



ONLINE COPYRIGHT INFRINGEMENT
RESEARCH

A MARKETING RESEARCH REPORT

Prepared For:
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263103193

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Please note that the data contained in this report has been prepared for the specific purpose of addressing the items contained in the project contract between **TNS Australia** and the **Department of Communications**. It may not be suitable for other applications. The use of this data for any other purpose should be discussed with the lead author. TNS accepts no responsibility for unauthorized use of this data by a third party.

Executive summary

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1. Executive summary

This report presents the main findings of the March/April 2015 consumer survey of online copyright infringement amongst Australians aged 12+. The objectives for this research were: to understand the prevalence of online copyright infringement in Australia across four core content types (music, video games, movies and TV programmes); to understand what attitudes drive online copyright infringement behaviours; and to determine the role pricing plays in lawful and unlawful access of online content. The survey asked respondents to think about activities they had undertaken in the past 3 months, which broadly corresponds to January-March 2015.

The key findings were as follows:

Consumption of digital content

- 6 in 10 Australian internet users aged 12+ (60%) had consumed at least one item of digital content from across the four core content types in the past 3 months: 54% had streamed or accessed content and 43% had downloaded content. Likelihood to have consumed any digital content decreased with age and was higher for males than for females.
- Consumption varied across content types: music (42%) and TV programmes (38%) had the highest levels either downloaded, streamed or accessed online in the past 3 months, followed by movies (29%) and video games (16%).
- Amongst consumers of digital content, a median of 22 files were consumed across the four content types. The median number of files consumed within each content type ranged from 25 music tracks to 6 TV programmes, 5 movies and 4 video games.

Sharing of digital content

- 1 in 10 Australian internet users aged 12+ (8%) had shared at least one item of digital content from across the four core content types in the past 3 months, with each of these people sharing a median of 5 files. Likelihood to have shared any digital content decreased with age.
- Around 1 in 20 internet users had shared music (5%), movies (4%) or TV programmes (4%), and 2% had shared video games.

Payment for digital content

- 86% of those who consumed digital content from at least one of the four content types consumed at least some of it for free and 47% consumed all of it for free. This equated to half of internet users (52%) consuming some free digital content. Males and younger age groups were more likely to have a mixture of free and paid consumption.
- The proportion of those consuming at least some of their digital content for free varied by content type: 9 in 10 (87%) for TV programmes; 8 in 10 (79%) for movies; and 7 in 10 for music (74%) and video games (69%).
- It is important to note that not all paid content is legal and not all free content is illegal. For example, a quarter (28%) of those who had paid for music or movie content had consumed at least some of this content illegally.

Levels of infringement

- We estimate that a quarter (26%, equating to approximately 5.2 million people) of Australian internet users aged 12+ consumed at least one item of online content illegally over the first 3 months of 2015. Around a quarter of these (7%) *exclusively* consumed illegal content.
- Levels of infringement varied by content type; 15% consumed at least some music and 14% consumed at least some movies illegally over the 3 month period, while 12% did so for TV programmes and 3% did so for video games.
- If instead of looking at 'all internet users aged 12+' we use as our base 'all internet users who consumed content online over the 3 month period', we find that 43% consumed at least one item illegally and that movies (48%) had the highest rate of any illegal consumption, followed by music (37%), TV programmes (33%) and video games (22%). Digital consumers who had infringed were more likely to be male and particularly more likely to be aged 16-34 than digital consumers who had not infringed.
- We estimate that in the first quarter of 2015 254 million music tracks, 95 million movies, 82 million TV programmes and 9 million video games were illegally consumed online.
- Across all consumers of illegal content, the median number of files downloaded or streamed illegally in the 3 month period was 16. The median number of files downloaded or streamed illegally was highest for music (20 tracks – equivalent to two albums), followed by TV programmes (7), movies (5) and video games (2).

- Movies consumed digitally were twice as likely to have been consumed illegally as other file types: Two thirds (66%) of digital movies consumed were done so illegally, compared with around 3 in 10 music files (30%), video games (29%) and TV programmes (36%).

