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SUBSCRIPTION TV

Printed from Research & Statistics
www.screenaustralia.gov.au
As of 31 August 2010
(Research & Statistics is regularly updated)

* Discontinued data

Subscription television in Australia

Analysis by Bob Peters

Last updated August 2008

Services, operators and markets

There are more than 90 English-language television services or channels currently available to subscribers of the three major local subscription television groups. That total channel count is made up of about 75 unique subscription-only services; eight time-shifted subscription-only services; up to seven retransmitted free-to-air television services; and up to five menu, channel guide and help services.

In addition, subscribers may also be offered some, or all, of the following: up to 26 channels screening recent movies on a pay-per-view basis; 30 audio-only services; and up to 13 retransmitted radio services, including two foreign-language radio services, as well as two foreign-language television services.

The three major local operators of subscription TV services, which are also referred to as pay TV or multi-channel services, are Foxtel and Optus TV (each of which operate in the metropolitan markets) and Austar (which operates in regional markets). Between them, these three operators had a total of more than 2.16 million subscribers at the end of 2007, which represented a national household penetration rate of more than 27 per cent, and generated more than $2 billion in revenues during 2007.

A lesser number of subscription TV services are also provided by a handful of smaller local operators, the most notable of which are SelecTV (which provides satellite-delivered services throughout Australia) and TransACT Communications, including Neighbourhood Cable (which uses cable to deliver services to the regional cities of Canberra, Queanbeyan, Geelong, Ballarat and Mildura).

The main players

Foxtel is the largest local subscription TV operator in terms of subscriber numbers with 1.335 million direct subscribers at the end of 2007. In 2006/07, it reported earnings* of $237 million from total revenues of $1.42 billion. It wholly owns seven and partially owns 13 of the 70-plus subscription TV channels that it distributes. Its services are delivered in the five metropolitan markets and on the Gold Coast via cable and satellite. Foxtel is a private company owned by Telstra (50 per cent), News Corporation (25 per cent) and Consolidated Media Holdings (25 per cent).

Austar is the second largest local subscription TV operator with 668,786 subscribers at the end of 2007, all located in regional markets. In 2006/07, it reported earnings* of $174 million from total revenues of $568 million. It partially owns 12 of the 70-plus subscription TV channels that it distributes via satellite (except in Darwin where cable is used). Austar is a public company in which Liberty Global Inc of the USA has a 54.4 per cent equity interest.

Optus TV is the third largest local subscription TV operator. It operates in Sydney, Melbourne and Brisbane as a reseller of the Foxtel cable service and accounts for all or most of Foxtel's wholesale subscribers, which at the end of 2007 totalled 157,000. In its fiscal year ending 31 March 2008, it reported revenues of $140 million from its subscription TV operation. Optus TV is owned by SingTel, which in turn is a wholly owned subsidiary of Singapore Telecommunications Limited of Singapore.

* Earnings before interest, taxes, depreciation and amortisation.

Local channels

The majority of subscription TV channels in Australia are owned not by the service operators such as Foxtel and Austar but by other entities (many of them foreign) who are usually the originators of the channels' content, such as BBC Worldwide, Discovery Networks, ESPN, Turner Broadcasting, National Geographic Channel or Hallmark Channel. Typically, the channels either produce content themselves or license it from external sources. Apart from sport, news, weather and some entertainment and drama, most of the other content originates from overseas.

The ownership of local subscription TV channels can be a profitable activity, especially for the more popular channels. Although financial results are generally not available for individual channels, recent figures are available for two larger local channel-owning companies: XYZnetworks (XYZ) and Premier Media Group (PMG).

XYZ owns and operates eight local channels: Arena, Country Music Channel, The Lifestyle Channel, Lifestyle FOOD, MAX, Channel [V], Channel [V]2 and The Weather Channel. It also distributes two other channels (Discovery Channel and Nickelodeon), and holds a 50 per cent interest in Nick Jr. The company is equally owned by Austar and Foxtel. In 2006/07, it reported earnings* of $22.3 million and profits before tax of $19.2 million on total revenues of $142 million, of which $92.1 million were subscription revenues and $48.6 million were advertising revenues.

The producer of virtually all local sports content on subscription TV, PMG owns six local channels: Fox Sports 1, Fox Sports 2, and Fox Sports 3 and Fox Sports News, as well as the How To Channel and Fuel TV. The company is equally owned by News Corporation and Consolidated Media Holdings, each of which have a 25 per cent shareholding in Foxtel. In 2006/07, PMG generated earnings* of $111.0 million on revenues of $329.2 million.

* Earnings before interest, taxes, depreciation and amortisation.

Channel packages and pricing

Subscription TV operators generally combine their television and other service offerings into packages. Typically, each operator has an entry-level package of between 14 and 30 unique subscription-only television channels which are usually combined with some or all of the retransmitted free-to-air services and also, in the case of the three major operators, 30 unique audio services.

Packages of additional channels are also offered as add-ons to the entry-level package, and these are usually arranged thematically around areas of interest, including sport, movies, documentaries, general entertainment, lifestyle, children's entertainment and music videos.

In May 2008, entry-level packages included a 14-channel Neighbourhood Cable package for $19.95 (an average $1.42 per channel) per month and a 31-channel offering from Austar for $39.95 (an average $1.29 per channel) per month.

At the other end of the price range, the top-tier channel packages from Foxtel and Austar offered access to all their English-language television services, which were $105.95 and $107.25 per month respectively.

Some operators also offer per channel add-ons. TransACT, for example, was offering about a dozen separate English-language channels for either $1.95 or $2.95 each per month.

Other services are also available from the three major operators. These include a World Movies channel (priced at between $6.95 and $9.95 per month); foreign-language channels (between $13.95 and $19.95 per channel per month); adults-only channels ($12.95 per channel per month); multi-room options ($19.95 per additional outlet per month); and Austar MyStar and Foxtel iQ branded digital video recorder set-top boxes ($14.95 per month).

Austar's average residential subscriber spent a total $69.93 per month in 2007 (excluding installation costs), while Foxtel 's average revenue per user was $84 per month during the six months to December 2007.

Usage and ratings

The time spent viewing television tends to be higher in households that have access to subscription TV services, and a sizeable proportion of viewing in such households is devoted to subscription-only channels rather than free-to-air ones.

It is not surprising that the overall time spent watching television is higher in households with subscription TV given both the greater range of television services available in such homes and the fact that they value these services to such a degree they are willing to pay for them.

Generally speaking, the share of total viewing devoted to subscription-only channels in subscription TV homes has been rising steadily over the years in line with increases in the number of channels on offer by the major operators.

