music shows on each of the six stations - programmes like Campus Radio bFM's *Freak The Sheep* and Radio Massey's *Sheep Bleat Silver Fern* show - as well as independently-produced series broadcast by all six stations - series like *Do It Like This* on the development of New Zealand rap music and *Crash Hot* on current happenings in New Zealand music. NZ On Air funded 758 hours of New Zealand music programmes on student radio during the year.

New Zealand Music



Push Push. Festival Records

The second of the two New Zealand music initiatives - funding for New Zealand music videos - has attracted a great deal of interest. Under the scheme NZ On Air provides funding of \$5,000 to record companies towards the costs of producing a music video provided we can be satisfied that the video is likely to attract repeat screenings on the channels' specialist music video shows. We make this judgement following consultation with the producers of Channel 2's *RTR* shows and TV3's *TVFM* shows.

During the year NZ On Air funded

56 New Zealand music videos by artists as diverse as Push Push (*What My Baby Likes*), MC OJ & Rhythm Slave (*Money Worries*), Maree Sheehan (*Make U My Own*), These Wilding Ways (*Take My Hand*), the Greg Johnson Set (*Isabelle*) and Jools Issa (*Dangerous Game*).

At year's end 27 videos had been

released and we estimate that those 27 videos had generated in excess of 270 screenings across the three channels.

Expenditure for New Zealand music programmes on radio totalled \$300,000 in this first year and expenditure for New Zealand music videos totalled \$280,000.

Both schemes were launched as pilots at the beginning of the year. The success of both schemes encouraged NZ On Air to renew the commitment for the 1992/93 year.

These developments - along with promising signs like National Radio's 20% New Zealand music achievement this year - have contributed to a spirit of optimism about the future of New Zealand music on air.



Jools Issa. Sonoma Message

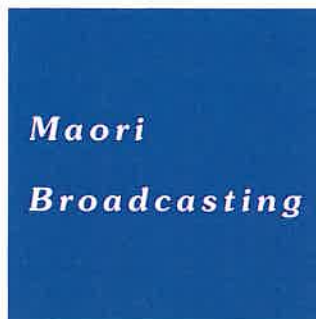
t TELEVISION

his year NZ On Air provided funding of \$5.6 million to Maori television programmes, being 7% of the net Broadcasting Fee. Details are given in the Television section of this year's report (page 5).

RADIO

Six new Iwi radio stations received annual funding this year, bringing the total number of Maori radio stations to eighteen. The new stations were Te Reo Irirangi O Manuka-Tu-Tahi (Whakatane), Te Reo Irirangi O Ngati-Whatua (Auckland), Te Reo Irirangi O Pare-Hauraki (Paeroa), Te Reo Irirangi O Whanganui (Wanganui), Te Reo O Ngati-Hine (Whangarei) and Te Toa Takitini Trust (Hawkes Bay).

Funding was also provided for programming through the Mana Maori Media news service, independent programme producers and the national Maori radio network system.



Total expenditure on the Maori radio services for the year was \$7.3 million, an increase of \$2.2 million over the previous year, a reflection both of the increase in the number of Maori radio stations receiving funding and the impact of a full year's funding for those stations which started up last year.

Maori radio expenditure in this financial year represented 10% of the net Broadcasting Fee (after collection costs). A significant proportion of this (\$800,000) was one-off costs. Adding both Maori television and radio together gives a total expenditure for the year for Maori broadcasting of \$12.9 million or 17% of the net Broadcasting Fee. A

reduction is planned in the new financial year due to non-recurring capital costs in radio and efficiencies in the television production area.

The current directive from the Minister of Broadcasting requires at least 6% of the net Broadcasting Fee to be applied to Maori broadcasting.

Six new Iwi radio stations received funding this year, to bring the total number of Maori radio stations to eighteen



Tumuke FM - Whakatane, More Magazine

RADIO

in April 1990 NZ On Air announced a three-year plan to address priority radio coverage deficiencies throughout the country.

The plan is in two parts. The first part is based on a 1989 Ministerial directive and is aimed at making sure that every community of 1,000 or more people has access to a primary-strength local community radio service. The second part is aimed at progressively extending coverage of the two Fee-funded national networks - National Radio and Concert FM - to communities of 10,000 or more people.

Under the community radio coverage plan NZ On Air provided funding to Radio New Zealand to maintain its hybrid stations in Te Kuiti (1ZW Waitomo) and Taumarunui (1ZU King Country) and its remote relay services in Takaka, Reefton and Te Anau - services which would be closed down without some public subsidy, leaving the community without any form of local radio service.

Two new community radio relay services were commissioned during the year - a new transmitter at Mount Murchison to relay a signal from Fifeshire FM in Nelson, providing the people of Murchison with their first radio service, and a new transmitter at Mount Mary near Fairlie to provide a relay of Port FM from Timaru into the Mackenzie Country. The Mount Mary transmitter replaced the old AM transmitter at Twizel which for years had carried a Radio Caroline signal from Timaru but which was antiquated and had limited reach.

Funding was also confirmed for a relay of the Radio Scenicland signal from Greymouth via five translators into South Westland. At year's end, Radio New Zealand's engineers were working on installing the South Westland service. The Radio Scenicland service will provide the people of Harihari, Whataroa, Franz Josef and Fox Glacier and Haast with their first local radio service.

Funding was also set aside for a solution to the Waimarino (Raetihi, Ohakune) radio coverage problem and an investigation was launched into ways of bringing a local radio service from New Plymouth to the Coastal and Southern Taranaki area.

Four National Radio coverage extensions and five Concert FM coverage extensions were announced as part of the

April 1990 radio coverage plan. The National Radio projects included Rotorua, South Waikato, Wairarapa and South Canterbury; the Concert FM projects included Southland, Northland/Whangarei, Rotorua, Poverty Bay/Gisborne and Eastern Bay of Plenty/Whakatane. We indicated also that Concert FM extensions in Central and Northern Northland and in Central Otago would also form part of the plan and would be considered once the five priority Concert services were commissioned.

The Southland Concert FM service was commissioned at the end of 1990. At year's end the remaining four Concert extensions and all four National

extensions were imminent and planning for the two additional Northland services and the Central Otago service was underway.



TELEVISION

Funding was provided to TVNZ to maintain television transmission to parts of the country which otherwise would not receive a television service. Areas covered included parts of Northland, Waikato, Bay of Plenty, Poverty Bay, Hawkes Bay, Taranaki, Manawatu, Nelson, Westland, Canterbury, Otago and Southland. Without NZ On Air funding for transmission in these areas the broadcaster may not consider it commercially viable to continue to provide a service. Approximately 7% of the population receive television coverage from TVNZ which is supported by the Broadcasting Fee.