Services used for consuming digital content

- Across the four content types, the most commonly used services by YouTube, iTunes/Apple, Google search and Facebook.
- There were a number of other services that were used primarily for consuming or sharing a single content type: Steam was the most used service, and EB Games third most used, for video games; Spotify was a top 5 service for music; Netflix was a top 5 service for movies; and ABC iView, TENplay, Plus7 and SBS on Demand all featured in the top 5 for TV programmes.
- On average, infringers (mean of 5) used a greater number of services for consuming or sharing content than non-infringers (mean of 3).
- Infringers were far more likely than non-infringers to use peer-to-peer methods, in the form of BitTorrent software (26%), uTorrent (28%) and Pirate Bay (19%), whereas 5% or less of non-infringers said they had used these services. Peer-to-peer methods were most prominent for movies, with uTorrent the second most used movie service.

Spend

- The proportion of 12+ individuals who spent money on at least one of the spend categories we analysed ranged from 22% for video games and TV programmes to 44% for music and 67% for movies. Average quarterly spend ranged from \$12.20 for TV programmes to \$78.20 for music.
- For both music and movies, the majority of the average spend was not from purchases of either digital or physical copies. In the case of music this primarily consisted of concerts and gigs and in the case of movies this primarily consisted of going to the cinema.
- For each content type, those who consumed a mix of legal and illegal content spent more money over a 3 month period than those who consumed 100% of their content legally, but those who consumed 100% of their content illegally spent the least money.

Price sensitivity

- To convince a majority of digital music consumers to pay for digital music, a single music track download would need to be priced at \$1.19 and a music subscription service would need to be priced at \$5 a month.
- To convince a majority of digital movie consumers to pay for digital movies, a single movie download would need to be priced at \$5 and a movie subscription service would need to be priced at \$10 a month.

Reasons for using paid services and for infringing

- The most commonly cited reasons for using paid services were convenience (50%), to support creators/industry (43%), because of its speed (41%) or due to a preference to use legal sites (40%). 1 in 3 (33%) thought it was morally wrong to use illegal sites or feared viruses, malware and spyware (32%).
- The most commonly cited reasons for infringing were because it is free (55%), convenient (51%) and quick (45%). A third indicated it meant they could try before buying (35%) or felt legal content was too expensive (30%).

What would make infringers stop?

- A reduction in the cost of legal content was the most commonly cited factor that would encourage people to stop infringing (39% of infringers), closely followed by legal content being more available (38%) and being available as soon as it is released elsewhere (36%).
- A number of strategies had a greater likelihood of motivating those consuming a mixture of legal and illegal content than those consuming only illegal content: everything they want being available legally; everything they want being available legally as soon as it is available elsewhere; and availability of a subscription service.
- Approximately 2 in 10 stated they would be impacted by the threat of receiving a letter from their ISP: 21% would be encouraged to stop infringing if they received a letter saying their account would be suspended, 17% if the letter indicated their account had been used to infringe and 17% if the letter said their internet speed would be restricted.
- Only 1 in 20 infringers (5%) said that nothing would make them stop.

Levels of consumer awareness in legal services and confidence about what is and is not legal online

- Overall, just under half (43%) of internet users aged 12+ stated they were either “not particularly” or “not at all confident” in their knowledge regarding what is and what is not legal online.
- Lack of confidence about what is and is not legal online was more prevalent among females (50%) than males (37%) and generally increased with age: from around a third of those aged under 45 to a majority of those aged 45+.
- Six legal services for downloading, streaming or sharing content were known by a majority of internet users: YouTube (79%); Foxtel Presto/Play (74%); iTunes/Apple (70%); Amazon (54%); Bigpond (53%); and Netflix (51%).
- The most commonly cited indicator of the legality of a website was the presence of a familiar/well-known and reputable brand (21%). Other indicators were a statement of legality (10%) and having to pay (8%).

Research overview

<http://www.>



2. Research overview

2.1 Background

Online copyright infringement has a number of direct and indirect costs to the Australian economy. Directly, copyright infringement results in a loss of income for businesses in copyright industries, potentially depriving industries of ingenuity and innovation, as creators are unable to sustain themselves from their incomes. Indirectly, it can be argued that copyright infringements affect tax revenue, jobs, economic development, incomes levels and foreign investment in Australia¹.