Comparisons between viewing patterns and trends in homes with and without subscription TV is complicated because the free-to-air and subscription TV industries tend to focus on different time periods when analysing television ratings and usage.

Free-to-air TV focuses on a 40-week ratings year which excludes the first six and last four weeks of the calendar year and a two-week period around Easter. In contrast, subscription TV concentrates on either a 48-week or a full 52-week per year ratings period.

According to OzTAM, during free-to-air TV's 40-week ratings period in 2007, subscription-only channels accounted for a majority (58.7 per cent) share of all-day (6 am to midnight) viewing in subscription TV homes and a lesser (47.5 per cent) share of evening viewing (6 pm to midnight).

Subscription-only channels tend to attract higher ratings outside of free-to-air TV's prime-time period (6 to 10.30 pm) and its official 40-week ratings period when the free-to-air networks commonly broadcast less popular programming. During the 12-week out-of-survey period in 2007, for example, subscription-only channels accounted for a 61.5 per cent share of daytime viewing and a 53.1 per cent share of evening viewing in subscription TV households.

The business model

While it took almost a decade for the major local subscription TV operators to achieve sufficient subscriber numbers and to renegotiate sustainable programming supply arrangements in order to reach a break-even position, they are now highly profitable and fast-growing.

The business model for subscription TV is fundamentally different from that of free-to-air television. While the latter is funded principally by advertising revenues in the commercial sector and Federal Government allocations to the non-commercial broadcasters, the bulk of total revenues for subscription TV operators takes the form of subscription revenues; advertising revenues represent only a very small proportion of their total revenues.

This mix is clearly illustrated in the revenues of the two major local operators in 2007. Subscription services accounted for 92.4 per cent of Austar's total reported revenues, while advertising revenues accounted for only 1.6 per cent. And subscription revenues made up 86.4 per cent of Foxtel's total reported revenues.

History and background

While subscription television services have been popular in the USA for decades, pay TV only began in Australia in 1995. Its comparatively late start was intertwined with the introduction of competition in the local telecommunications industry.

The first subscription TV operator to market was the now-defunct Australis Media group, whose Galaxy branded service was launched in early 1995 and closed down in mid 1998. The industry's current top-three players commenced service in August (Austar), September (Optus) and October 1995 (Foxtel).

Competition for certain types of programming, especially sports and movies which were considered to be key subscription drivers, was particularly intense among the three aspiring operators in the metropolitan markets (Australis, Foxtel and Optus). This resulted in contractual arrangements being entered into for some content at prices that were excessive, and ultimately unsustainable. Regional operator Austar was also adversely impacted by this costly programming scramble, because it acquired much of its key programming from the metropolitan operators who typically held the Australia-wide rights.

Without the backing of a major telco, the under-capitalised Australis Media floundered. Meanwhile, profits at its two major telco-supported rivals were to remain elusive for close to a decade until their original programming contacts came to be renegotiated at lower rates and a content supply arrangement was agreed to in 2002 between themselves and approved by the Australian Competition and Consumer Commission. Austar also accumulated sizeable operating losses which threatened its ongoing viability until a financial restructuring supported by a major American cable investor and a local venture capital firm enabled the company to achieve profitability during its seventh full year of operation.

From mid-1997, subscription TV operators were allowed to carry advertising following the expiry of a Federal Government-imposed moratorium.

In 1999, Foxtel commenced satellite distribution to complement its initial cable delivery platform, which enabled it to provide services into all five metropolitan markets as well as the Gold Coast. In 2004 Austar and Foxtel commenced their respective digital services and, within less than three years, all of Foxtel's subscribers were receiving its digital service.

Foxtel launched its iQ branded personal digital recorder in February 2005 and by the end of 2007 it had achieved a penetration rate among its subscribers of more than 20 per cent. In February 2008, Austar introduced its own MyStar branded personal digital recorder.

Shortly after one of the smaller local operators, SelecTV, announced its intention to add a low-cost, 20-channel English-language subscription service to its initial foreign-language channel offerings, which had commenced at the start of 2006, the two largest operators introduced new lower-priced entry-level channel packages. Foxtel's offering was announced in May 2006 while Austar's was launched in September 2006, with each priced at $36.95 per month.

Industry structure: Markets and ownership

Ownership, areas of operation and delivery systems for the main subscription TV operators, October 2008

Foxtel and Optus are the main subscription TV players in the main metropolitan areas, with Foxtel now 'wholesaling' its services to Optus, and both Optus and Foxtel-shareholder Telstra 'bundling' subscription TV as part of their telecommunications and Internet packages. Austar provides services in regional and rural areas, as well as Hobart and Darwin. There are also smaller companies that serve a particular area like Neighborhood Cable (regional Victoria) and TransACT (ACT).

	Ownership	Areas of operation	Delivery systems
Foxtel	Telstra 50%; News Corporation 25%; Consolidated Media Holdings Ltd (CMH) 25%	Five metropolitan markets (Sydney, Melbourne, Brisbane, Adelaide and Perth) and the Gold Coast	Cable, DTH satellite
Optus TV	Singapore Telecommunications (SingTel) 100%	Three metropolitan markets (Sydney, Melbourne and Brisbane)	Cable
Austar United Communications Ltd	Liberty Global Inc. (United Austar Partners) 54%; public shareholders 46%	Regional markets, as well as Darwin and Hobart	DTH satellite cable (only in Darwin)
SelecTV	WIN Corporation 100%	Regional and metropolitan markets	DTH satellite
Neighborhood Cable	TransAct 100%	Mildura, Ballarat Geelong	Cable
TransACT	Shareholders: ACTEW Corporation Limited; TVG TransAct Holdings SCA; Jemena ATA Pty Ltd; Prime Television Limited; MTAA Superannuation Fund (TransACT) Utilities Pty Ltd; Westscheme Pty Ltd; Australian Capital Ventures Limited.	Canberra, Queanbeyan and parts of regional NSW	Cable

Source: www.foxtel.com.au, www.optus.com.au, www.austarunited.com.au, www.neighborhoodcable.com.au, www.transact.com.au, www.selectv.com
Notes: DTH, or direct-to-home, usually refers to satellite delivery.