Even though most households in these areas do not receive TV3 the benefit of receiving the TVNZ signals has a value of \$57 per annum for each household affected. When added to the cost of other services provided by NZ On Air this represents further value for money from the \$110 annual Broadcasting Fee.

During the year NZ On Air, the Southland District Council and the people of Mossburn (population 600) combined to provide the community with a better television signal. Some of the people in the community had never had a television signal and the signal for others was barely watchable. NZ On Air funded the transmission equipment and the local people established a transmission site, and raised funds to provide for ongoing maintenance and operating costs as well as for the costs of a second service into the area.

t RADIO

he focus of NZ On Air's work in radio archiving is with the Radio New Zealand Sound Archive collection, now housed in Christchurch, and Nga Taonga Korero, a collection of priceless Maori material held at Radio New Zealand's Te Reo O Aotearoa unit in Auckland.

NZ On Air funded the rehousing of the Sound Archive collection this year, moving the collection from inadequate and unsuitable premises above a petrol station and trucking depot in Timaru to new purpose-built accommodation within Radio New Zealand's Christchurch premises at Kent House and provided funds to upgrade the Archive's collection medium to digital audio tape (DAT) technology. With the rehousing project completed, NZ On Air was to consider

proposals from the Archive to undertake the long overdue process of rescuing fragile and disintegrating sound material by transferring it to DAT for preservation.

NZ On Air's funding has allowed the Nga Taonga Korero collection at Te Reo O Aotearoa to be properly stored and has allowed work to begin in earnest on cataloguing the material in the collection.



TELEVISION

The important achievement during the year was the adoption by the industry of guidelines for the archiving of television programmes. The guidelines provide a basis for the selection and archiving of programmes from all broadcasters to ensure programmes that are likely to be of historical interest to New Zealand are saved for the future.

During the year NZ On Air finalised a funding policy which will assist in the implementation of the guidelines. Under the policy NZ On Air will support the TVNZ Archive and the New Zealand Film Archive as the two archives responsible for the archiving of all New Zealand television material.

In addition to providing operating funding for the TVNZ Archive, NZ On Air again funded the Archive's preservation work, saving some of New Zealand's early television history. The main thrust of this work has been the transfer of historic material from obsolete 2-inch videotape to more accessible formats.



Peter Head - The Night Sky. TVNZ Archives

the highlight of this year's Broadcasting Fee collection activity has been the continuing successful drive for new Fees. A record 80,964 new Fees were paid - up 19% on last year. This was offset by a lower level of cancellations - 48,701 (down 16% on last year), resulting in a net increase of 29,065 Fees. This brings the total number of Fees to 924,392 - up 3.2% for the year.

However, despite the increase in the number of Fees, gross Broadcasting Fee income for the year - \$83.6 million - was down marginally on last year's \$83.7 million. The main reason for this is that quarterly and half-yearly payments have continued to grow - from 18.7% of all payments last year to 26.3% this year - which means in turn that the increased number of Fees has not resulted in increased income in relation to both last year's income and the budgeted figure for the year of \$85.6 million. The effect of the increase in quarterly and half-yearly payments defers the full financial benefits of the increase in the number of Fees to future years. It appears however that the trend towards paying quarterly and half-yearly may now have peaked and it may even reverse in time as the economy picks up.

Direct collection costs of \$4.1 million were reduced by \$365,000 (8.1%) from last year, even though the number of Fee payer accounts to service increased. Considerable savings were made from the Magnetic Ink Character Recognition (MICR) encoding of payment remittance advices processed under an outsourcing remittance processing services contract. Another measure - a request to pay a \$10 collection charge on outstanding accounts referred to debt collection introduced to defray debt collection costs - also proved effective.

Payment by direct debit and telephone transfer were two new payment options launched during the year to provide the widest possible choice to suit Fee payers and to minimise collection costs.

Compliance costs of \$2.4 million (up \$412,000 or 20% on last year) supported the various compliance initiatives undertaken and reflected the 19% increase in new Fees paid.

The target of contacting all single households in urban areas not recorded as paying a Broadcasting Fee was achieved. Based on the 1991 Census data, the level of compliance stands at 80.5% of all households, up 2.5% from last year. This year 32,828 selected households that had not responded to the direct mail campaigns were visited. Next year similar visits will continue in new areas and householders in flats and rural areas will be covered.



The highlight of this year's Broadcasting Fee collection activity has been the continuing successful drive for new Fees

New Broadcasting Fees



Broadcasting Fee continued

Advertising awareness and programme promotional costs were contained at \$1.1 million compared to \$1.8 million last year. Expenditure was able to be reduced as the advertising campaign took effect and existing television commercials were used for a second year. Brand awareness of NZ On Air increased by 20% to 77%.

The Broadcasting Fee has remained at \$110.00 including GST per annum (just 30 cents per day per household) now for three years. In this time the CPI has increased by 11.8% and eroded the purchasing power of funding for radio and television programmes by approximately \$10 million - the equivalent to an average of 500 half-hours of home-grown television shows.

The commitment to increase the present compliance rate to an expected maximum of 95% will continue unabated to offset to some degree income which in real terms is diminishing at a time when the demand for funds is increasing.

Further statistical information on the Broadcasting Fee appears on page 19 of this report.



key points of interest for the new year are -

Broadcasting Fee income is budgeted to increase by \$1.2 million to \$84.8 million (gross). No increase is expected in the Fee (currently \$110 including GST) in the coming year.

The Year Ahead 1992/93

Maori radio funding is budgeted to remain close to the 1991/92 level at \$7.2 million. Included in the budget is provision for at least another three stations in New Plymouth, Palmerston North and possibly Gisborne.

Television expenditure is budgeted at \$38.4 million. The specific targets are:

| | Hours | Funding |
|-------------------------|--------------|----------------------|
| Drama | 225 | \$14.6 million |
| Documentaries | 146 | \$8.8 million |
| Children | 400 | \$6.4 million |
| Maori | 130 | \$4.5 million |
| Special Interest | 99 | \$4.1 million |
| | <hr/> 1000 | <hr/> \$38.4 million |

Of particular interest for the new year will be the possible establishment of Te Reo Whakapuaki Irirangi, the new Maori broadcasting funding agency. The establishment of this agency could result in both Maori television and radio funding being managed by this new body.

The funding of television transmission coverage to the current non-commercial coverage areas will be reviewed during the year in the context of TV3's possibly extending its coverage into these areas. The commerciality of the current coverage will need to be reconsidered along with any proposal for funding from TV3.

