



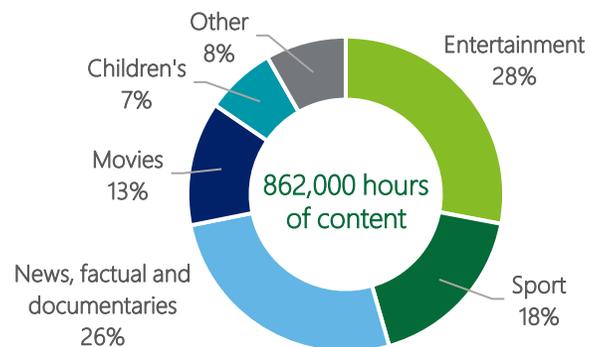
Economic contribution and social impact of Australian Subscription Television and Radio Association members, 2022

Australian Subscription Television and Radio Association

Executive Summary

In 2021, the Australian subscription television sector contributed \$2.4 billion in value-added and 12,300 full-time equivalent jobs to the Australian economy. Subscription television forms an integral component of the Australian media landscape, providing over 7 million Australian consumers with a choice of 862,000 hours of local and international media content, and driving skills development and technological innovation. As an Australian content distributor, subscription television continued to drive diversified content to the media landscape in 2021, providing an outlet for women's sport, community organisations and regional representation.

Hours of content distributed by subscription television, 2021



Source: Survey data provided by ASTRA members (2022)

Economic contribution of the subscription television sector, 2021

	Direct	Indirect	Total
Value added (\$m)	1,182	1,183	2,364
Including			
Gross operating surplus (\$m)	783	464	1,247
Labour income (\$m)	399	719	1,117
Employment (FTEs)	2,597	9,692	12,289

Source: Survey data provided by ASTRA members (2022)



9,600 hours of women's sport broadcast in 2021

\$12m in airtime was provided to community organisations



Regional productions find success amongst viewers

Highlights of subscription television in 2021

- **862,000 hours of content was distributed** in 2021 across the subscription television sector's platforms (including Foxtel, Foxtel Now, Kayo Sports, Binge and Flash).
- **7.1 million Australians** tuned into a subscription television platform between October and December 2021, up 24% over a year earlier.¹
- In June 2021, **58% of Australians stated that they had viewed subscription television content through online platforms in the past 7 days. Almost 50% of households hold more than one subscription media service.**²
- Binge and Kayo Sports have been successful in targeting an online and fragmented market, highlighting the **demand for accessible and flexible media content.**

The economic contribution of subscription television

- Subscription television **directly contributed \$1.2 billion in direct value added to Australian GDP in 2021**, equivalent to 38% of the total Australian television and radio broadcasting industry.
- Subscription television drove **total value added of \$2.4 billion to Australian GDP in 2021**, reflecting \$1 in indirect value added for every \$1 in direct value added.
- **2,600 direct full-time equivalent jobs** were supported by subscription television in 2021, generally in highly skilled occupations with a mean wage of \$154,000 per FTE.
- **In total, 12,300 full-time equivalent jobs** were supported by subscription television in 2021, **reflecting 3.7 indirect jobs supported for each direct job created in the industry.**

The social impact of subscription television

- Subscription television content drove diversified representation in the Australian media landscape in 2021.
- Subscription television broadcast **9,600 hours of women's sport in 2021, of which 5,800 hours were Australian content.**³
- **Community organisations were provided with \$12 million worth of air-time in 2021 to aid in raising awareness and fundraising**, while partnerships were extended behind the screen with organisations such as the Clontarf Foundation and Raise Foundation.
- Channels across the network continue to find success with news and factual programs that **create interest in regional Australia.**

1. Roy Morgan (2022), 2. Australian Communications and Media Authority (2022), 3. Survey data provided by ASTRA members (2022).

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Introduction

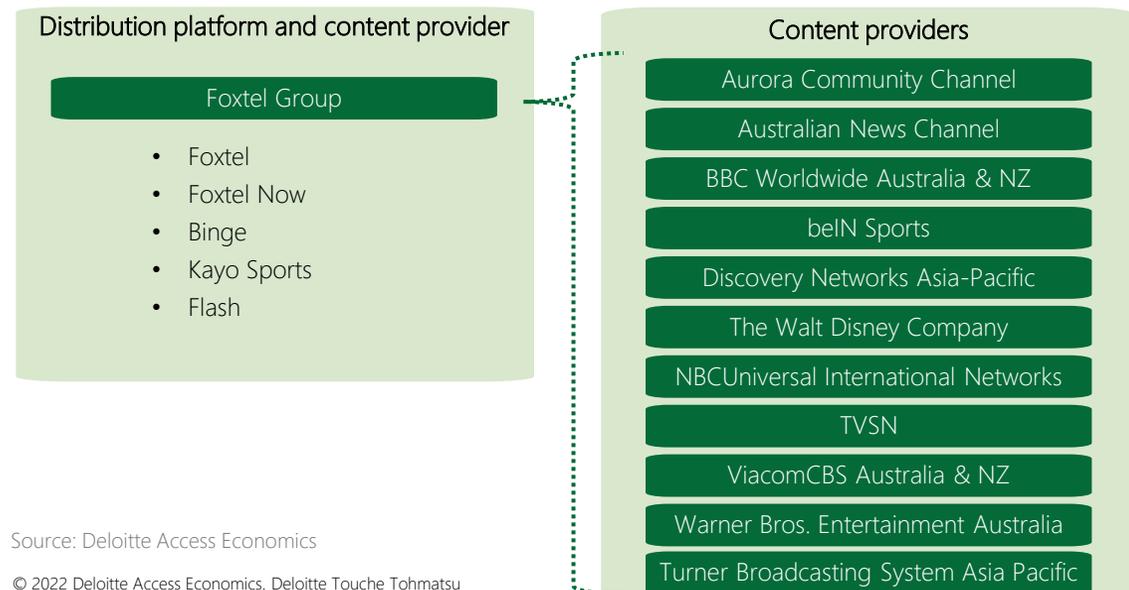
Context and approach

The Australian Subscription Television and Radio Association (ASTRA) is the peak body representing subscription television in Australia.

Deloitte Access Economics was engaged by ASTRA to prepare a report demonstrating the economic contribution and social impact of ASTRA members to the Australian economy in 2021. This report is primarily informed by a survey of ASTRA members, in which respondents provided financial and viewership data, supplemented by interviews with members and publicly-available data from market research organisations. As demonstrated in Figure 1 below, ASTRA members cover those involved in subscription television distribution and content provision in Australia. The operations of ASTRA members engaged in the distribution and provision of subscription television content is referred to henceforth as the 'subscription television' sector.