Industry structure: Employment

Number employed by subscription TV broadcasters, 1996/97, 1999/00, 2002/03 and 2006/07

Next update to be advised

	1996/97[1]	1999/00	2002/03	2006/07	Average annual % change 2002/03 to 2006/07
No. employees					
Full-time	1,810	2,379	n.a	n.a.	n.a
Part-time	275	482	n.a	n.a.	n.a.
Total	**2,085**	**2,861**	**2,517**	**3,052**	**4.9%**

Source: Australian Bureau of Statistics (ABS), *Television, Film and Video Production and Post-production Services, 2006/07* (cat. no. 8679.0); *Television, Film and Video Production, 2002/03* (cat. no. 8679.0); *Television Services, 1999/2000* (cat. no. 8559.0) and *Radio and Television Services, 1996/97* (cat. no. 8680.0).

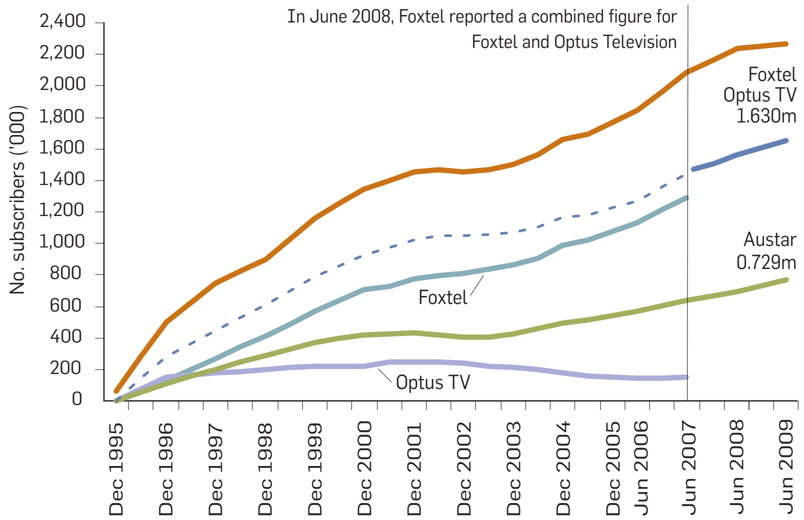
Notes: As at June each year.
1. The 1996/97 survey does not include casuals.

Subscriber numbers: By operator

Subscriber numbers, total and by operator, 1995–2009

Next update September 2010

As at June 2009, the three main subscription TV operators, Foxtel, Optus TV and Austar, had approximately 2.4 million subscribers, a penetration of about 28 per cent of all Australian households.[1] *According to OzTAM data published by the Australian Subscription Television and Radio Association, 6.7 million Australians (33 per cent) had access to subscription TV as at 31 March 2009.*[2]



	Foxtel[3]	Optus Television[3]	Austar	Australis Media[4]	East Coast Television[5]	**Total**
Dec. 1995	2,000	1,000	n.a.	62,000	na.	**65,000**
Dec. 1996	130,000	150,000	110,000	100,000	10,000	**500,000**
Dec. 1997	270,000	175,000	200,000	90,000	12,000	**747,000**
Dec. 1998	410,000	200,000	290,000	–	–	**900,000**
Dec. 1999	570,000	220,000	370,000	–	–	**1,160,000**
Dec. 2000	703,000	220,000	421,000	–	–	**1,344,000**
June 2001	725,000	250,000	426,000	–	–	**1,401,000**
Dec. 2001	775,000	250,000	432,000	–	–	**1,457,000**
June 2002	798,000	250,000	417,000	–	–	**1,465,000**
Dec. 2002	809,000	241,000	402,739	–	–	**1,452,739**
June 2003	836,000	222,000	407,270	–	–	**1,465,270**
Dec. 2003	862,394	210,606	427,296	–	–	**1,500,296**
June 2004	904,000	201,460	459,819	–	–	**1,565,279**
Dec. 2004	985,000	179,000	493,252	–	–	**1,657,252**
June 2005	1,023,000	157,000	514,450	–	–	**1,694,450**
June 2006	1,129,000	142,000	570,878	–	–	**1,841,878**
June 2007	1,292,000	151,000	639,128	–	–	**2,082,128**
June 2008	1,540,000		695,073	–	–	**2,235,073**
June 2009	1,630,000		728,719	–	–	**2,358,719**

Source: Compiled by Screen Australia from data published on the Austar website since 2004, Foxtel website since 2008, PBL website in 2006 and 2007 in the PBL annual report, and News Corp website in 2004 and 2005 in the News Corp quarterly earnings releases. Before 2004, from *Digital Broadcast Australia* (incorporating *Australian Pay TV News*).

Notes:

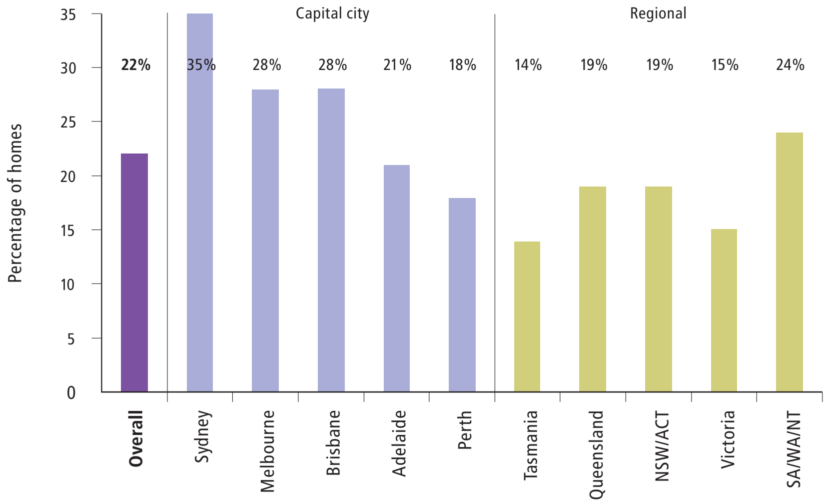
n.a. Not available.
1. Screen Australia estimate based on population data from Australian Bureau of Statistics (ABS), *Australian Demographic Statistics* (cat. no. 3101.0).
2. See the ASTRA website
3. At the end of 2002, following the Australian Competition and Consumer Commission (ACCC) decision regarding content sharing, Optus became a repackager of Foxtel and scaled back its ambitions as a subscription TV operator. Instead, it uses subscription TV as an element in its telephony bundling strategy. In June 2008, Foxtel reported a combined figure for direct Foxtel sales and wholesale Optus Television sales.
4. Australis Media went into liquidation in May 1998.
5. Austar owners (then United International Holdings) bought out East Coast Television in August 1998.