It is the Government's intention to separate National Radio and Concert FM from Radio New Zealand and operate the services under independent management. It is NZ On Air's view that such a move will reduce the costs of the services without affecting the on-air result. However, NZ On Air is unable to finalise funding beyond 31 December 1992 (the term of the current Ministerial funding directive) until a final decision has been made by the Government on the management of the services.

Ruth Harley
Executive Director

Broadcasting Commission

STATEMENT OF SERVICE PERFORMANCE

For The Year Ended 30 June 1992

The guiding principles of NZ On Air are covered in the mission statement and goals which were adopted by the members shortly after NZ On Air was established.

Mission Statement

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.

A catalyst for distinctive New Zealand broadcasting.

Goals

- ***Mainstream programmes***
To ensure that mainstream audiences have access to a variety of quality New Zealand programmes.

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

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

- ***Maori broadcasting***
To support Maori broadcasting aspirations.

- ***Responsible organisation***
To maximise Fee collection and achieve cost-effective results.

At the beginning of each year NZ On Air sets specific objectives in order to achieve the above goals. Performance measures are also set to measure the level of achievement. The key objectives and achievements for the year, follow on pages 17 to 19.

Television Programmes

Goal - Mainstream programmes

Objective 1: To fund a range of documentaries and drama for primetime audiences.

| Performance | Achieved Result | Budgeted Result |
|---|-----------------|-----------------|
| % of funded TV programme hours for broadcast during primetime | 31%(307 hrs) | 28%(174 hrs) |
| NZ On Air funding | \$17,379,268 | \$18,525,000 |

Goal - Diversity of programming

Objective 2: To fund a range of programmes for special interest groups specifically identified in section 36(c) of the Broadcasting Act.

| Performance | Achieved Result | Budgeted Result |
|--|-----------------|-----------------|
| % of total television funding for programmes, (including primetime) with a specific relevance to the following groups: | | |
| - Women | 24% | 25% |
| - Children | 19% | 16% |
| - Ethnic Minorities | 5% | 10% |
| - People With Disabilities | 5% | 5% |
| NZ On Air funding (in addition to primetime programme funding) | \$10,940,188 | \$11,019,300 |

Note - Programming containing content for each special interest group is defined by one or more of the following criteria:

- Representation of that group within the programme, excluding stereotyped representation.
- The programme is produced, directed or written by a person from within that special interest group.
- The programme is specifically produced for that special interest group.

Television Production Funding Statistics

| | 1992 | 1991 | 1990 | |
|----------------|-------------------------|------|------|------|
| By Producer | - TVNZ | 35% | 40% | 64% |
| | - TV3 | 3% | 8% | 8% |
| | - Independent Producers | 62% | 52% | 28% |
| | - NZ On Air funding | 100% | 100% | 100% |
| By Broadcaster | - TVNZ | 77% | 78% | 76% |
| | - TV3 | 23% | 22% | 24% |
| | - NZ On Air funding | 100% | 100% | 100% |

Statement of Service Performance continued

National Radio and Concert FM

Goal - Diversity of programming

Objective: To maintain the National Radio and Concert FM programme services during the year substantially in the same form as last year.

| Performance | Achieved Result | Budgeted Result |
|--|-----------------|-----------------|
| National Radio: | | |
| Annual hours broadcast | 8784 | 8784 |
| % of population covered | 92% | 92% |
| Weekly cumulative audience (10 years +) | 576,000 | - |
| Type of programming as % to total annual transmission hours | | |
| - Music | 32% | 40% |
| - Current Affairs | 15% | 13% |
| - Special Interest | 13% | 12% |
| - Documentaries | 13% | 12% |
| - Drama | 6% | 6% |
| - General Interviews | 8% | 4% |
| - Maori | 4% | 4% |
| - News Bulletins | 9% | 9% |
| | <u>100%</u> | <u>100%</u> |
| | | |
| % of New Zealand Music | 21% | 17% |
| NZ On Air funding (Note) | \$17,196,144 | \$17,466,848 |
| | | |
| Concert FM: | | |
| Annual hours broadcast | 6588 | 6588 |
| % of population covered | 83% | 83% |
| Weekly cumulative audience (10 years +) | 272,000 | - |
| Type of programming as % to total annual transmission hours | | |
| - Music | 86% | 85% |
| - Spoken | 13% | 14% |
| - Drama | 1% | 1% |
| | <u>100%</u> | <u>100%</u> |
| | | |
| % of New Zealand music | 13% | 12% |
| NZ On Air funding (Note) | \$5,207,661 | \$5,289,640 |

Note - NZ On Air funding will be adjusted in the new year once Radio New Zealand confirms National Radio's and Concert FM's actual audited costs for the year ended. Radio New Zealand has indicated that the costs of National Radio and Concert FM could reduce to \$16.3 million and \$4.6 million respectively.

Maori Broadcasting

Goal - Maori Broadcasting

Objective 1: To promote Maori language and culture in broadcasting through a network of Maori radio stations which reach all Maori population areas of 10,000 or more.

| Performance | Achieved Result | Budgeted Result |
|---|-----------------|-----------------|
| Number of Radio stations broadcasting by year end | 18 | 18 |
| NZ On Air funding | \$5,463,866 | \$5,536,000 |

Note - In addition funding of \$1,859,547 was provided for Mana Maori Media, the national Maori radio network system and other related Maori broadcasting activities.

Objective 2: To fund programmes which involve Maori programme makers in the production of television programmes which promote Maori language and culture for a Maori audience.

| Performance | Achieved Result | Budgeted Result |
|-------------------------------|-----------------|-----------------|
| Number programme hours funded | 145 | 130 |
| NZ On Air funding | \$5,625,900 | \$5,590,000 |

Objective 3: To apply at least 6% of the net Public Broadcasting revenue, net of collection costs, to Maori broadcasting.

| Performance | Achieved Result | Budgeted Result |
|-------------------------|-----------------|-----------------|
| Maori radio | 10% | 10% |
| Television programmes | 7% | 7% |
| | 17% | 17% |
| Total NZ On Air funding | \$12,949,313 | \$13,415,000 |

Public Broadcasting Fee Collection

Goal - Responsible organisation

Objective: To increase the number of Fee payers from 895,327 (last year) to 918,894 (80% compliance) by the year ended 30 June 1992.

| Performance | Achieved Result | Budgeted Result |
|---|-----------------|-----------------|
| Number of Fee payers | 924,392 | 918,894 |
| Gross Fee income | \$83,651,601 | \$85,600,000 |
| Collection costs (refer Note 10 - Financial Statements) | \$7,853,480 | \$7,154,000 |
| Net Fee income after deducting collection costs | \$75,798,121 | \$78,446,000 |

| Public Broadcasting Fee (PBF) Statistics | 1992 | 1991 | 1990 |
|--|---------|---------|---------|
| Total number of Fee payers at year end | 924,392 | 895,327 | 848,480 |
| Total number of concessional Fee payers at year end (Note) | 134,418 | 125,254 | 102,493 |
| Standard annual PBF (excluding GST of \$12.22) | \$97.78 | \$97.78 | \$97.78 |
| Concessional annual PBF (excluding GST of \$8.12) (Note) | \$64.88 | \$64.88 | \$64.88 |
| Average % of PBF paid quarterly and half yearly | 26% | 19% | 9% |
| Residential compliance level (based on census data - 1,115,885 potential TV homes) | 80% | 78% | 74% |

Note - Concessional rates apply to national superannuitants who live alone.