Distribution platforms within the subscription television sector include both the longstanding Foxtel platform in addition to online platforms which allow for live and on-demand viewing of Foxtel content, including Foxtel Now, Binge and Kayo Sports. Importantly, subscription television as referred to in the context of this study forms a sub-sector of the wider 'subscription media' sector. Other components of this broader sector include online subscription-based streaming services (such as Netflix, Disney Plus, Amazon Prime and others), media sales agencies and other subscription communications companies.

Figure 1: An overview of the subscription television sector



Source: Deloitte Access Economics

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This report

This report presents a snapshot of the economic contribution of subscription television in 2021. This includes the direct and indirect contributions of the sector to gross value added (GVA) and full-time equivalent (FTE) employment in Australia. In addition, the report provides an overview of the changing subscription television sector, and demonstrates the broader role of subscription television in supporting the Australian community. This report serves as an update to Deloitte Access Economics' study on the economic contribution of subscription television in 2019.

Approach



Survey and consultation of ASTRA members

The economic contribution of subscription television was informed by a survey of members. The survey gathered financial, employment and business information for the 2021 calendar year relating to ASTRA member operations within Australia. The survey data was supplemented by discrete consultations with members to provide further insights demonstrating the social impact and initiatives of subscription television in supporting the Australian community. Ten members, out of the twelve contacted, completed the survey.



Imputation of non-respondents

The revenue share of the two subscription television members who did not respond to the survey was estimated through the use of publicly available data.⁴ The implicit assumption in the broader operational profiling of non-respondents is that these members are assumed to have a consistent operational profile to other subscription television content providers in the survey.



Analytical framework

The analytical approach employed is consistent with the Australian National Accounting framework, maintained and produced by the Australian Bureau of Statistics (ABS). Direct economic contributions were derived from survey data in addition to imputations for the two non-respondents. To determine indirect economic contributions, intermediate expenditure data of members was applied to the economic multiplier estimates from the ABS Input-Output tables 2018-19.

4. Revenue imputation data was sourced from Dun & Bradstreet (2022) and IBISWorld (2022).



Subscription television in Australia

Subscription television distribution and consumption

In 2021, 40% of Australian households held a subscription television account, with an average of 6 hours per week viewed by each subscribing household

Subscription television is an integral part of media broadcasting and consumption practices in Australia.

ASTRA members produce, broadcast and distribute a diverse range of media content, accessed by 3 in 10 Australians.⁵ With an underpinning of entertainment, live sport and news channels, subscription television continues to evolve its offerings to meet the continuously changing consumption behaviours and demands of the Australian public.

There were 4 million subscribers to subscription television platforms across Foxtel, Binge and Kayo in June 2021, reflecting approximately 40% of all Australian households.⁶ In total, Australians viewed over 1 billion hours of content through Foxtel platforms in 2021, an average of 6 hours per week per subscribing household – with entertainment, sport and movies accounting for over 85% of viewing hours (Chart 2).

Survey results indicated that Foxtel distributed an estimated 862,000 hours of content in 2021, across both its own channels and those of other content providers (Chart 1). The discrepancy in the genre profile of content distributed versus hours viewed highlights the differing nature of consumption across live, one-off news and sporting content compared to repeat, on-demand content.

Since 2019, the fastest-growing genres distributed have been movies, sport and entertainment (the latter being driven by a rise in foreign language content). Movie, entertainment and sport content distribution and viewership changes are partially driven by the expansion of the new Foxtel offerings Binge and Kayo Sports. The growth in broadcasting of women's sport has also increased the volume of sports content broadcasted across the sector.

Almost 216,000 hours of Australian content was distributed by subscription television in 2021, comprising 25% of total distributed content. Growth in the Australian share of broadcasted content has been impacted by the COVID-19 pandemic, as barriers to production have reduced the availability of new content particularly for genres such as sport and entertainment. Nonetheless, commitments within the sector to internally producing content remain strong despite these ongoing barriers for local content acquisition.

2021

7.1 million

(or 3 in 10) Australians viewed subscription television from Oct-Dec 2021²

862,000

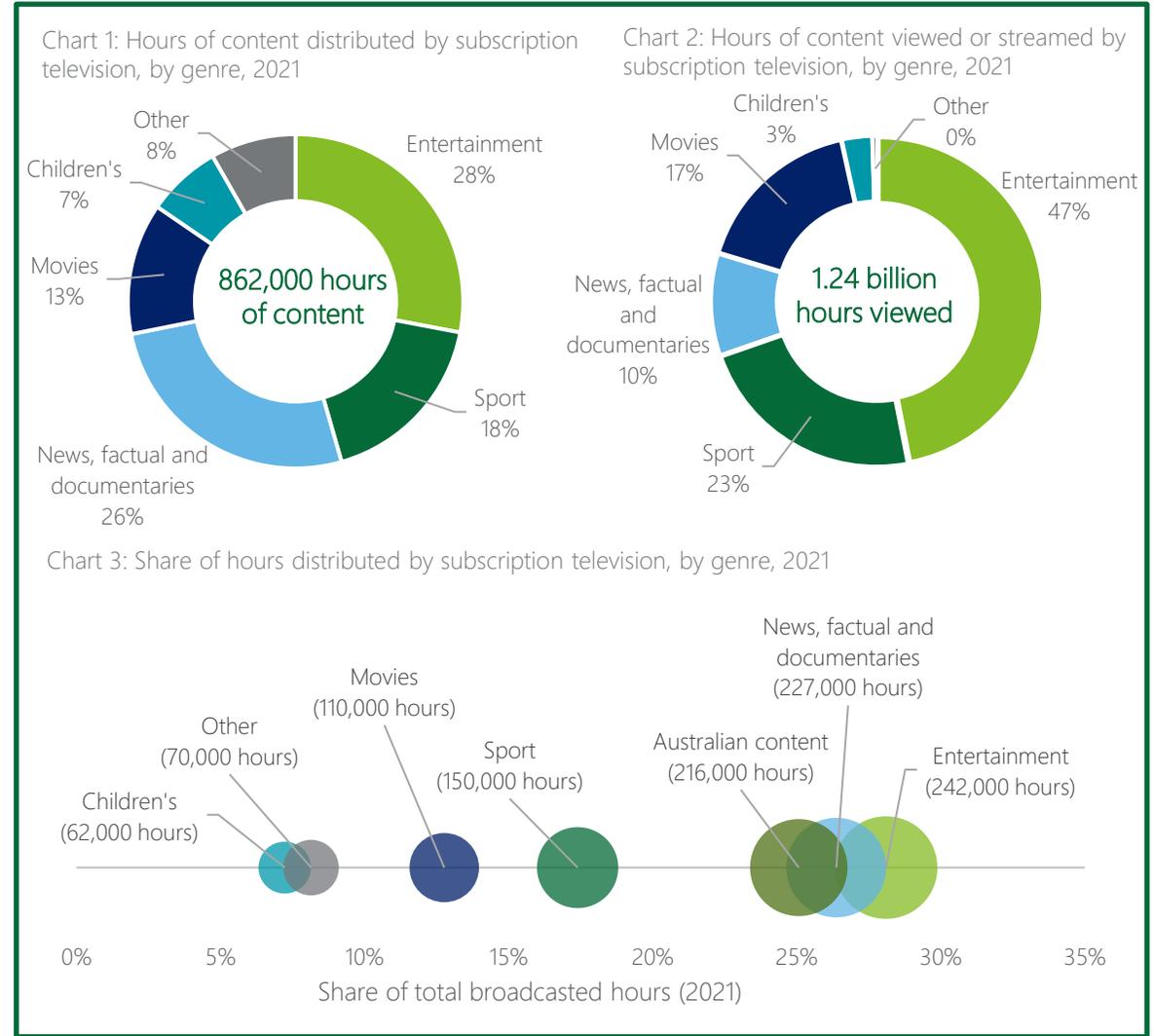
Hours of content distributed to Australians by subscription television