Subscriber numbers: By location

Subscription TV penetration by location, 2004

Next update to be advised

Subscription TV penetration is highest in Sydney, with 35 per cent of households subscribing in 2004, and lowest in Perth with 18 per cent. The level of subscription generally in regional areas (NSW, Queensland and Victoria) tends to be lower than in the metropolitan areas, except for Perth/WA.



Source: Nielsen Media Research Panorama, Jan–Dec 2004, available in ***Television Review of 2004*** on the ASTRA website.

Number of households with subscription TV, February 1996 to July 2002

	Number of households			Proportion of all Australian households		
	Australia	Capital cities	Rest	Australia	Capital cities	Rest
Feb. 1996	201,000	169,000	32,000	3%	4%	1%
Feb. 1998	703,000	488,000	216,000	10%	11%	9%
Feb. 2000	1,140,000	782,000	357,000	16%	18%	14%
Nov. 2000	1,245,000	859,000	386,000	18%	19%	15%
July 2002	1,586,00	1,123,00	463,00	21%	23%	17%

Source: Australian Bureau of Statistics, *Household Use of Information Technology* (cat. no. 8128.0 AND 8146.0) and unpublished data.

Financial performance: Operating profit/loss

Revenues, costs and operating profit/loss before tax for subscription TV broadcasters, 1996/97, 1999/00, 2002/03 and 2006/07

Next update to be advised

	1996/97	1999/00	2002/03	2006/07	Average annual % change 2002/03 to 2006/07
Revenues ($m)					
Subscription and membership fees	311.4	789.1	1,158.7	1,974.9	14.3%
Other	103.2	121.7	189.5	307.6	12.9%
Total revenues	*414.6*	*910.9*	*1,348.2*	2,282.6	*14.1%*
Costs ($m)					
Labour costs[1]	n.a.	185.6	168.0	204.1	5.0%
Payments to channel providers	249.2	469.8	784.5	843.6	1.8%
Depreciation and amortisation	216.8	390.0	278.6	336.9	4.9%
Rent, leasing and hiring	n.a.	n.a.	34.3	36.3	1.4%
Other contract, subcontract and commission expenses	n.a.	n.a	61.9	252.8	42.2%
Total costs	*1,473.1*	*1,615.7*	*1,837.3*	*2,449.5*	*7.5%*
Operating profit/loss before tax ($m)	**-1,058.4**	**-675.8**	**-451.5**	**-163.0**	**n.a.%**

Source: Australian Bureau of Statistics (ABS), *Television, Film and Video Production and Post-production Services, 2006/07* (cat. no. 8679.0); *Television, Film and Video Production, 2002/03* (cat. no. 8679.0); *Television Services, 1999/2000* (cat. no. 8559.0) and *Radio and Television Services, 1996/97* (cat. no. 8680.0).

Notes: Gross income from the sale of airtime is included in other revenues.
n.a. Not available
1. Includes two items for 2006/07 that were excluded from labour costs for previous years: salary sacrifice for employee benefits other than superannuation and employee share-based payments and stock options.

Regulation of Australian subscription television

Next update to be advised

Television broadcasters have the primary responsibility for ensuring that the material they broadcast reflects community standards. Most program requirements are governed by a code of practice, determined through industry and community consultation, which for subscription broadcasters is published on the Australian Subscription Television and Radio Association website (http://www.astra.org.au).

However, some aspects of programming on free-to-air and subscription television are regulated by the Australian Communications and Media Authority (ACMA). This federal government statutory authority was established on 1 July 2005 by the merger of the Australian Broadcasting Authority and the Australian Communications Authority.

The areas covered by ACMA's subscription television regulation address minimum levels of Australian drama production expenditure and the anti-siphoning of sport, which are summarised below, as well as anti-terrorism. For more information, see the ACMA website (http://www.acma.gov.au/web/standard/pc=pc_91809).

Australian drama expenditure

The *Broadcasting Services Act 1992* prescribes that subscription television drama channels, and drama channel package providers, are required to invest at least 10 per cent of their total program expenditure on new Australian drama.

Australian programs are defined by creative control and the origin of key creative personnel. For the purposes of compliance, Australian official co-productions and New Zealand programs are recognised equally with Australian programs. New Zealand programs are recognised so as to be consistent with the Protocol on Trade in Services to the Australia New Zealand Closer Economic Relations Trade Agreement of 1988.

The scheme accommodates the dynamics of production schedules by allowing broadcasters and channel providers to operate under an 'accrual-type' system under which obligations that arise in one reporting period that are not acquitted must be fully acquitted in the following period.

Anti-siphoning of sport

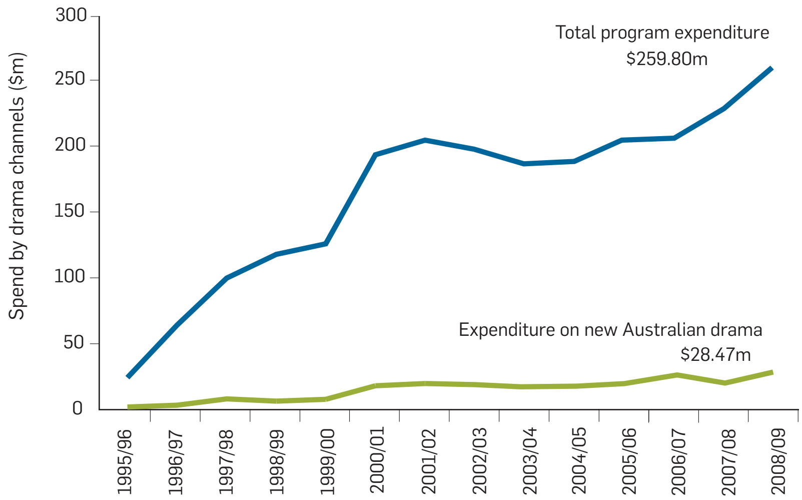
The anti-siphoning list is a list of sporting events that the government has determined should be available on free-to-air television for viewing by the general public. It is called the anti-siphoning list because it aims to prevent these events being 'siphoned off' by subscription television to the detriment of free-to-air viewers.

Subscription television licensees can acquire the rights to broadcast events on the anti-siphoning list if rights are not acquired by free-to-air broadcasters or if those rights are held by commercial television licensees who have the right to televise the event to more than 50 per cent of the Australian population or if the rights are held by either of the public broadcasters (the ABC or SBS).