REPORT OF THE AUDIT OFFICE

To the Readers of the Financial Statements of the Broadcasting Commission for the Year Ended 30 June 1992

The financial statements on pages 21 to 29 as required by section 12, First Schedule of the Broadcasting Act 1989, were prepared by the Commission's management, and are the responsibility of the Commission. The Audit Office's responsibilities include a requirement, pursuant to section 13, First Schedule of the Broadcasting Act 1989, to express an opinion on the financial statements based on results of our audit.

We conducted our audit in accordance with generally accepted auditing standards, with the objective of obtaining reasonable assurance that the financial statements 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.

In our opinion, the financial statements of the Broadcasting Commission fairly reflected:

- The financial results of the operations and cash flows for the year to 30 June 1992; and
- The financial position as at 30 June 1992.



Peter Nankivell
for Controller and Auditor-General

3 September 1992

Wellington
New Zealand

Broadcasting Commission

BALANCE SHEET

As At 30 June 1992

| Current Assets | | 1992 | 1991 |
|--|----------|---------------------|---------------------|
| | | \$ | \$ |
| Cash at Bank | | 2,260,086 | 5,051,256 |
| Short Term Deposits | (Note 4) | 15,284,476 | 9,942,276 |
| Accounts Receivable | | | |
| - Public Broadcasting Fee | (Note 5) | 14,749,614 | 13,672,565 |
| - General | | 124,287 | 452,313 |
| Prepayments | | - | 168,981 |
| Fixed Assets | (Note 6) | 239,824 | 281,103 |
| | | <u>\$32,658,287</u> | <u>\$29,568,494</u> |
| Current Liabilities | | | |
| Accounts Payable | | 1,139,532 | 890,589 |
| Public Broadcasting Fees Received In Advance | | 353,621 | 218,920 |
| Funding Liabilities | (Note 7) | 24,639,891 | 26,142,954 |
| Early Childhood Television Fund | (Note 8) | 4,530,870 | - |
| Accumulated Funds | | 1,994,373 | 2,316,031 |
| | | <u>\$32,658,287</u> | <u>\$29,568,494</u> |

On behalf of the Broadcasting Commission



Merv Norrish
Chairman



Ruth Harley
Executive Director

The accompanying notes form part of these financial statements.

Broadcasting Commission

INCOME AND EXPENDITURE STATEMENT

For The Year Ended 30 June 1992

| | | Actuals 1992 \$ | Budget 1992 \$ | Actuals 1991 \$ |
|-------------------------------------|-----------|-----------------------|----------------------|-----------------------|
| Income | | | | |
| Public Broadcasting Fee | | 83,651,601 | 85,600,000 | 83,722,074 |
| Interest From Deposits | | 1,442,196 | 800,000 | 1,895,991 |
| Other Income | (Note 9) | 1,705,061 | - | 1,620,850 |
| Total Income | | \$86,798,858 | \$86,400,000 | \$87,238,915 |
| Less Operating Expenditure | | | | |
| Public Broadcasting Fee | | | | |
| Collection Costs | (Note 10) | 7,853,480 | 7,154,000 | 8,464,055 |
| Administration | (Note 11) | 1,598,353 | 1,608,000 | 1,539,506 |
| Net Income | | \$77,347,025 | \$77,638,000 | \$77,235,354 |
| Funding | | | | |
| Television | (Note 12) | 34,178,776 | 37,038,877 | 34,315,789 |
| Radio | (Note 13) | 25,309,486 | 25,809,485 | 27,896,438 |
| Maori Broadcasting | (Note 14) | 7,323,413 | 7,825,000 | 5,123,237 |
| Remote Transmission Coverage | (Note 15) | 5,154,315 | 7,584,969 | 4,277,456 |
| New Zealand Symphony Orchestra | | - | - | 2,458,311 |
| Archives | (Note 16) | 1,053,766 | 1,540,200 | 1,382,570 |
| Consultation | | 118,057 | 155,500 | 18,927 |
| Total Funding Expenditure | | \$73,137,813 | \$79,954,031 | \$75,472,728 |
| Excess of Income/Expenditure | | 4,209,212 | (2,316,031) | 1,762,626 |
| Transfer to Early Childhood | | | | |
| Television Fund | (Note 8) | (4,530,870) | - | - |
| Accumulated Funds 1 July | | 2,316,031 | 2,316,031 | 553,405 |
| Accumulated Funds 30 June | | \$1,994,373 | - | \$2,316,031 |

The accompanying notes form part of these financial statements.

Broadcasting Commission

STATEMENT OF CASH FLOWS

For The Year Ended 30 June 1992

| | 1992 | 1991 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Cash was provided from: | | |
| Public Broadcasting Fee | 82,709,253 | 77,795,303 |
| Other income received | 53,373 | 249,929 |
| Goods and services tax (GST) | 141,206 | - |
| Cash was disbursed to: | | |
| Funding advances | (72,601,041) | (70,300,191) |
| Payments to suppliers and employees (including Public Broadcasting Fee collection costs) | (9,160,222) | (9,321,020) |
| Goods and services tax (GST) | - | (428,865) |
| Net cash flows from operating activities | <u>\$1,142,569</u> | <u>(\$2,004,844)</u> |
| Cash flows from investing activities | | |
| Cash was provided from: | | |
| Short term deposits | - | 4,707,080 |
| Interest received | 1,459,037 | 2,303,040 |
| Cash was applied to: | | |
| Short term deposits | (5,342,200) | - |
| Purchase of fixed assets | (50,576) | (42,331) |
| Net cash from investing activities | <u>(\$3,933,739)</u> | <u>\$6,967,789</u> |
| Cash flows from financing activities | | |
| | - | - |
| Net (decrease) increase in cash held | (2,791,170) | 4,962,945 |
| Opening cash as at 1 July | 5,051,256 | 88,311 |
| Closing cash as at 30 June | <u>\$2,260,086</u> | <u>\$5,051,256</u> |
| Closing cash at bank as at 30 June consisted of: | | |
| Bank of New Zealand current accounts | 730,086 | 140,429 |
| Call deposits | | |
| - Bank of New Zealand | 1,530,000 | 800,658 |
| - National Bank of New Zealand Limited | - | 2,108,550 |
| - ANZ Banking Group (New Zealand) Limited | - | 2,001,619 |
| | <u>\$2,260,086</u> | <u>\$5,051,256</u> |

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended 30 June 1992

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 remote transmission coverage; and
 - television and radio archives.