In December 2014, the Minister for Communications and Attorney-General announced a number of measures to address online copyright infringement in Australia, including:

- Development of an industry code
- Amendments to the Copyright Act 1968
- Encouragement of content owners to improve affordability and accessibility.

However, there is currently a lack of data on the type and extent of copyright infringement in Australia, with no official body that compiles statistics on copyright infringement in Australia. While various industry groups (including the Music Industry Piracy Investigations and Motion Picture Association) have prepared the statistics that are currently available, each set differs in the method of its preparation. The methodology is also, in many cases, untested.

Therefore, given the lack of data on the type and extent of online copyright infringement in Australia, the Department of Communications has commissioned a baseline study to understand the prevalence of online copyright infringements.

The Department of Communications commissioned TNS to provide a holistic view of online copyright infringement by measuring level of use (legal versus illegal) and level of access (streaming, downloading and sharing) of four core content types (music, movies, TV programmes and video games). This research will provide an authoritative foundation to assess the effectiveness of the measures to address copyright infringement, should future analysis be undertaken.

¹ House of Representatives Standing Committee on Legal and Constitutional Affairs (2000). Cracking down on copycats: enforcement of copyright in Australia. Commonwealth of Australia.



The study was conducted with reference to a similar study being conducted in the UK in order to capitalise on a tried and tested methodology and research instrument, as well as allowing Australia's results to be compared to another jurisdiction. The UK study is commissioned by UK communications regulator Ofcom, undertaken by Kantar Media and made possible by financial support from the UK Intellectual Property Office (IPO). It was first conducted in July 2012, and findings from the first four waves of research are currently available via the Ofcom website².

² <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/?a=0>.

2.2 Key objectives

The fundamental objective for this research was to understand the prevalence of online copyright infringement among consumers in Australia.

In order to answer this question, it needs to be deconstructed in a way that facilitates comprehensive, rigorous insights. The framework below illustrates our approach, and shows how the survey metrics relate to each objective:

Table 2.2.1: Research objectives and metrics

OVERALL AIM	RESEARCH OBJECTIVE	METRICS
<p>What is the current level of online copyright infringement among Australian consumers?</p>	<ul style="list-style-type: none"> ■ What is the level of access (streaming, downloading, sharing) of the four core content types among Australian consumers? ■ What level of use/access for the four core content types is legal (and what proportion is illegal)? ■ How does level of use differ by demographic factors? 	<ul style="list-style-type: none"> ■ Whether accessed/ downloaded/ shared files (past three months) by content type ■ Frequency per content type ■ Volume per content type ■ Proportion of type paid for and free ■ Proportion of files believed to have been legally accessed (from which a figure for illegal files can be derived)
<p>What are the attitudes that drive online copyright infringement behaviours?</p>	<ul style="list-style-type: none"> ■ What is the level of consumer awareness and knowledge around online copyrighting? ■ What are consumer attitudes towards online copyright infringement? ■ What drives online copyright infringement among consumers? ■ What would stop consumers from performing copyright infringement behaviours? ■ What is the level of awareness and use of lawful streaming, downloading and sharing services? 	<ul style="list-style-type: none"> ■ General attitudes. ■ Key drivers of behaviour ■ Why people do/don't infringe ■ What would make them stop? ■ Awareness/use of lawful services ■ Reasons why do/don't use lawful services ■ Understanding of what is legal

	<ul style="list-style-type: none"> ■ What are the key reasons driving use/non-use of lawful services? ■ How do knowledge, awareness and attitudes differ by demographic factors?
<p>What role does pricing play in lawful and unlawful access of online content?</p>	<ul style="list-style-type: none"> ■ What is the current level of spend across each of the four core content types? ■ How does unlawful file sharing impact on purchases across each of the four core content types? ■ What is the willingness to pay and optimum pricing levels for different content types? ■ What is the role of demographic factors in willingness to pay? <ul style="list-style-type: none"> ■ Current spend on relevant material ■ Willingness-to-pay modelling

2.3 Methodology overview

The survey was designed to closely replicate the methodology for the UK study so that results between the two jurisdictions could be compared. The approach for the Australian study comprised of a mixed methodology of online interviewing and computer assisted telephone interviewing (CATI), with online interviewing used to reach respondents who use the internet at least once a day and CATI interviewing used to reach respondents who use the internet less often.