Programming: Drama program expenditure

Aggregate expenditure by subscription TV drama services on new Australian drama, 1995/96–2008/09

Next update to be advised



	No. drama channels[1]	Total program expenditure ($m)	Expenditure on new Australian drama ($m)	Drama expenditure requirement[2] ($m)	Shortfall to be made up[3] ($m)
1995/96	11	$24.57	$1.74	n.a.	n.a.
1996/97	15	$64.58	$3.24	n.a.	n.a.
1997/98	16	$100.81	$8.17	n.a.	n.a.
1998/99	17	$118.77	$6.34	n.a.	n.a.
1999/00	18	$127.07	$7.61	$12.71	$5.49
2000/01	15	$194.99	$18.22	$19.50+$5.49	$7.80
2001/02	17	$205.88	$21.00	$20.59+$7.80	$8.25
2002/03	17	$199.33	$19.13	$19.93+$8.25	$8.97
2003/04[4]	16	$188.63	$17.70	$18.86+$8.93	$10.39
2004/05	17	$189.82	$15.92	$18.98+$10.39	$13.59
2005/06	16	$205.80	$18.41	$20.58+$13.59	$16.04[5]
2006/07	17	$207.90	$26.44	$20.79+$16.04[5]	$10.50
2007/08	18	$231.00	$20.06	A$23.10+$10.47[6]	$13.94
2008/09	19	$259.80	$28.47	A$25.98+$13.90[7]	$11.30

Source: Data published by the Australian Communications and Media Authority (ACMA).

Notes: 1. Defined as a subscription broadcasting service devoted predominantly to drama programs (i.e. where more than 50 per cent of programming consists of drama programs). See table below for a list of these services and their providers.
2. 10 per cent of total program expenditure plus shortfall from previous year.
3. Shortfall to be made up does not equal the difference between the expenditure requirement and aggregate drama expenditure as some services spent more than 10 per cent but their excess cannot be used to offset the shortfall of other services.
4. Figures for 2003/04 have been amended as per the ACMA 2005/06 compliance report due to subscription television licensee TARPS World TV Australia Pty Ltd ceasing operation and failing to provide a return for its drama channels in 2003/04.
5. This figure has been amended to reflect a revised 2005/06 expenditure nomination in respect of a pass-through provider channel.
6. Licensees failed to acquit $22,300 of 2006/07 obligation within the prescribed timeframe.
7. A licensee failed to acquit $40,000 of 2007/08 obligation.

Drama channels, 2008/09
Boomerang
Cartoon Network
Disney Channel
Fox 8
Fox Classics
Hallmark
Movie Extra
Movie Greats
Movie One
Nickelodeon
Playhouse Disney
SCI FI
Showcase
Showtime
Showtime Greats
Triple Hits
Turner Classic Movies
TV1
UKTV

Source: New Eligible Drama Expenditure Scheme Results 2008/09, Australian Communication and Media Authority (ACMA) website.

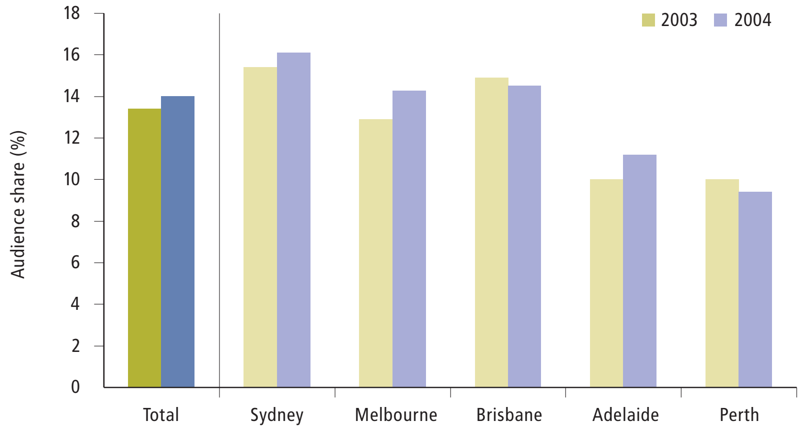
Audience viewing patterns: Audience share

Subscription TV's share of total viewing within homes with TVs, by day of the week, 2000

Updates unavailable

Overall, subscription television has the highest share of viewing on Wednesday evenings (15 per cent) and the lowest during the day on Saturdays.

In homes that subscribe, it generally accounts for between 48 and 51 per cent of total TV viewing. Its share is highest during holiday periods, especially during the Christmas holidays, reaching around 55 per cent in both December 1999 and December 2000.



	Subscription TV share of viewing (all households)		
	Daytime (6 am – 6 pm)	Evening (6 pm – midnight)	Full day (6 am – midnight)
Sunday	5.7%	13.0%	8.6%
Monday	6.4%	13.7%	9.8%
Tuesday	7.0%	13.4%	10.1%
Wednesday	7.0%	14.7%	10.6%
Thursday	6.9%	13.2%	10.0%
Friday	6.7%	12.1%	9.4%
Saturday	4.8%	9.4%	6.8%
Range	**5–7%**	**9–15%**	**7–11%**

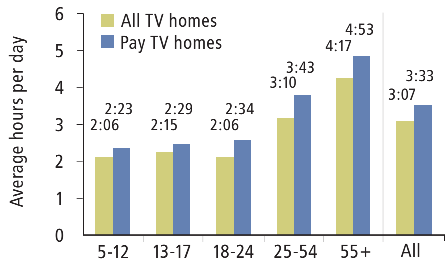
Source: ACNielsen, *Australian TV Trends* 2001.
Notes: Based on viewing in households with TVs, in metropolitan and regional markets, over the period 26 December 1999 to 30 December 2000.

Audience viewing patterns: Hours of viewing by age

Hours of viewing in subscription TV households compared to TV households generally, by age group, 2004

Next update to be advised

Overall, across all age groups, more hours are spent watching TV in subscription TV homes (3 hours 33 minutes per day) than in metropolitan TV households generally (3 hours 7 minutes per day).



	Children 5-12	Teens 13-17	People 18-24	People 25-54	People 55+	**All people**
Subscription TV homes (hr:min)	2:23	2:29	2:34	3:43	4:53	**3:33**
All TV homes (hr:min)	2:06	2:15	2:06	3:10	4:17	**3:07**

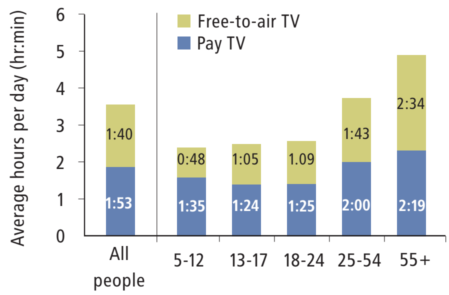
Source: OzTAM 2004 Ratings Snapshot.