The financial statements have been prepared in terms of the First Schedule of the Broadcasting Act 1989.

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the Commission is a going concern. Accrual accounting is used to measure revenue and expenditure. The Statement of Cash Flows is prepared using the indirect 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) 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. The exceptions to this policy are:

- (i) where a level of income has been contracted for and is reasonably assured, then such commitments are treated as assets and valued at the minimum amount 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.

(e) Investments

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

(f) Public Broadcasting Fee

Income from the Public Broadcasting Fee is accounted for at the time the invoice is issued. In accordance with the Broadcasting (Public Broadcasting Fees) Regulations 1989 the income recognised is the total of the amount invoiced.

(g) 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.

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.

2. STATEMENT OF COMMITMENTS AND CONTINGENT LIABILITIES

The following significant future commitments have been made by the Commission against future years' income:

(a) National Radio and Concert FM

Prior to the year end the Commission settled the level of funding for the Radio New Zealand Limited services of National Radio and Concert FM at \$11,261,000 for the six months ending 31 December 1992. There is a Ministerial directive requiring the Commission to fund these services until 31 December 1992.

(b) National Maori Radio Network System

The Commission entered into long-term contracts with Telecom Networks and International Limited and Radio New Zealand Limited to provide circuits and switching services on a rental basis until July 1996. The present rental costs are \$905,244 per annum. Future years' rentals are subject to inflationary adjustments.

(c) Leased Premises

The Commission is a party to a lease agreement with the New Zealand Lotteries Commission for its office premises in Wellington. The lease is for a term of six years until June 1995. The current base rental is \$71,691 per annum. Operating expenses are additional and are presently being negotiated.

(d) Extension of Radio Transmission Coverage

The Commission has a commitment with Radio New Zealand Limited to fund a coverage extension plan for National Radio and Concert FM. Current estimates indicate that funding will be needed to meet future annual operating costs of \$633,077 per annum once the extensions are completed.

The Commission also has commitments in accordance with contracts with Fife FM (Nelson), Port FM (Timaru) and Radio Scenicland (Greymouth) to fund until the end of 1997 the coverage of their transmission to communities not receiving a commercially viable community radio service. Current estimates indicate that funding will be needed to meet future annual operating costs of \$64,579 per annum.

e) Miscellaneous Funding Commitments for Next Year

Prior to the year end the Commission committed funding of \$5,656,054 for the next year's operations of a number of Maori and Access radio stations and others. These commitments will be treated as expenditure next year.

At year end there were no contingent liabilities.

3. STATEMENT OF RESOURCES

(a) Personnel

| | 1992 | 1991 |
|---------------------------------------|------|------|
| Members of the Commission (part-time) | 6 | 6 |
| Staff (full-time equivalents) | 10.5 | 10.5 |

(b) Broadcasting Equipment

The Commission purchased equipment valued at a cost of \$230,043 which is used by Radio New Zealand Limited 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. The Commission has expensed this cost and plans to transfer ownership in the near future to the appropriate entities.

4. SHORT TERM DEPOSITS

| | 1992 | 1991 |
|---|---------------------|--------------------|
| Treasury Bills | 8,527,802 | 7,904,067 |
| Westpac Banking Corporation | 2,179,907 | 2,038,209 |
| ANZ Banking Group (New Zealand) Limited | 2,070,738 | - |
| National Bank of New Zealand Limited | 1,506,029 | - |
| Bank of New Zealand | 1,000,000 | - |
| | <u>\$15,284,476</u> | <u>\$9,942,276</u> |

5. ACCOUNTS RECEIVABLE - PUBLIC BROADCASTING FEE

| | 1992 | 1991 |
|---|---------------------|---------------------|
| Accounts Receivable - Public Broadcasting Fee | 15,524,138 | 14,304,355 |
| Less Provision for Doubtful Debts | (774,524) | (631,790) |
| | <u>\$14,749,614</u> | <u>\$13,672,565</u> |

6. FIXED ASSETS

| | Original Cost | Accumulated Depreciation | 1992 Book Value | 1991 Book Value |
|-----------------------|------------------|-----------------------------|-----------------------|-----------------------|
| Furniture & Fittings | 114,792 | 44,555 | 70,237 | 78,348 |
| Leasehold Alterations | 99,362 | 44,201 | 55,160 | 69,925 |
| Computer Equipment | 126,068 | 82,824 | 43,244 | 68,336 |
| Office Equipment | 42,014 | 20,084 | 21,930 | 27,297 |
| Motor Vehicles | 77,676 | 28,424 | 49,253 | 37,197 |
| | <u>459,912</u> | <u>220,088</u> | <u>239,824</u> | <u>281,103</u> |

7. FUNDING LIABILITIES

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 the cash flow requirements of the programme or particular project.

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

| | |
|---|---------------------|
| Television programmes | 20,607,115 |
| Radio, remote transmission coverage, and archives | 4,032,776 |
| | <u>\$24,639,891</u> |

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

8. EARLY CHILDHOOD TELEVISION FUND

| | |
|--|--------------------|
| Balance 1 July 1991 | - |
| Transfer from excess of income/expenditure during the year | 4,530,870 |
| Balance 30 June 1992 | <u>\$4,530,870</u> |

This fund has been established to meet the on-going funding of an early childhood television series over the next four years.