6 hours

Per week of subscription television content viewed by each Australian subscribing household

216,000

Hours of Australian content distributed by subscription television



Source: Survey data provided by ASTRA members (2022)

5. Roy Morgan (2022), 6. Foxtel Group (2021a)

Subscription television in the broader subscription media industry

Subscription television has embraced competitive pressures from new entrants by evolving service offerings to provide competitive price points and broaden their audience base.

New entrants to the subscription media sector have led to increased competition and, in so doing, created opportunities to broaden audiences

In recent years, the subscription media sector in Australia has seen many new entrants to subscription video-on-demand (SVOD) services. Alongside services such as Netflix, Stan and Amazon Prime Video, 2019 saw the introduction of Disney Plus In Australia, while Paramount Plus launched in 2021.

The introduction of these online subscription services, as competitors to subscription television, have resulted in heightened competition within the subscription media sector. Many ASTRA members acknowledged the sector has become increasingly competitive, resulting in **rising costs for content** in addition to the **fragmentation of audiences** across many services.

As demonstrated in data opposite, as of June 2020, 77% of Australian households had at least one subscription service, and indeed, since 2018, it has become increasingly likely that households have more than one subscription service.⁸ The increasing fragmentation of the market into **small and low-priced online streaming services** has presented a challenge to traditional subscription television providers, which historically offered more comprehensive subscription packages.

This trend towards online streaming services has accompanied a wider trend towards online viewing of content (see *Chart 5*) as opposed to linear subscription television channels, with the proportion of Australian adults viewing subscription content online increasing from 32% in June 2017 to 58% in June 2021.⁹ Recent improvements in Australian internet infrastructure even in the most remote areas has made online platforms readily available for consumers, as 99% of Australians now have access to the internet and 91% have a home internet connection.¹⁰

As a result, the subscription television sector has adapted its service offerings to compete with new entrants. Online service offerings including Kayo, and more recently Binge, have allowed the subscription television sector to **distribute their catalogue to a broader consumer base**.

These online offerings also come in a variety of service offerings, from the more full-fledged Foxtel Now to sports streaming on Kayo or drama and entertainment streaming through Binge, with the later services being able to offer **competitive price points** through limiting the amount of content distributed.

8. Australian Communications and Media Authority (2021a)
 9. Australian Communications and Media Authority (2022a)
 10. Australian Communications and Media Authority (2022b)

The audience as at June 2020

77%

Of Australians had at least one subscription service in their home.

49%

Of Australian households had access to more than one streaming service.

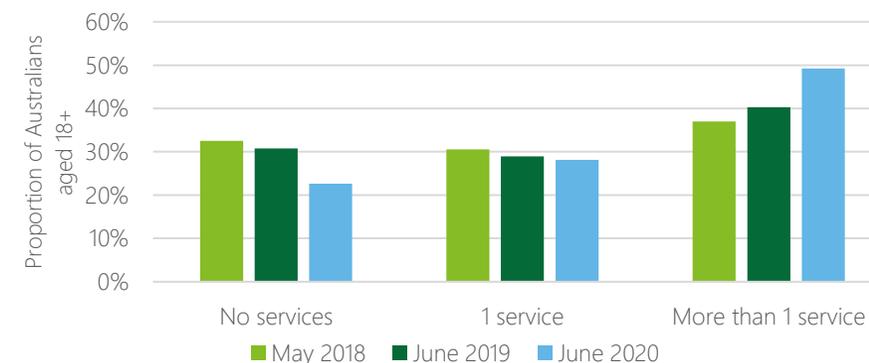
55%

Of Australians had used online subscription services in the past 7 days.

19%

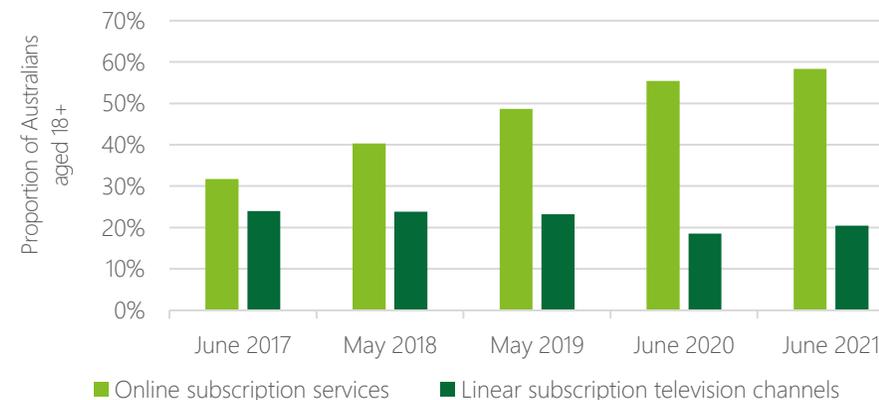
Of Australians had used linear subscription television channels in the past 7 days.