Audience viewing patterns: Subscription TV share by age

Hours of viewing free-to-air TV and subscription TV in subscription TV households, by age group, 2004

Next update to be advised

In subscription TV households, older people (55+) watch the most television overall (nearly 5 hours each day in 2004) and more than two hours (47 per cent) of this is subscription TV. Children (aged 5–12) watch the least TV overall (two hours 23 minutes) but a higher proportion of subscription TV (67 per cent).



	All people	Children 5-12	Teens 13-17	People 18-24	People 25-54	People 55+
Free-to-air (hr:min)	**1:40**	0:48	1:05	1:09	1:43	2:34
Subscription TV (hr:min)	**1:53 (53%)**	1:35 (66%)	1:24 (56%)	1:25 (55%)	2:00 (54%)	2:19 (47%)
Total viewing	**3.33**	2:23	2:29	2:34	3:43	4:53

Source: Nielsen Media Research Panorama, Jan–Dec 2004, available in *Television Review of 2004* on the ASTRA website at: http://www.astra.org.au (Industry Overview: Research), OzTAM 2004 Ratings Snapshot.

Audience viewing patterns: Share by age and time of day

Subscription TV share of total TV viewing by age and time of day, 2004

Next update to be advised

Within metropolitan subscription TV homes, subscription TV's share of viewing across the various age groups varies depending on the time of day. For example, in the evenings (6 pm to midnight), free-to-air has a 58.7 per cent share and subscription TV 41.3 per cent. Extend that timeframe to the whole day (6 am to midnight) and the viewing shifts towards subscription, with a 51.4 per cent share compared to free-to-air's 48.6 per cent. Subscription TV gets the largest share during this 18-hour period among children aged 5 to 12.

6 pm to midnight

	Children 5-12	Teens 13-17	People 16-39	People 25-54	People 55+	**All people**
Subscription TV	49.0%	38.4%	41.6%	42.2%	39.3%	**41.3%**
Free-to-air TV	51.0%	61.6%	58.4%	57.8%	60.7%	**58.7%**

Source: OzTAM 2004 Ratings Snapshot.

6 am to midnight

	Children 5-12	Teens 13-17	People 16-39	People 25-54	People 55+	**All people**
Subscription TV	65.6%	55.5%	52.7%	51.4%	45.7%	**51.4%**
Free-to-air TV	34.4%	44.5%	47.3%	48.6%	54.3%	**48.6%**

Source: OzTAM 2004 Ratings Snapshot.

Audience viewing patterns: By lifestyle and values

Subscription TV viewing based on audience lifestyle and values, 2006, 2007, 2008 and 2009

Next update to be advised

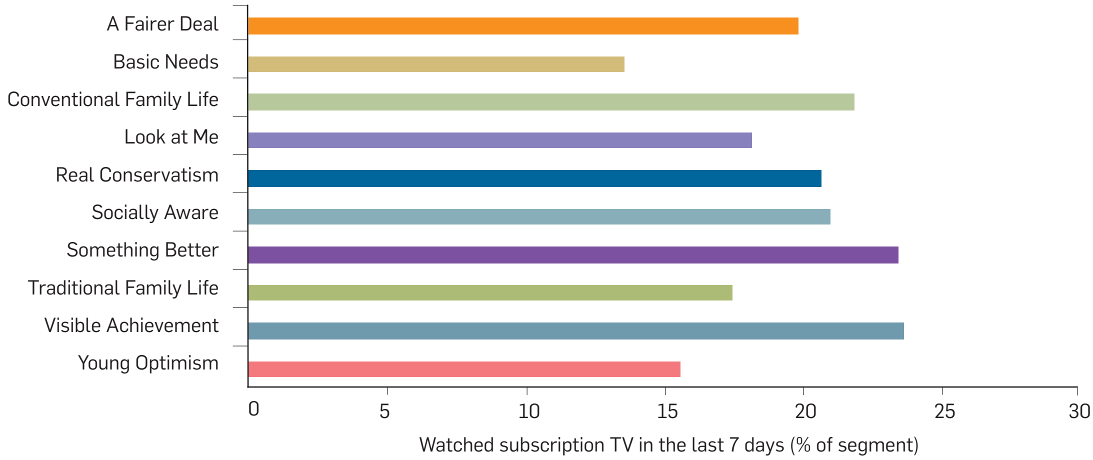
Research into lifestyle, behaviour, attitudes and values (known as psychographics) provides a way of grouping and analysing audiences other than by demographic variables such as age or where they live.

Roy Morgan Research identifies ten audience 'values segments' and their television viewing patterns through surveys. For further information, see About the data.

Based on these surveys, people in the Something Better and Visible Achievement segments were the most likely to have watched subscription TV in the last seven days, while those in the Basic Needs and Young Optimism segments were the least likely.

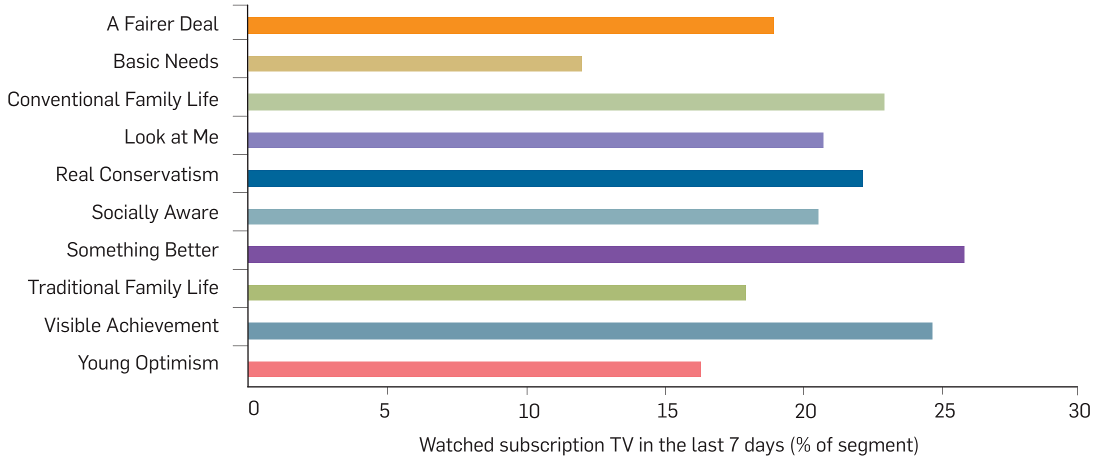
Although the Socially Aware segment watched the least commercial free-to-air TV, 21 percent of this segment had watched subscription TV in the last seven days, making them the fourth highest viewers of subscription TV. In contrast, the Young Optimism segment, which had similar commercial free-to-air TV viewing habits, had the second lowest proportion of subscription TV viewers at 15.6 percent.