9. OTHER INCOME

| | 1992 | 1991 |
|---|--------------------|--------------------|
| Writebacks of previous years funding liabilities which have since been withdrawn or reduced. | 1,651,688 | 428,138 |
| Income from the sale of television programmes for uses other than New Zealand television broadcasts. | 53,373 | 249,929 |
| Refund from Radio New Zealand of part of the previous year's funding arising from actual costs being less than the budgets on which the funding payments were originally based. | - | 942,783 |
| | <u>\$1,705,061</u> | <u>\$1,620,850</u> |

10. PUBLIC BROADCASTING FEE COLLECTION COSTS

| | Actuals 1992 | Budget 1992 | Actuals 1991 |
|--------------------------------|--------------------|--------------------|--------------------|
| Direct collection costs | 4,103,623 | 3,780,750 | 4,468,547 |
| Compliance costs | 2,451,360 | 2,070,250 | 2,038,813 |
| Awareness advertising campaign | 1,123,184 | 1,122,000 | 1,788,197 |
| Administration | 170,656 | 180,500 | 167,996 |
| Depreciation | 4,657 | 500 | 502 |
| | <u>\$7,853,480</u> | <u>\$7,154,000</u> | <u>\$8,464,055</u> |

11. ADMINISTRATION EXPENDITURE

| | Actuals 1992 | Budget 1992 | Actuals 1991 |
|--|--------------------|--------------------|--------------------|
| Staff and Members costs | 656,537 | 683,686 | 671,347 |
| Travel and communications | 169,865 | 289,283 | 221,440 |
| Office overheads | 224,589 | 267,870 | 211,698 |
| Legal, public relations, and consultants | 307,751 | 216,610 | 212,562 |
| Other expenses | 137,663 | 50,000 | 87,330 |
| Depreciation | 85,793 | 85,851 | 80,015 |
| Audit fees | 15,000 | 14,700 | 12,494 |
| Interest paid | 1,155 | - | 1,584 |
| Establishment costs | - | - | 41,036 |
| | <u>\$1,598,353</u> | <u>\$1,608,000</u> | <u>\$1,539,506</u> |

12. TELEVISION PROGRAMME FUNDING

| | 1992 | | 1991 | |
|---------------------------------------|------------|---------------------|------------|---------------------|
| | Hours | Funding | Hours | Funding |
| Drama | 187 | 10,648,512 | 77 | 7,703,587 |
| Documentaries | 112 | 6,730,756 | 119 | 9,392,208 |
| Children and young persons programmes | 410 | 6,465,608 | 283 | 5,467,688 |
| Maori programmes | 145 | 5,625,900 | 118 | 6,320,472 |
| Special interest programmes | 90 | 4,474,580 | 91 | 4,469,157 |
| Total Production funding | <u>944</u> | <u>33,945,356</u> | <u>688</u> | <u>33,353,112</u> |
| Plus Development funding | | 233,420 | | 962,677 |
| Total Television funding | | <u>\$34,178,776</u> | | <u>\$34,315,789</u> |

13. RADIO

| | 1992 | 1991 |
|---|---------------------|---------------------|
| Radio New Zealand | | |
| National Radio | 17,196,144 | 19,417,281 |
| Concert FM | 5,207,661 | 5,672,107 |
| Allowance for restructuring costs | 1,655,600 | - |
| Allowance for a rate of return to Radio New Zealand | - | 883,831 |
| Radio New Zealand transitional grant | - | 625,000 |
| Consultancy expenditure to review the costs of National Radio and Concert FM | - | 302,524 |
| | <u>\$24,059,405</u> | <u>\$26,900,743</u> |
| Access Radio | | |
| Auckland Access Radio | 181,400 | 212,748 |
| Nelson Access Radio | 76,640 | - |
| Otago Access Radio | 105,778 | 67,778 |
| Plains FM (Christchurch) | 158,000 | 166,626 |
| Print Disabled Radio | 40,000 | 47,900 |
| Radio New Zealand - Wellington Access Radio | 290,643 | 290,643 |
| Wellington Samoan Radio | 91,620 | - |
| Southland Access Radio | 73,000 | - |
| Provision for Pacific Island short term broadcast | 15,000 | - |
| Wairarapa Access Radio | - | 10,000 |
| | <u>\$1,032,081</u> | <u>\$795,695</u> |
| New Zealand Music on Radio | \$218,000 | \$200,000 |
| | <u>\$25,309,486</u> | <u>\$27,896,438</u> |

14. MAORI BROADCASTING

| | 1992 | 1991 |
|---|--------------------|--------------------|
| Radio | | |
| Aotearoa Radio (Auckland, Bay of Plenty, Wellington and Christchurch) | 1,296,000 | 1,440,000 |
| Te Upoko O Te Ika (Wellington) | 645,400 | 1,096,000 |
| Mana Maori Media news service | 939,111 | 904,000 |
| Maori radio consultancy, training and other costs | 163,054 | 31,223 |
| Iwi Radio Stations | | |
| Radio Ngati-Porou (Ruatoria) | 200,000 | 200,000 |
| Tautoko Radio FM (Mangamuka Bridge) | 200,000 | 200,000 |
| Te Korimako O Taranaki (New Plymouth) | 115,000 | - |
| Te Reo Iriraki Ki Otautahi (Christchurch) | 200,000 | 181,664 |
| Te Reo Irirangi O Maniapoto (Te Kuiti) | 90,000 | 214,996 |
| Te Reo Irirangi O Manuka-Tu-Tahi (Whakatane) | 300,000 | 17,000 |
| Te Reo Irirangi O Ngati-Raukawa (Tokoroa) | 200,000 | 231,662 |
| Te Reo Irirangi O Ngati-Whatua (Auckland) | 182,466 | 17,000 |
| Te Reo Irirangi O Pare-Hauraki (Paeroa) | 300,000 | 17,000 |
| Te Reo Irirangi O Rangitane (Palmerston North) | 115,000 | - |
| Te Reo Irirangi O Tainui (Ngaruawahia) | 200,000 | 206,700 |
| Te Reo Irirangi O Te Arawa (Rotorua) | 200,000 | 185,000 |
| Te Reo Irirangi O Te Hiku O Te Ika (Kaitaia) | 200,000 | 214,996 |
| Te Reo Irirangi O Tuwharetoa (Turangi) | 200,000 | 181,664 |
| Te Reo Irirangi O Whanganui (Wanganui) | 300,000 | 17,000 |
| Te Reo O Ngati-Hine (Whangarei) | 250,000 | 17,000 |
| Te Reo O Tauranga-Moana (Tauranga) | 200,000 | 181,664 |
| Te Toa Takitini Trust (Taradale) | 300,000 | 15,000 |
| National Maori radio network system | 384,138 | 198,000 |
| Independent programme production | 143,244 | - |
| Less transfer from Maori Broadcasting Fund | - | (644,332) |
| | <u>\$7,323,413</u> | <u>\$5,123,237</u> |

There is a Ministerial directive to apply at least 6% of the Public Broadcasting Fee revenue, net of collection costs, to promote Maori broadcasting. The percentage this year for Maori radio is 9.7% compared with 6.8% for the previous year.