Chart 4: Number of subscription services at home, May 2018 to June 2020



Source: Australian Communications and Media Authority (2021a)

Chart 5: Viewing behaviours over the past 7 days (% of respondents), 2017 to 2020



Source: Australian Communications and Media Authority (2022)

The performance of subscription television

Subscription television has successfully grown its viewership and engaged younger demographics through the pandemic

Subscription television subscribers accelerated during the pandemic

The COVID-19 pandemic drove a widespread change in Australian media consumption habits, as audiences across Australia increasingly engaged with content from the comfort of their homes. Foxtel viewership in Australia increased by 1.4 million (24%) in the period from October to December 2021 compared to a year earlier, fuelled by new online service offerings including Bingel and Kayo Sports (see *Chart 6*). Foxtel's viewership growth was consistent with other new entrant online video in demand services including Amazon Prime Video and Disney+. While ASTRA members noted the success of online subscription television services, they also listed challenges arising from the new competitive landscape.

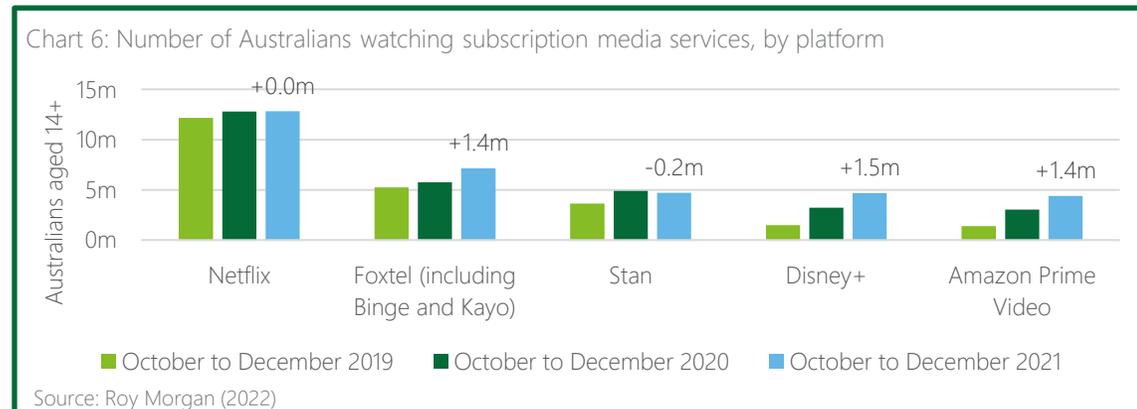


Figure 2: Future challenges and opportunities noted by subscription television sector



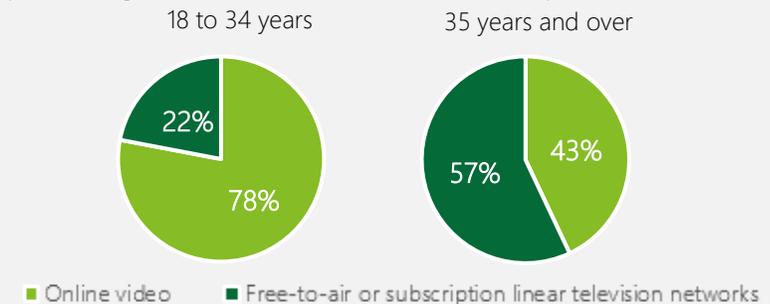
11. Australian Communications and Media Authority (2021b), 12. Foxtel Group (2022a)

Case study: changing demographics within the subscription television audience

Bingel and Kayo expand subscription television's audience to a broader demographic

In a 2020 survey, the Australian Communications and Media Authority found that young people are overwhelmingly turning to online viewing platforms over traditional television. It was found that 81% of those aged 18-34 had a subscription or pay-per-view service in their home, while an average of 78% of time watching video content was spent online.¹¹ This preference for online and on-demand content contrasts heavily with Australians aged over 35, who predominantly watch video on linear television networks.

Chart 7: Time spent viewing online video versus free-to-air or subscription linear television networks



Further, while the trend towards online viewing has been accelerated by the pandemic for all age cohorts, young people increased online viewing activities to a much greater extent than those aged 35 and over.

The changing preferences of younger demographics towards **accessible, online** and **on-demand** content has presented a major challenge for the subscription television sector, which has historically distributed content through offline linear network offerings. In response to this demand, Foxtel has targeted its new streaming services Bingel and Kayo Sports towards a broader and younger audience. Strategies to expand the subscription television audience through these offerings include providing free sports content through the *Kayo Freebies* program, offering the platforms on a variety of devices, and improving the captioning of content.

New data from Foxtel indicates that consumers have responded well to the subscription television sector's new online offerings, with streaming subscribers increasing by 62% through the year to March 2022 and now representing 61% of the Foxtel Group's subscriber base.¹²



Economic contribution of subscription television

Economic contribution

In 2021, subscription television contributed \$2.4 billion in value added to the Australian economy, with associated employment contribution of over 12,000 full-time equivalent jobs.

The subscription television sector contributed \$2.4 billion to the Australian economy in 2021

The subscription television sector directly contributed \$1.2 billion to the Australian economy in 2021, representing 38 per cent of the total contribution of the Australian broadcasting industry, including cable, free-to-air and radio broadcasting.¹³ Considering also indirect effects, the subscription television sector contributed a total of \$2.4 billion.

This contribution consists of both gross operating surplus (return on capital) and wages paid to labour (return on labour), which together determine the sector's value added.

The subscription television sector generates value added through both direct and indirect contributions. Direct value added captures the wages and gross operating surplus of the sector's own operations – including the management, production, programming and broadcasting of media content. Indirect value added captures the upstream economic activity created by the sector's purchases of intermediate goods and services to complete these operations.

Table 1: Total economic contribution of subscription television, 2021

	Direct	Indirect	Total
Value added (\$m)	1,182	1,183	2,364
Including			
Gross operating surplus (\$m)	783	464	1,247
Labour income (\$m)	399	719	1,117
Employment (FTEs)	2,597	9,692	12,289

Source: Deloitte Access Economics modelling

Note: This economic contribution has been calculated based on survey data provided by ASTRA members, and refers only to broadcasting and distribution activity, as well as associated overheads, of members, within Australia.

13. The Australian broadcasting industry refers to the ABS ANZSIC group *Broadcasting (except Internet)* in 2020-21, including cable broadcasting, free-to-air broadcasting, and radio broadcasting.

