

Substantial progress during the year in the development of new stations and the replacement of old equipment is reflected in the accounts in increases in fixed assets and a reduction of investments from £1,850,000 as at 31st March, 1949, to £1,500,000 as at 31st March, 1950. As a result of the reduction of investments, interest revenue at £24,660 was £3,048 less than in the previous year. In the immediate future interest receipts will be substantially increased, as short-term maturing securities have now been replaced by longer-term investments bearing interest at higher rates and maturing at dates convenient to estimated cash requirements. However, as further capital is expended in the development of the Service, investments will ultimately be reduced to a figure representing only normal reserves from which interest revenue will be small compared with that now received. This consideration, combined with the progressive increase in depreciation charges, will reduce the proportion of annual revenue available for the general purposes of the Service.

Although the increases in operating costs to which the Service is committed are not yet fully reflected in the annual accounts, there is already a change from a long series of annual surpluses to a deficit for the year under review. It can be seen, therefore, that revenues on the present basis, after allowing for normal increases in licence fees and additional receipts from new Commercial stations, would not be sufficient to meet the cost of the service to be provided. Reference to this trend was made in my report last year, and means of meeting the position are now being examined.

Audited accounts for the year are appended to this report.

ENGINEERING DIVISION

MEDIUM-WAVE SERVICE

During the year considerable progress was made with the development programme which was authorized in 1946-47 and deliveries of equipment which had been ordered were completed. This programme provided for increasing the coverage of many of the present stations, erection of new station in the larger provincial towns, and the replacement of certain obsolete plant.

The new regional station to serve the Bay of Plenty area, 1YZ (10 kW.), was brought into service on the 27th April, 1949. The transmitter is located at Paengaroa, near Te Puke. This site has been selected to give the best coverage throughout the Bay of Plenty district. The studio premises are at Rotorua.

Associated with the transmitter at Paengaroa is a vertical steel mast radiator of height 500 ft. It is of the latest loaded top design, being sectionalized and loaded with an inductance at approximately two-thirds its height. With this arrangement a smaller mast can be used than would otherwise be necessary, and this results in considerable economy cost.

Both the transmitter building at Paengaroa and the studio building at Rotorua are of a temporary nature and were constructed largely from war surplus buildings transported from Auckland. Owing to the relative isolation of the transmitting site it has been necessary to provide residential accommodation for the staff.

Three new smaller stations of 2 kW. output were brought into service, and these were—

1XH Hamilton, 2nd July, 1949.

1XN Whangarei, 27th August, 1949.

2XA Wanganui, 22nd October, 1949.

These stations are in operation for seven hours daily and carry programmes with both advertising and non-advertising sections.

In the case of these stations, their transmitters are located only a mile or so from the town and are operated without any staff in attendance. They are controlled by specially designed remote-control equipment which is located at the studio, and a considerable saving in staffing costs is achieved in this way. Operational experience