A total of n=2,630 interviews were undertaken between 25 March and 13 April 2015 with the target audience for this study - all people aged 12+ in Australia. Of this total, n=2,227 interviews were achieved online, n=2,082 from people aged 16+ and n=145 from people aged 12–15 year olds. The remaining n=403 interviews were achieved by CATI from people aged 16+. The average length of the interview was 22 minutes online and 24 minutes by CATI.

Greater detail of the study methodology can be found in the appendix.

2.4 Notes for this report

Content type and activities assessed

This study sought to provide detailed measurements for four core content types of interest:



It also provided top level measurements for a further two content types, but did not provide detailed measurements for these content types due to restrictions on survey length and these being the two least commonly used of the six types:



The survey asked respondents to think about activities they had undertaken in the past 3 months, which broadly corresponds to the first quarter (January-March) of 2015.

The questions were primarily focused around three online activities, explained to each respondent as follows:

- **Streamed or accessed** – By this we mean that you viewed, listened or played content directly through the internet without downloading a copy. For example, watching TV programmes on Netflix or listening to music through services such as Spotify or Pandora.
- **Downloaded** – By this we mean that you transferred a copy of the file to your device. For example, downloading a music track to your computer through iTunes or Amazon.
- **Shared** – By this we mean that you made the file publicly available, or sent or uploaded it online for someone else to download or stream/access. For example, sharing files on your computer through an online service. This does not include sharing links online.

These categories all relate to what is termed 'digital' content/files. However, certain metrics in this report also incorporate consumer spend attributable to 'physical' formats (e.g. CDs, DVDs, games and cartridges) to help locate the consumption of digital content in its wider context. This report also frequently refers to consumed digital content, by which is meant content that is either streamed or accessed online or is downloaded from the internet.

For most of the content types there are several elements that had the potential to cause confusion and thereby distort the figures if misinterpreted by the respondent. For example, there is a fine line between music tracks and music videos, and there is a distinct difference (in terms of number of digital files) between singles and albums. Similarly, for computer software and video games people may consider updates and patches as products in themselves. Therefore the questionnaire attempted to be as clear to respondents as possible in terms of what they should include in the definition. In addition, music videos and short video clips were asked about separately to aid with the distinctions. The definitions were as follows:

Table 2.4.1: Definition of content types

Content type	Definition for respondent
Music	Music tracks or albums (excluding online radio stations)
Video games	Video games (excluding patches and upgrades)
Movies	Movies (full length)
TV programmes	TV programmes
e-books	e-books
Computer software	Computer software (excluding mobile phone apps, and patches/upgrades to software already owned)

Payment and legality

Respondents who had consumed (i.e. streamed, accessed or downloaded) digital content were asked in the survey how much of what they had consumed was paid for and how much was legal, and from this it is possible to calculate how much was



free and how much was illegal respectively. Payment and legality were explained to respondent as follows:

- **Payment** – how many did they personally pay for, either as a one off or as part of a subscription
- **Legality** – how many do you think were downloaded or streamed legally

It should be noted that a large proportion of the Australian public are not confident they know what is legal and what is illegal in terms of downloading, streaming/accessing and sharing content through the internet (see Chapter 6.5). Therefore, in addition to some people being reluctant to admit to engaging in illegal activities, some people may not be aware that what they are doing is necessarily illegal, and hence the level of illegal activity may be under-reported.

Key metrics

With respect to assessing levels of copyright infringement for each content category, the approach is consistent throughout the survey, filtering down from general online behaviour towards the sensitive topic of infringement. Within each category, key metrics are reported at two levels:

- 1) Respondent level – For example, the total number and proportion of the Australian population who undertook an activity such as downloading music;
- 2) Volume level – For example, the number of music tracks downloaded in the past three months, or the number of music tracks legally obtained.