15. REMOTE TRANSMISSION COVERAGE

| Television | 1992 | 1991 |
|--|--------------------|--------------------|
| Television New Zealand non-commercial coverage 1992 | 3,330,000 | - |
| Television New Zealand non-commercial coverage 1991 | - | 4,451,020 |
| Television New Zealand non-commercial coverage 1990 | - | 4,451,020 |
| Chatham Islands television service | 234,000 | 5,050 |
| Extension of coverage | 77,400 | - |
| Radio | | |
| Radio New Zealand remote relays and hybrid stations | 352,680 | 493,658 |
| National Radio and Concert FM extensions | 884,201 | 433,527 |
| Non-commercial community radio extensions | 276,034 | - |
| Radio Ngati-Porou | - | 52,000 |
| Whangarei Concert FM Society (interim service) | - | 18,000 |
| Less transfer from the Remote Transmission Coverage Fund | - | (5,626,819) |
| | <u>\$5,154,315</u> | <u>\$4,277,456</u> |

16. ARCHIVES

| Television | 1992 | 1991 |
|---|--------------------|--------------------|
| Television New Zealand Archives | 748,574 | 463,820 |
| Provision for archiving television programmes produced by TV3 and independent producers | - | 200,000 |
| Radio | | |
| Radio New Zealand Sound Archives | 305,192 | 718,750 |
| | <u>\$1,053,766</u> | <u>\$1,382,570</u> |

Television Programmes Funded During The Year

| Programme (Broadcaster) | Producer | Episodes & Duration | NZ On Air Funding \$ |
|--|------------------------------------|-------------------------|-------------------------|
| Documentary | | | |
| A Friend For Life (TVNZ) | Julie Christie Productions | 1 hour | 31,100 |
| Aussie Haka (TVNZ) | Trisha Stratford Productions | 1 hour | 110,000 |
| Body Human (TV3) | Isambard Productions | 13 x 1 hours | 312,240 |
| Bungay On Crime (TVNZ) | Gibson Group | 10 x 1/2 hours | 460,000 |
| Class Of '87 (TVNZ) | Zee Films | 2 x 1 hours | 145,600 |
| Cot Death (TVNZ) | Johnston Productions | 1 hour | 100,000 |
| Country Calendar (TVNZ) | Television New Zealand | 21 x 1/2 hours | 275,000 |
| Drug Babies (TVNZ) | Tri-Pod Productions | 1 hour | 68,500 |
| Dyslexia (TVNZ) | Live Line Video Productions | 1 hour | 58,810 |
| Every Widow's Dream (TVNZ) | Zee Films | 1 hour | 100,000 |
| Expo Two (TVNZ) | Images Ink | 1 hour | 122,631 |
| Expo '92 (TVNZ) | Television New Zealand | 1 hour | 123,631 |
| Feet Of Clay (TVNZ) | Dark Horse Films | 1 hour | 50,000 |
| First Hand - 1992 (TVNZ) | New Doc | 8 x 1/2 hours; 1x1 hour | 160,000 |
| Flopsy Mopsy Cottontail & Peter (TVNZ) | Johnston Productions | 1 hour | 100,000 |
| Ganging Up On Violence (TVNZ) | Aries Productions | 1 hour | 100,000 |
| Gay In The '90s (TVNZ) | Julie Christie Productions | 1 hour | 80,144 |
| Going Dutch (TVNZ) | South Pacific Video | 1 hour | 69,440 |
| Gray Bartlett In China (TVNZ) | Living Pictures | 1 hour | 43,126 |
| Heartland (TVNZ) | Anson Grieve | 5 x 1 hours | 420,000 |
| Heroes (TVNZ) | Communicado | 8 x 1/2 hours | 496,307 |
| In Fear Of Invasion (TVNZ) | Grant Dixon Productions | 1 hour | 24,611 |
| Kupe (TVNZ) | Nimrod Films | 1 hour | 119,870 |
| La Boheme (TVNZ) | Ninox Films | 1 hour | 100,000 |
| Living Earth (TV3) | TV3 Network Services | 10 x 1/2 hours | 130,200 |
| Living Earth Series II (TV3) | TV3 Network Services | 20 x 1/2 hours | 304,240 |
| Miles & Shelley Go Flating (TVNZ) | Miranda Productions | 1 hour | 100,000 |
| Mosquito Up My Nose (TVNZ) | Johnston Productions | 1 hour | 100,000 |
| Noisy Neighbours (TVNZ) | Concept Television | 1 hour | 80,809 |
| NZ Green (TVNZ) | Zee Films | 1 hour | 90,610 |
| Other People's Children (TVNZ) | Top Shelf Productions | 1 hour | 100,000 |
| Over Here (TVNZ) | Miranda Productions | 1 hour | 100,000 |
| Paralympics (TVNZ) | Television New Zealand | 1 hour | 79,196 |
| Race Day (TVNZ) | Zee Films | 1 hour | 85,000 |
| See What I Mean (TVNZ) | Point Of View Productions | 1 hour | 57,500 |
| Seventy Something (TVNZ) | Brownstreet Productions | 1 hour | 75,000 |
| Sixty Minutes (TV3) | TV3 Network Services | 36 x 20 min | 486,000 |
| Strangers (TVNZ) | Bryan Bruce Productions | 1 hour | 120,000 |
| Te Hoenga Waka O Hokianga (TVNZ) | Rangipai Productions | 1 hour | 100,000 |
| The Only Game In Town (TV3) | Channel Vision | 1 hour | 86,782 |
| The Smell Of Money (TVNZ) | SMT - Small Moving Things | 1 hour | 76,113 |
| The Iron Lady (TVNZ) | Trisha Stratford Productions | 1 hour | 100,000 |
| The Street Is My Home (TVNZ) | Top Shelf Productions | 1 hour | 92,965 |
| The Gully-ites (TVNZ) | Aries Productions | 1 hour | 90,021 |
| The Helmet Lady (TVNZ) | Independent Television Productions | 1 hour | 37,000 |
| To Have Or To Hold (TVNZ) | Nona Films | 1 hour | 100,000 |
| TV Dinner (TVNZ) | Geoff Steven Productions | 1 hour | 115,000 |
| Voters Choice (TVNZ) | Gibson Group | 1 hour | 92,500 |
| Whakaaria Mai (TV3) | Kids TV | 1 hour | 27,900 |
| Wheeling For Gold (TVNZ) | Tony Palmer Productions | 1 hour | 62,910 |
| Whina (TVNZ) | Bryan Bruce Productions | 1 hour | 100,000 |
| Young Farmer Of The Year (TVNZ) | Television New Zealand | 1 hour | 70,000 |
| | | 112 hours | \$6,730,756 |

