

Financial Report.—The Revenue Account for the year ending 31st March, 1943, and the balance-sheet appear in parliamentary paper B.-1 [Pt. IV].

The revenue for the year amounted to £605,408, which comprises license fees, £549,423; receipts from sales of and advertising in *New Zealand Listener*, £30,366; interest, £14,270; rents of lands and buildings, £1,018; and recovery of technical services at cost from the National Commercial Broadcasting Service, £10,331.

Expenditure for the year was £231,047, leaving a surplus of £374,361. The chief items of expenditure were—programmes, £89,345; operation of stations, £47,044; administration, £37,271; *New Zealand Listener*, £25,060; depreciation, £26,391; Broadcasting Unit with New Zealand Expeditionary Force overseas, £2,296; miscellaneous, £3,640.

The fixed assets at the beginning of the year were valued at £215,881. Additions amounted to £31,867, depreciation was £26,391, leaving a balance of £221,357 at the end of the year.

A further £380,000 was invested during the year to provide for future development, and to overtake arrears of construction and equipment which have been held up owing to war conditions, making a total of £1,180,000 now invested for this purpose.

JAMES SHELLEY, Director of Broadcasting.

SECTION II.—NATIONAL COMMERCIAL BROADCASTING SERVICE

The year under review has been an important one from the entertainment and the commercial points of view, as well as from that of this Service's part in the war effort. There is abundant evidence that the Commercial Stations' programmes not only maintained, but increased, their popularity with listeners; the revenue for the year reached a new peak; and the effective service rendered in the interests of the nation's war effort was widened and improved beyond that of previous years. As in America and in Australia, commercial broadcasting in New Zealand is "On Active Service," and, despite the limitations of contractual programme commitments, the organization has been made easily adjustable so that its whole resources can be utilized for war purposes at the shortest notice. In this connection appreciation is expressed of the co-operation of national and local advertisers in the necessary adjustment of programme schedules.

Advertising.—Commercial broadcasting in New Zealand is now in its seventh year, and the business community is providing concrete acknowledgment of the splendid results obtained, in the form of increased appropriations. Many advertisers formerly disinterested in, or even antagonistic to, commercial radio are now making use of this medium of publicity; and this is not wholly due to the restriction on press advertising.

Increasing attention is being paid by advertisers to the quality of their programmes, and they are conscious not only that the type of production used affects their results, but also of their responsibility to provide high-grade and varied entertainment in the interests of wartime morale. As a result, the Service is currently broadcasting the best programmes from the leading production studios in Australia and America. Two of these programmes—one Australian and one American—are now in their seventh consecutive year of broadcasting.

All available time in the evening schedules has been sold, and there remains but little in the morning and afternoon schedules. Due to the extraordinary demand for time, it has been necessary to introduce a modified form of rationing in order to maintain a balance between advertising and programmes. Incidentally, this indicates that, due to the initiative of the sales force, the long-held opinion of advertisers that there is no effective audience on Fridays and Saturdays has been proved incorrect, and the results obtained from broadcasts on these days are comparable with all other results.

In the past year there has been a noticeable change in the trend of advertising copy; some of the major national advertisers are now confining their copy to messages designed to ensure that the continuity of their goodwill is not broken by any temporary shortage of their marketable supplies.

A major step forward in the advertising field has been brought about through the Medical Advertisements Act, and this will have particularly satisfactory results as far as the Commercial Broadcasting Service is concerned. While a strict censorship policy has always been in force, there are now definite and equitable lines on which to work.

Advertising Revenue.—The total revenue for the year amounted to £232,375, being an increase of £7,861 on the previous year. Details are as follows:—

Station.					National.	Local.	Total.
					£	£	£
1ZB, Auckland	..	..	..	..	38,758	36,264	75,022
2ZB, Wellington	..	..	..	..	32,795	24,185	56,980
3ZB, Christchurch	..	..	..	..	25,839	23,903	49,742
4ZB, Dunedin	..	..	..	..	21,863	17,430	39,293
2ZA, Palmerston North	..	..	..	..	4,900	6,438	11,338
Total	..	..	..	..	124,155	108,220	232,375