Economic contribution in 2021

\$2.4b

In value added contributed by subscription television

12,289

Full-time equivalent jobs supported by subscription television

1:1

Ratio of direct to indirect economic contribution

69%

Ratio of total value added to industry revenue

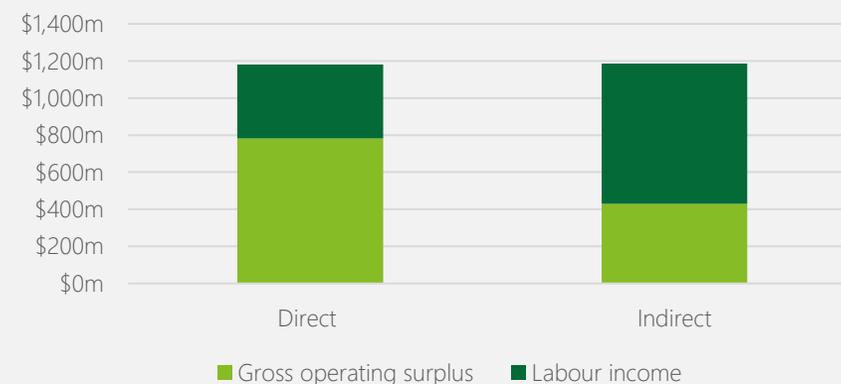
The components of total economic contribution

Chart 8 provides a comparison of total economic contribution by component.

The subscription television sector created a significant direct economic contribution to the Australian economy of \$1.2 billion in 2021, of which \$783 million was attributed to gross operating surplus and \$399 million was attributed to labour income. The subscription television sector itself is a mature industry with significant capital infrastructure employed, including broadcasting and production infrastructure and equipment.

The indirect economic contribution of subscription television in 2021 matched the direct contribution at \$1.2 billion, representing a 1-to-1 ratio of direct to indirect contribution. The significant indirect contribution of subscription television can be attributed to the high proportion of expenses from the sector that remain within the Australian economy, including local production costs, advertising expenses, sports license fees, and other professional services. The high proportion of indirect economic contribution attributed to labour income is a result of the labour-intensive nature of the industries providing these inputs.

Chart 8: Components of total economic contribution (\$ million), 2021



Source: Deloitte Access Economics modelling, Survey data provided by ASTRA members (2022)

The indirect contribution of subscription television

Subscription television creates significant economic value for the Australian economy beyond its own sector

In 2021, subscription television indirectly contributed \$1.2 billion to the wider Australian economy.

Subscription television indirectly contributed a further \$1.2 billion in value added to the wider Australian economy in 2021, through the use of intermediate goods and services purchased from various industries.

The largest component of subscription television's indirect contribution is that towards the motion picture and sound recording industry, at \$219m (18%). A large component of content costs, including that for commissioned and affiliate content, is derived from the content rights distributors and production companies within this industry.

A further \$218m (18%) of indirect value added was contributed to the professional, scientific and technical services industry. This industry includes costs attributed to advertisers and other professional service providers.

A further \$190m (16%) of indirect value added is attributed to sports and recreation, largely through the acquisition of sporting rights from sporting associations and the associated flow-on of funds to professional athletes and venue operators.

These top three industries together comprise 53% of subscription television's total indirect contribution. These industries have high labour income shares – at 70%, 69% and 74% of total value added respectively – due to the significant skilled labour needs of the television content production and professional support activities they undertake. Thus, a large proportion of indirect labour income and employment is also attributed to these industries (\$446m, or 64% of total indirect labour income).

14. Foxtel Group (2022e)

Table 2: Breakdown of indirect value added of subscription television by industry (\$ million), 2021

Industry	Indirect value added
Motion Picture and Sound Recording	219.0
Professional, Scientific and Technical Services	218.2
Sports and Recreation	190.1
Employment, Travel Agency and Other Administrative Services	113.0
Non-Residential Property Operators and Real Estate Services	69.1
Broadcasting (except Internet)	36.9
Finance	33.1
Wholesale Trade	22.7
Auxiliary Finance and Insurance Services	17.7
Retail Trade	16.1
Telecommunication Services	13.7
Computer Systems Design and Related Services	13.5
Rental and Hiring Services (except Real Estate)	12.6
Printing (including the reproduction of recorded media)	11.8
Heritage, Creative and Performing Arts	11.6
All other industries	188.2

Source: Deloitte Access Economics modelling

Unmeasured contributions of subscription television

The subscription television sector contributes to the Australian economy in ways which are not measured in traditional economic contribution modelling. Some of these factors are considered below.

Technological innovation

The subscription television sector has in recent years continued to deliver technological innovations to enable audiences to engage with content through various platforms and options. Subscription television has recently added forms of online streaming for its content, including the launch of a dedicated sports streaming platform Kayo Sports in 2018, the entertainment streaming platform Binge in 2020 and the news streaming platform Flash in 2021. Subscription television also continues to offer technological innovations to those using traditional set-top boxes, with Foxtel releasing the new iQ5 in 2021, which allows both satellite and internet protocol (online) methods for viewing its linear channels.¹⁴

Development of skills

The subscription television sector is a high-skilled industry, employing a variety of skilled workers with specialist skills in the production, broadcasting and management of media. The subscription television sector both contributes to skill development within the Australian economy both organically, through providing training and opportunities for staff to develop skills relevant to the industry, in addition to through partnerships with organisations such as the Clontarf Foundation, where it provides opportunities for students to engage with the production of media content.

Providing choice to consumers

The value of the variety of content provided by subscription television to consumers is an important, albeit difficult to quantify, contribution of subscription television. Consumers value having a broad range of content available, with the variety of content produced and distributed by subscription television in Australia – totalling 862,000 hours in 2021 – providing consumers with a plethora of choice. Beyond free-to-air and online video-on-demand content offerings, subscription television provides viewers with special-interest content and channels that meet niche demands from consumers, in addition to reflecting the wide variety of cultures within the Australian economy.

Contribution of subscription television to employment

In 2021, subscription television supported 12,300 Australian full-time equivalent jobs across numerous industries

In 2021, the subscription television sector supported an estimated 12,300 full-time equivalent jobs across Australia

In 2021, the subscription television sector supported 12,300 full-time equivalent (FTE) jobs in Australia, comprising both 2,600 direct FTEs and 9,700 indirect FTEs.

The subscription television sector directly employed a highly-skilled workforce of 2,600 full-time equivalent jobs

In 2021, the subscription television sector directly supported almost 2,600 full-time equivalent jobs. The subscription television sector, employing those involved in the production, broadcasting and management of media content, is a highly-skilled sector. In 2021, those within the sector earned on average 1.7 times the average Australian full-time wage.¹⁵ As such, the sector directly supports and provides development for a specialised and high-skilled workforce.

Subscription television generates 3.7 indirect FTE jobs for every direct FTE job supported

The subscription television sector provides an important source of demand for Australian industries engaged in the production and support of media content, thus contributing towards employment in these industries. In 2021, the subscription television sector indirectly supported an estimated 9,700 full-time jobs in connected industries, representing 3.7 indirect FTE jobs supported for every direct FTE job in the subscription television sector.