Drama/Comedy

| | | | |
|--|---------------------------|-----------------|--------------|
| Absent Without Leave (TVNZ) | AWOL Productions | 2 hours | 255,000 |
| Alex (TV3) | Isambard Productions | 2 hours | 372,035 |
| Another Country (TVNZ) | Frame Up Films | 3 x 1/2 hours | 370,164 |
| Anthology Drama Series - additional (TVNZ) | Meridian Film Productions | Not applicable | 43,063 |
| Blowing It (TVNZ) | Cadenza Productions | 2 hours | 300,000 |
| Bread And Roses - additional (TVNZ) | Preston Laing Productions | Not applicable | 750,000 |
| Deepwater Haven (TVNZ) | South Pacific Pictures | 26 x 1/2 hours | 1,079,000 |
| Desperate Remedies (TVNZ) | James Wallace Productions | 2 hours | 200,000 |
| Homeward Bound (TV3) | Soap (NZ) Ltd | 22 x 1 hours | 1,566,000 |
| Issues (TV3) | Isambard Productions | 20 x 1/2 hours | 748,000 |
| Marlin Bay Series I - additional (TVNZ) | South Pacific Pictures | 4 x 1 hours | 600,000 |
| More Issues III (TVNZ) | Isambard Productions | 5 x 1 hours | 472,000 |
| New Sketch Comedy Series (TVNZ) | Gibson Group | 13 x 1/2 hours | 600,000 |
| Pony (TVNZ) | Pony Productions | 2 hours | 293,250 |
| Shortland Street (TVNZ) | South Pacific Pictures | 230 x 1/2 hours | 3,000,000 |
| | | 187 hours | \$10,648,512 |

Maori

| | | | |
|--------------------------------------|------------------------|--------------|-------------|
| Aotearoa Festival '92 (TV3) | Tainui Television | 2 hours | 150,000 |
| Aotearoa Festival '92 (TVNZ) | Tainui Television | 1 hour | |
| Marae (TVNZ) | Television New Zealand | 38 x 2 hours | 1,963,329 |
| Marae Rugby Union (TVNZ) | Television New Zealand | 1 hour | 49,240 |
| SmokeFree Maori Women in Sport (TV3) | Hauiti Productions | 1/2 hour | 5,948 |
| Te Karere (TVNZ) | Television New Zealand | 220 x 10 min | 2,631,283 |
| Waka Huia (TVNZ) | Television New Zealand | 20 x 1 hours | 826,100 |
| | | 145 hours | \$5,625,900 |

Children and Young Persons

| | | | |
|---|-------------------------|--|-------------|
| Environmental Programme (TVNZ) (Working Title) | Taylor-made Productions | To be confirmed | 28,521 |
| In Focus 1992 (TV3) | Kids TV | 26 x 1/2 hours | 889,885 |
| In Focus Specials (TV3) | Kids TV | 4 x 1 hours | 145,450 |
| Music Videos | Various | 56 videos [part of the funding was incurred last year] | 130,000 |
| Short Sportz (TV3) | Kids TV | 26 x 1/2 hours | 666,433 |
| Son Of A Gunn (TVNZ) | Television New Zealand | 225 x 1/2 hours | 600,000 |
| Tiki Tiki Forest Gang (TVNZ) | Taylor-made Productions | 90 x 10 min | 515,258 |
| What Now Inserts N To Z (TVNZ) | Taylor-made Productions | 50 x 10 min | 456,221 |
| What Now (TVNZ) | Television New Zealand | 44 x 3 hours | 1,400,000 |
| You And Me (TV3) | Kids TV | 260 x 1/2 hours | 1,633,840 |
| | | 410 hours | \$6,465,608 |

Special Interest Groups

| | | | |
|------------------------------------|-----------------------------|----------------|-------------|
| Cat Among The Pigeons (TVNZ) | Pamela Meekings-Stewart | 1 hour | 58,138 |
| Church OBs (TVNZ) | Television New Zealand | 3 x 1 hours | 150,000 |
| Dance And The Camera '92 (TVNZ) | Top Shelf Productions | 1 hour | 100,000 |
| Festival Of The Arts (TVNZ) | Television New Zealand | 3 x 1/2 hours | 90,000 |
| He Ara Hou (TVNZ) | Aries Productions | 1/2 hour | 70,000 |
| Malcolm McNeill In Japan (TVNZ) | Ninox Films | 15 min | 7,634 |
| NZ Music Awards '92 (TVNZ) | Great Pacific Entertainment | 11/2 hours | 57,900 |
| NZSO & Dame Kiri In Seville (TVNZ) | Television New Zealand | 1 hour | 46,340 |
| Pacific Monarch (TVNZ) | La Hood Productions | 1/2 hour | 47,000 |
| Praise Be (TVNZ) | Television New Zealand | 44 x 1/2 hours | 600,000 |
| Prime Sex (TV3) | Sextant Productions | 1 hour | 169,130 |
| SmokeFree Sports Series III (TVNZ) | Television New Zealand | 60 x 10 min | 178,875 |
| Sunday (TVNZ) | Television New Zealand | 22 x 1 hours | 1,000,000 |
| Tagata Pasifika (TVNZ) | Television New Zealand | 38 x 1/2 hours | 927,761 |
| Teletext (TVNZ) | Television New Zealand | Not applicable | 838,714 |
| Theatresports (TVNZ) | Television New Zealand | 1 hour | 33,088 |
| Young Musicians Competition (TVNZ) | Television New Zealand | 3 x 1 hours | 100,000 |
| | | 90 hours | \$4,474,580 |

Directory

MEMBERS

| | | |
|----------------|-----------------|------------------------|
| Merv Norrish | of Wellington | Chairman |
| Alan Galbraith | of Auckland | Deputy Chairman |
| Roger Horrocks | of Auckland | |
| Gay Charlotte | of Christchurch | |
| Jim Stevenson | of Wellington | |
| Hiwi Tauroa | of Auckland | |

STAFF

| | |
|--------------------|-------------------------------------|
| Ruth Harley | Executive Director |
| Kelly Amas | Personal Assistant/Secretary |
| Robyn Andrews | Personal Assistant/Secretary |
| Rose Church | Administration Manager |
| Selwyn Crane | Manager, Broadcasting Fee |
| Emily Loughnan | Programme Manager |
| Elizabeth Morrison | Finance Executive |
| Madeline Palmer | Receptionist |
| Chris Prowse | Finance Director |
| Anita Roberts | Personal Assistant/Secretary |
| Brendan Smyth | Programme Manager |

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