Subscription TV viewing in the last seven days by segment, 2009



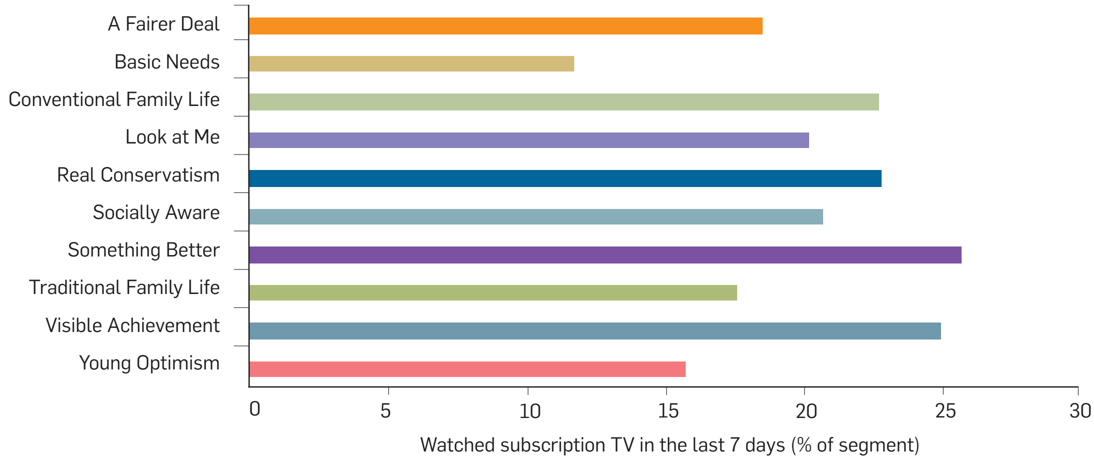
Source: Roy Morgan Research.

Subscription TV viewing in the last seven days by segment, 2008



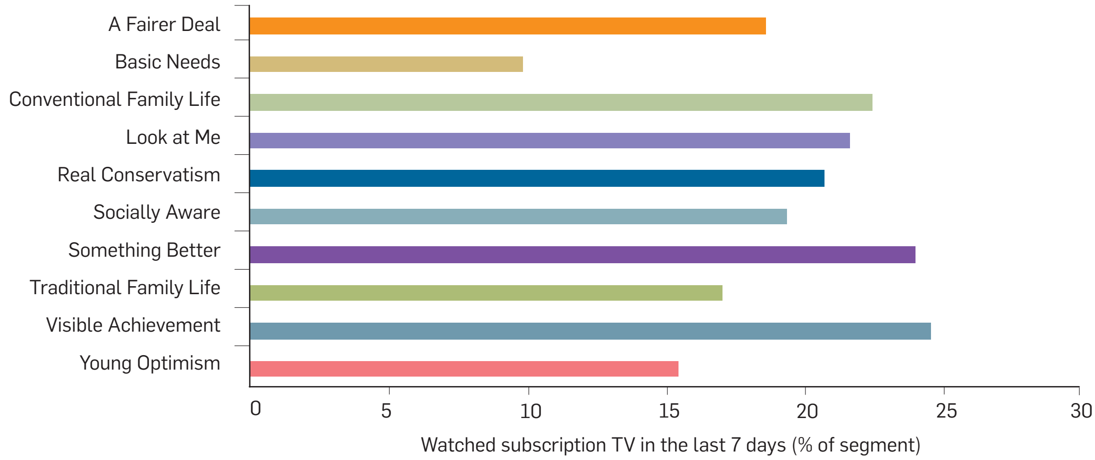
Source: Roy Morgan Research.

Subscription TV viewing in the last seven days by segment, 2007



Source: Roy Morgan Research.

Subscription TV viewing in the last seven days by segment, 2006



Source: Roy Morgan Research.

	Segment as percentage of population				Watched subscription TV in the last seven days			
	2006	2007	2008	2009	2006	2007	2008	2009
A Fairer Deal	4.2%	3.3%	3.2%	3.2%	18.7%	18.6%	19.0%	19.9%
Basic Needs	2.7%	2.5%	2.5%	2.5%	9.9%	11.8%	12.0%	13.6%
Conventional Family Life	10.8%	12.4%	12.2%	12.1%	22.5%	22.8%	23.0%	21.9%
Look At Me	11.6%	11.6%	11.5%	11.5%	21.7%	20.3%	20.8%	18.2%
Real Conservatism	4.8%	4.8%	4.8%	4.6%	20.8%	22.9%	22.2%	20.7%
Socially Aware	13.9%	14.1%	14.4%	14.8%	19.4%	20.8%	20.6%	21.0%
Something Better	6.4%	6.2%	6.5%	6.3%	24.1%	25.8%	25.9%	23.5%
Traditional Family Life	20.1%	20.4%	19.9%	19.7%	17.1%	17.7%	18.0%	17.5%
Visible Achievement	17.9%	17.3%	17.4%	17.3%	24.6%	25.1%	24.7%	23.7%
Young Optimism	7.5%	7.4%	7.7%	8.2%	15.5%	15.8%	16.4%	15.6%

Source: Roy Morgan Research.
Notes:

A Fairer Deal: People in this segment, which is usually associated with unskilled and semi-skilled workers, are more likely than others to experience unemployment and financial insecurity and subsequent family pressures. This can create a feeling that they are getting 'a raw deal' out of life.
Basic Needs: Usually associated with retirees, pensioners or people living on social security payments, this group is focused on the day-to-day business of getting by. Features of this segment include a desire for security and order and a strong sense of community.
Conventional Family Life: Most closely associated with suburban families. People in this group devote their time and effort to family and their home – either building one or striving to improve it – although they also take an interest in their local community.
Look at Me: Younger, socially active, peer-driven people who are highly conscious of image and fashion. Characterised by short-term thinking, their behaviour tends to be hedonistic and rebellious, with a focus on fun and freedom.