The activities of subscription television supported significant employment for its most-connected industries of motion picture and sound recording, professional, technical and scientific services, and sports and recreation. As depicted on *Chart 9*, subscription television’s contribution to sports and recreation employment outweighs its own direct employment. This is due to the high labour needs of professional sports organisations, teams and venues.

Employment contribution in 2021

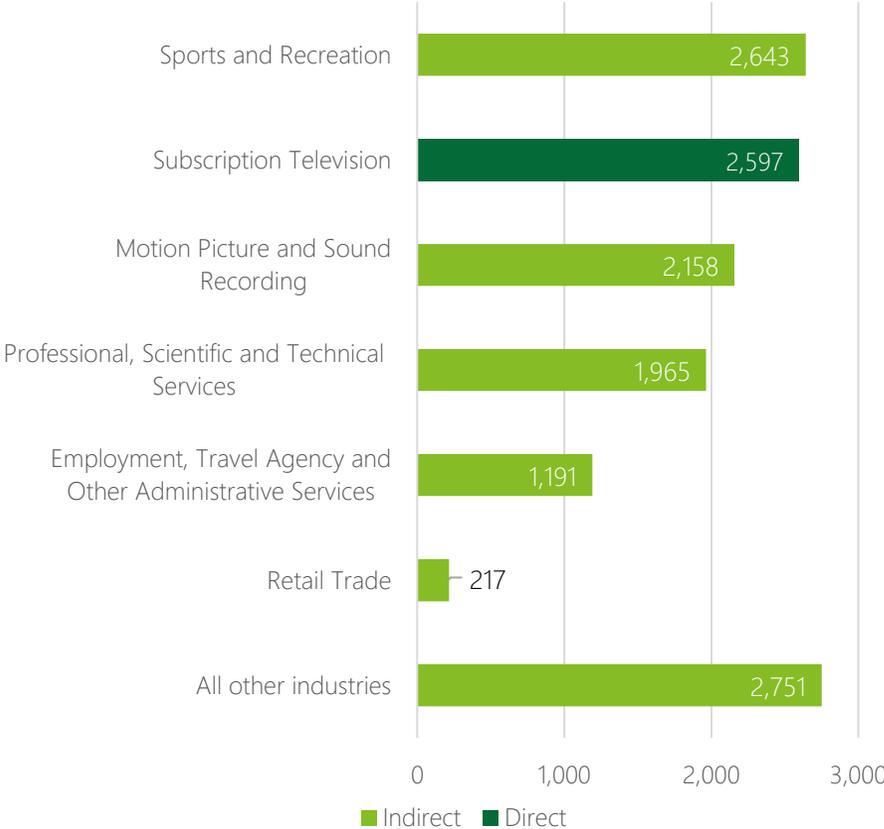
2,600
Direct FTE jobs supported by subscription television

1.7
Ratio of the average wage in subscription television compared to the broader economy

9,700
Indirect FTE jobs generated by subscription television

3.7
Indirect FTE jobs for every direct FTE job supported

Chart 9: Breakdown of full-time equivalent employment generated by subscription television by industry (FTEs), 2021



Source: Deloitte Access Economics modelling, Survey data provided by ASTRA members (2022)

15. Australian Bureau of Statistics (2022).



Subscription television's role in the community

Women's sport on subscription television

Subscription television provides support and exposure to future stars

Televised women's sport has been growing exponentially since the pandemic began

In 2022 the Foxtel Group reported that, among Australians who had changed their viewing habits since the pandemic began, 69 per cent increased their viewership of women's sport.¹⁶ Viewership figures also indicated the rising popularity of televised women's sport in Australia. The 2020 Women's Cricket World Cup was Foxtel's top rating women's sports program ever, with an audience of over 450,000 people. Similarly, viewership of the Women's Big Bash League (WBBL) 2020 final was 25 per cent higher than that of the 2019 final, while total AFL Women's (AFLW) viewership was 19% higher in 2021 than in 2019.¹⁷

Subscription television plays a role in creating exposure for women's sports

The recent success of women's sport is driven by the efforts of the talent and organisations involved. Subscription television has played a large part in supporting the development of women's sport. 55 per cent of Australians are watching more women's sport due to increased media coverage around female sporting events and stars, while 49 per cent are enabled by dedicated broadcast coverage.¹⁸ beIN Sports noted the importance of broadcasters in supporting a cycle of growth for the athletes and organisations involved in women's sport, providing them with an outlet to amplify their growing presence and allowing viewers to interact with sports competitions that they might not otherwise be aware of.¹⁹

An estimated 9,600 hours of women's sport was distributed over Foxtel platforms in 2021, of which 61% was Australian content.²⁰ The broadcasting of women's sport has been aided by an ongoing partnership with the Australian government, with the Foxtel group receiving \$7.5 million in grant funding in 2021 to broadcast women's and underrepresented sports as part of an ongoing government grant program.²¹ During the period of this support the broadcasting of women's sport has grown exponentially across the subscription television sector, with beIN Sports reporting a 30 times increase in their own women's sport broadcasting in Australia between 2016 and 2021.

Growth in broadcasting hours has allowed for more complete coverage of women's sports, with all AFLW and WBBL games now available to be viewed through Foxtel's platforms. By providing fans with access to all games in a sports code, opportunities are created for new sports codes to develop and for local teams to grow their fanbases. Broadcasting can also generate increasing participation for underrepresented sports, as Wheelchair Rugby Australia forecasts that its two-year support from Fox Sports will likely result in a tripling of the sport's participation size.²²

"The increased visibility and coverage we are providing women's sport is seeing it undergo a transformation in popularity and participation." – Patrick Delany, CEO, Foxtel Group

16. Foxtel Group (2022c)

17. Foxtel Group (2022b)

18. Foxtel Group (2022c)

19. Interviews conducted with ASTRA members (2022)

20. Survey data from ASTRA members (2022)

21. Foxtel Group (2022b)

22. Ibid

23. Interviews conducted with ASTRA members (2022)

24. Ibid

25. WPGA Tour Australasia (2021)

26. Interviews conducted with ASTRA members (2022)

Subscription television provides support to emerging sports and stars

For ASTRA members, the broadcasting of women's sports has extended beyond just major sports, with the support of grassroots women's sports being an ongoing organisational objective. This has been a priority during the COVID-19 pandemic where less-developed sports struggled to continue to hold events due to the funding pressures that come from meeting restrictions. In 2021, Foxtel hosted a dedicated women's sport pop-up channel, FOXW, throughout April to celebrate International Women's Day. This channel put a spotlight on women in sport, with a focus given to profiles of female athletes in lesser-known sports to help them develop a fanbase.²³

Other organisations throughout the subscription television sector have also recently provided exposure to more grassroots events. In 2022, under the *beINSPIRED* program for underrepresented sports, beIN Sports broadcasted the Fairbreak Invitational – an international cricket tournament with a mission to create opportunities for women in sport and beyond.²⁴

As an outcome of ongoing government funding, the subscription television sector has also played a role in working directly with grassroots women's sport organisations to improve the quality of broadcasting. In 2021, Foxtel worked with Women's PGA of Australia to develop a 2-day condensed format golf tournament, *The Athena*, to showcase new and upcoming women's golf talent, with sponsorship opportunities for the winner.²⁵ Further, having reacquired the broadcasting rights to Super Netball for 2022, Foxtel has been working with the organisations involved to provide weekly magazine shows in addition to more favourable broadcast times for games.²⁶



Image credit: WPGA Tour Australasia (2021)

Providing opportunities for the community to take the stage

Subscription television leverages its influence and reach to further health aims in partnership with community organisations

In 2021, the subscription television sector provided a platform for community organisations to spread their messages

With its reach of over 7 million Australians, subscription television is well placed to provide valuable exposure and support to community organisations which make a difference in Australia's local communities. The Foxtel Group partnered with a variety of community organisations throughout 2021, including health organisations such as the Murdoch Children's Research Institute, the Starlight Foundation and Ronald McDonald House Charities, in addition to mental health organisations such as Raise Foundation, Reach Out and R U OK?.



Image credit: Foxtel Group (2022)

The Foxtel Group provided \$12 million worth of airtime to community organisations in 2021

Subscription television's community organisation partners utilise the sector's strengths, using its platforms, talent, and reach to millions of Australians to drive successful community campaigns. In 2021, the Foxtel Group provided total community service announcement airtime valued at \$12 million through its subscription television platforms.²⁷

"Providing our community partners with airtime is a way for us to use our national audience reach to make a real difference by supporting their goals, whether that's to educate or raise awareness or to raise much-needed funds" – Paul Edwards, CCO, Foxtel Group

27. Foxtel Group (2022d)

28. Raise Foundation (2021)

29. Foxtel Group (2021b)

Providing support behind the screen to community organisations

Beyond screen time commitments, subscription television also has provided opportunities for workers within the sector to become involved with community organisations. As an example, under The Foxtel Group's partnership with the Raise Foundation, the company funded a total of 15 mentors within its staff to go out to schools each week and mentor at-risk young people in 2021.²⁸ Due to the success of this partnership, Foxtel is currently organising further opportunities to collaborate with the program in 2022, including allowing students to experience the exciting nature of the subscription television sector by providing the opportunity for mentees to undertake behind-the-scenes excursions of Fox Sports studios.

Supporting the participation of First Nations communities in subscription television

The Foxtel Group strengthened its commitment towards First Nations participation in 2021

In September 2021, Foxtel released its 2021-2023 *Innovate Reconciliation Action Plan (RAP)*. This plan detailed the organisation's ongoing commitment and progress towards fostering the increased participation of the First Nations community in the subscription television content distributed by the company.

"[Our purpose] gives us a unique opportunity and responsibility to connect our four million Australian subscribers to First Nations stories and the incredible talent of Aboriginal and Torres Strait Islander actors, athletes and presenters" – Patrick Delany, CEO, Foxtel Group²⁹

The Foxtel Group's RAP outlines the progress made through 2021 in fostering First Nations participation in broadcasted content. Aboriginal and Torres Strait Islander representation has been particularly strong on sports channels, where Foxtel has regular First Nations on-air personalities including Hannah Hollis and AFL star Eddie Betts, and broadcasts extensive coverage of the *NRL Indigenous Round*. In 2021, Fox Sports sponsored a collaboration between hip-hop artist Baker Boy and NRL superstar Josh Addo-Carr in Alice Springs to produce a new television promotion to celebrate the talent of First Nations NRL players and to promote the *NRL Indigenous Round*. Fox Sports also continued its collaboration with the Clontarf Foundation in 2021, hosting corporate events across the country to aid the foundation in addition to providing opportunities for Clontarf students to participate in live studio audiences and studio tours.

Elsewhere, the Foxtel Group has continued to strengthen its efforts to showcase Aboriginal and Torres Strait Islander talent in its own productions, featuring such talent in popular drama productions including *A Place to Call Home*, *Secret City: Under the Eagle* and *Wentworth*. The RAP details Foxtel's plans to continue to showcase First Nations talent, and to develop a content strategy to improve the quantity and consistency of the broadcasting of First Nations talent and stories across its platforms.

Promoting Australian and regional subscription television content

Subscription television provides an outlet for unique and high-quality Australian and regional media content

Subscription television provides Australian viewers with local content

Almost 216,000 hours of Australian content was delivered over the Foxtel network and related online streaming platforms in 2021, representing 25% of total distributed content across the subscription television platforms second only to US content (36%).

Sport was the most common source of home-grown content, with 91,000 hours, or 65% of televised content, being Australian-produced. This was followed by news, factual and documentaries, at 20%. Approximately 14% of children's content was of Australian origin, including the popular children's show *Bluey*, broadcasted on channels including the BBC's CBeebies throughout the year.

Chart 10: Content distributed by subscription television, by place of origin (%), 2021

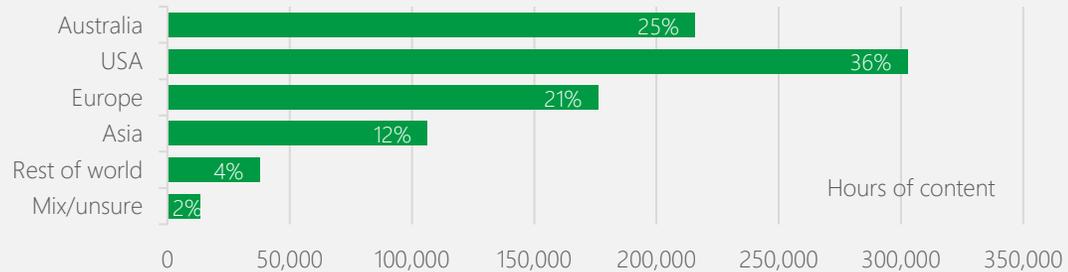
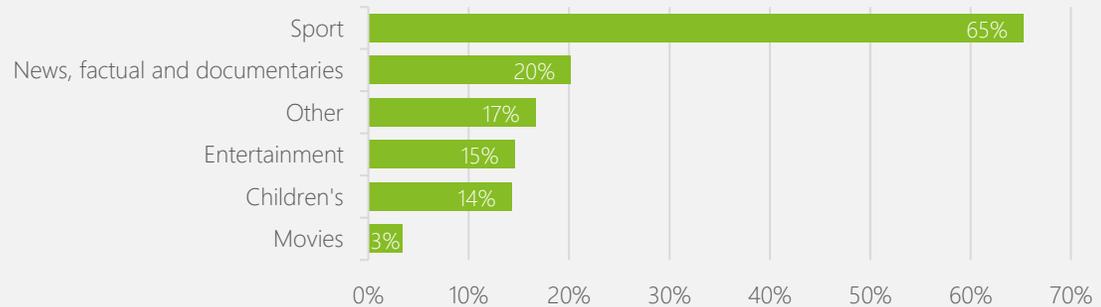