Real Conservatism: Usually mature people who hold conservative social, moral and ethical values, they seek a disciplined, ordered society that is safe and predictable. They tend to be asset rich and income poor. Often associated with regional areas.
Socially Aware: Community minded and socially active, people in this group have a strong sense of social responsibility. Always looking for something new and different, they seek out information and knowledge and tend to be early adopters and influencers.
Something Better: Everything is comparative to people in this group, who are competitive, ambitious and concerned about status and image and often extend their budget in order to demonstrate their success to others.
Traditional Family Life: Generally aged 50-plus with grown children, this group is the older counterpart of the Conventional Family Life segment and is motivated by similar values in terms of security, reliability and providing better opportunities for their families.
Visible Achievement: These people enjoy the tangible rewards of their success but, confident and individualistic, they do not feel the need to impress others. Practical and realistic, they seek quality and value for money. They retain traditional values about home, work and society and take a direct interest in public affairs.
Young Optimism: Associated with optimism, ambition and idealism, people in this group want to experience life – travel, career, friends, family, sport and social activity – and believe they can have it all. Usually students and young professionals, they are innovative and interested in technology.

About the data

Research into lifestyle, behaviour, attitudes and values (known as psychographics) provides a way of grouping and analysing audiences other than by demographic variables such as age or where they live.

There are many psychographic systems, including the 'values segments' developed by Roy Morgan Research.

Based on responses to the company's surveys, Roy Morgan Values Segments has identified ten groups or segments within Australia and categorises respondents accordingly. Each segment is defined by combining answers to questions ranging from issues of religion, the role of women and life goals to attitudes towards new things. The size of the segments change as values shift.

Roy Morgan surveys over 1,000 people each week as a part of its lifestyle study. Surveying is done constantly, on a three-month rolling basis. The analysis published on Get the Picture is based on rolling data over calendar years 2006, 2007, 2008 and 2009. Data for 2009 draws from a final sample of 51,874 surveys.

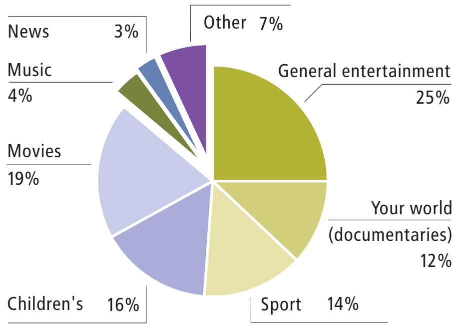
More information is available on the Roy Morgan website.

Audience viewing patterns: By genre

Share of viewing by genre, 2002

Next update to be advised

The most popular subscription TV genre in 2002 was general entertainment (25 per cent of viewing), which includes Arena TV, the Comedy Channel, Fox8, fx, TV1, UKTV channels. This was followed by movies (19 per cent), children's (16 per cent), sport (14 per cent) and 'your world' (12 per cent).



Source: AC Nielsen, Subscription TV Trends 2002.

Notes:

All subscription TV homes
General entertainment includes Arena TV, the Comedy Channel, Fox8, fx, TV1, UKTV
Your World includes the Discovery Channel, the History Channel, the Lifestyle Channel, National Geographic Channel, Ovation
Sport includes Fox Sports 1 and Fox Sports 2, Fox Footy, Optus Sports 1 and Optus Sports 2, ESPN, Sky Racing
Children's includes Cartoon Network, Disney, Fox Kids, Nickelodeon
Movies includes Showtime 1 and 2, Encore, Movie One, Movie Greats, Movie Extra, Fox Classics, Hallmark
Music includes Music Max, Channel [V], MTV
News includes CNBC, BBC World, CNN, Sky News

Top channels: By age

Top 5 subscription TV channels, all viewers and by selected age groups, 2000

Next update to be advised

	All viewers		Children 5–17		People 16–39	
	Channel	Share	Channel	Share	Channel	Share
1	Showtime	4.7%	Nickelodeon	10.8%	Showtime	5.8%
2	Fox 8	4.0%	Fox 8	7.2%	Fox 8	5.7%
3	Nickelodeon	3.2%	Cartoon Network	6.9%	TV1	2.9%
4	Fox Sport	2.4%	Showtime	5.6%	Fox Sport	2.7%
5	Cartoon Network	2.4%	Disney Channel	2.9%	Channel V	2.2%

Source: ACNielsen, *Australian TV Trends* 2001.
Notes: Based on subscription TV viewing 6 am to midnight, in metropolitan and regional markets, over the period 26 December 1999 to 30 December 2000.

Top channels: By gender

Top 5 subscription TV channels for men and women, 2000

Next update to be advised

	Men aged 18+		Women aged 18+	
	Channel	Share	Channel	Share
1	Showtime	4.4%	Showtime	4.7%
2	Fox Sport	3.7%	Fox 8	3.6%
3	Fox 8	3.0%	TV1	2.7%
4	Sky Racing	2.5%	UKTV	2.2%
5	Fox Sport 2	2.3%	Lifestyle	1.8%

Source: ACNielsen, *Australian TV Trends* 2001.
Notes: Based on subscription TV viewing 6 am to midnight, in metropolitan and regional markets, over the period 26 December 1999 to 30 December 2000.

Top channels: By subscription TV households

Top TV channels (free-to-air and subscription TV) all viewers in subscription TV households, 2004

Next update to be advised

In 2004 the top five subscription TV channels watched in subscription TV households included two general entertainment channels (Fox 8 and TV1), one children's (Disney) and two sports (Fox Sport 1 and 2). While, according to OzTAM, four of the five free-to-air TV channels rated higher than all the subscription TV channels, total free-to-air viewing was less – 48 per cent compared to 52 per cent in subscription TV homes.

Channels	Share of viewing (%)
9 + Affiliates	**16.4**
7 + Affiliates	**13.5**
Ten + Affiliates	**10.9**
ABC	**5.2**
Fox 8	3.9
TV1	3.7
Disney Channel	2.5
Fox Sports 2	2.4
Fox Sports 1	2.3
Lifestyle	2.2
Showtime	2.1
UKTV	2.0
Arena	1.8
Discovery	1.6
Nickelodeon	1.6
Fox Classics	1.4
Movie One	1.4
Cartoon Network	1.3
Showtime Greats	1.3
Sky News	1.2
SBS	**1.2**
Comedy Channel	1.1
History Channel	1.1
National Geographic	1.0
W	0.9
Fox Footy	0.8
Movie Extra	0.8
Channel V	0.7
Hallmark	0.7
max	0.7
MTV	0.7
Movie Greats	0.6
Animal Planet	0.5
ESPN	0.4
Ovation	0.2
CNBC Australia	0.1
Other subscription TV	8.6
Total free-to-air TV	**48.0**
Total subscription TV	**52.0**

Source: 2004 OzTAM Ratings Snapshot, includes 24 hour, 52 weeks, 2004 Total People Share of Viewing in National Subscription TV Homes.