Chart 11: Australian content distributed by subscription television, by genre (%), 2021



Source: Survey data provided by ASTRA members (2022)

15% of broadcasted entertainment content, including dramas, was locally produced. Foxtel, which has produced acclaimed Australian series including *Wentworth* and *A Place to Call Home*, noted that maintaining quality was a primary focus its local drama content, as Australian audiences are particularly critical of local productions but also felt pride and a sense of connection when viewing a high-quality local production.³⁰

Subscription television delivers regional content to local and international audiences

The broadcasting of regional content in the subscription television sector has grown in recent years, as factual content showcasing Australia's regions gains popularity both at home and abroad. Sky News brought a spotlight to Australia's regional population in 2021, launching a new channel *Sky News Regional* on free-to-air television and continuing the news series *Our Town*, which is broadcast from a different regional town each month.³¹

The Discovery Channel's popular factual shows including *Aussie Gold Hunters* and *Outback Opal Hunters* also continued to drive exposure to Australia's regions in 2021. *Aussie Gold Hunters* in particular has been finding success with both local and international audiences, being the most-watched factual program on Foxtel for four consecutive years in addition to one of the best-performing productions ever on Discovery Channel UK's *Quest* channel.³² The show, created by a Western Australian production company, follows crews of gold prospectors across regional WA, Queensland and Victoria.

"Over the last decade, we've seen a global audience really respond to Discovery ANZ's tales from Down Under" – Thierry Bled, executive producer – factual, Warner Bros. Discovery ANZ³³



Image credit: Sunshine Coast Daily (2020)

Image credit: Mediaweek (2022b)

30. Interviews conducted with ASTRA members, 31. Ibid., 32. Screenwest (2021), 33. Mediaweek (2022a)

Appendix: Economic contribution methodology

Economic contribution framework

Economic contribution studies are intended to quantify measures such as value added, exports, imports and employment associated with a given industry or firm, in a historical reference year. The economic contribution is a measure of the economic value of production by a firm or industry.

Value Added

Value added is the most appropriate measure of an industry's/company's economic contribution to gross domestic product (GDP) at the national level, or gross state product (GSP) at the state level. The value added of each industry in the value chain can be added without the risk of double counting across industries caused by including the value added by other industries earlier in the production chain.

Other measures, such as total revenue or gross output, may be easier to estimate than value added but they 'double count'. That is, they overstate the contribution of a company to economic activity because they include, for example, the value added by external firms supplying inputs or the value added by other industries.

The economic activity accounting framework is presented in Figure A.1, showing how total revenue can be disaggregated into component parts in order to measure the economic contribution of an entity or industry. The framework demonstrates the definition of value added being the difference between total revenue and intermediate inputs.

Direct and indirect contributions

The direct economic contribution is a representation of the flow from labour and capital within the sector of the economy in question.

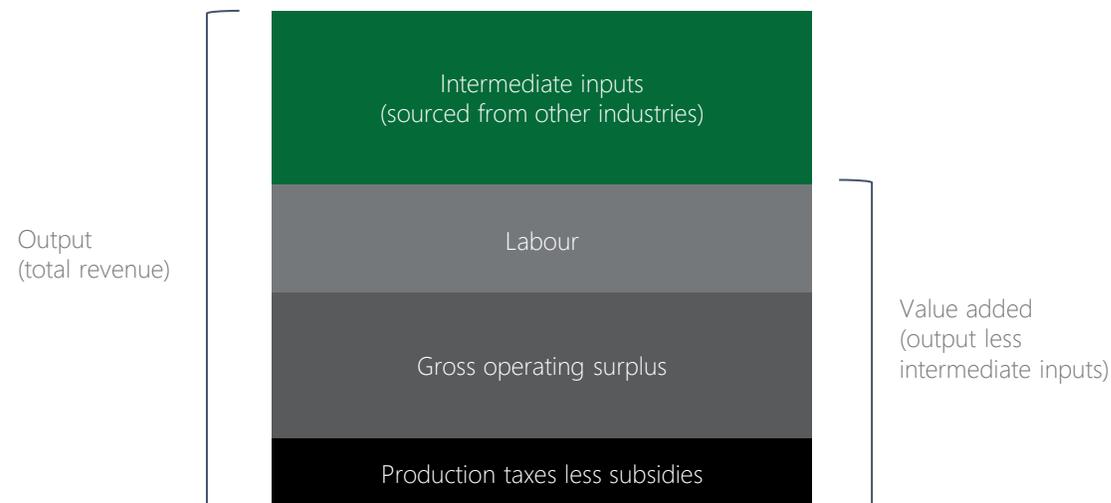
The indirect contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by the sector in question. Estimation of the indirect economic contribution is undertaken in an input-output (IO) framework using Australian Bureau of Statistics input-output tables which report the inputs and outputs of specific sectors of the economy (ABS 2021).

IO tables are required to account for the intermediate flows between sectors. These tables measure the direct economic activity of every sector in the economy at the national level. Importantly, these tables allow intermediate inputs to be further broken down by source. These detailed intermediate flows can be used to derive the total change in economic activity for a given sector.

A widely used measure of the spill over of activity from one sector to another is captured by the ratio of the total to direct change in economic activity. The resulting estimate is typically referred to as 'the multiplier'. A multiplier greater than one implies some indirect activity, with higher multipliers indicating relatively larger indirect and total activity flowing from a given level of direct activity.

The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

Figure A.1: Economic activity accounting framework



Source: Deloitte Access Economics

Limitations of economic contribution studies

In a fundamental sense, economic contribution studies are simply historical accounting exercises. The analysis — as discussed in the report — relies on a national input-output table modelling framework and there are some limitations to this modelling framework. The analysis assumes that goods and services provided to the sector are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. As a result, the modelled total and indirect contribution can be regarded as an upper-bound estimate of the contribution made by the supply of intermediate inputs.

Similarly the IO framework does not account for further flow-on benefits as captured in a more dynamic modelling environment like a Computable General Equilibrium model.

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