The key metrics throughout this report are summarised in the following table:

Table 2.4.2: Key metrics

Topic	Respondent level	Volume level
Assessing levels of online infringement		
General behaviour	<ol style="list-style-type: none"> 1. Done in the past 3 months 2. Frequency 3. Median volumes (past 3 months) among those who have done activity 	
Payment	<p>Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past 3 months:</p> <ol style="list-style-type: none"> 1. 100% paid 2. Mix of paid and free 3. 100% free 4. Any free (combination of 2 + 3) 5. 100% already owned in physical format 6. Any already owned in physical format 7. None already owned in physical format 8. 100% previously downloaded for free (% of paid acquisitions across formats) 9. Any previously downloaded for free 10. None previously downloaded for free <p>As well as the proportions of those who have done the activity in the past three months, metrics 1 to 4 are also reported among the total 12+ internet population, and include median volumes. Metrics 5 to 10 include mean volumes</p>	<p>Paid and free proportions of total volume (incorporating physical format where relevant)</p>
Legality	<p>Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past 3 months:</p> <ol style="list-style-type: none"> 1. 100% legal 2. Mix of legal and illegal 3. 100% illegal 4. Any illegal (combination of 2 + 3) 	<p>Legal and illegal proportions of total volume (incorporating physical format where relevant)</p>

As well as the proportions of those who have done the activity in the past three months, the above metrics 1 to 4 are also reported among the total 12+ internet population and include median volumes.

Assessing consumer spend on categories and price sensitivity

Spend	Proportion of population who have spent anything (and average spend in the past 3 months) on digital subscriptions, individual digital downloads, physical formats and other related areas such as gigs or cinema.	Total volumes and proportions of overall spend
Price sensitivity	Willingness to pay (music and movies only) - For consuming individual files via a download service - For a subscription service (monthly charge)	

Subgroup analysis

For each category the report details the main findings, followed by significant differences of interest (at the 95% confidence level) among the following groups:

Table 2.4.3: Subgroups of interest

Category	Subgroups
Gender	Male, Female
Age	12-15, 16-24, 25-34, 35-44, 45-54, 55+

Digital content consumption

<http://www.>





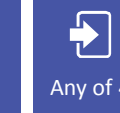





3. Digital content consumption

3.1 Digital behaviour among internet users aged 12+ across all content types

The following table outlines the proportion of internet users aged 12+ who downloaded, streamed/accessed, or shared content for each of the six content types. The 'any of 4' column is an aggregation across the four core content types and the 'any of 6' column is an aggregation across all six of the content types (for example, if someone downloaded and streamed both music and movies they would be counted only once within the overall proportion).

Table 3.1.1: Digital behaviour in the last 3 months among internet users aged 12+ – all content types

	 Music	 Video games	 Movies	 TV	 Any of 4	 E-books	 PC software	 Any of 6
Base: All internet users 12+	2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607
Download	29%	11%	19%	18%	43%	12%	17%	50%
Stream/access	34%	13%	25%	34%	54%	11%	16%	57%
Download or stream	42%	16%	29%	38%	60%	15%	23%	65%
Share	5%	2%	4%	4%	8%	2%	2%	9%
Download stream or share	42%	16%	29%	38%	60%	15%	23%	65%

- Two thirds (65%) of internet users claimed to have consumed (i.e. streamed, accessed or downloaded) digital content from one of the six content types in the past 3 months. 6 in 10 (57%) had streamed or accessed content and half (50%) had downloaded content.. Sharing content was a more niche activity, with 1 in





10 (9%) claiming to have done this in the past 3 months, and almost all of this 9% also involved in consuming content. Across the four content types focused on in this report, 6 in 10 internet users (60%) had consumed content (54% by streaming or accessing it and 43% by downloading it) and 1 in 10 (8%) had shared content.

- The most common content types streamed or accessed were jointly music (34%) and TV programmes (34%), followed by movies (25%). It was less common to stream or access computer software (16%), video games (13%) or e-books (11%). For most content types, but particularly for TV programmes, streaming or accessing was more common than downloading.
- At 3 in 10 (29%), the most common content type downloaded was music. Around 2 in 10 had downloaded movies (19%), TV programmes (18%) or computer software (17%) and around 1 in 10 had downloaded e-books (12%) or video games (11%).
- Consumption of content (calculated by combining streaming or accessing with downloading) was most common for music (42%), followed by TV programmes (38%), movies (29%), PC software (23%), video games (16%) and e-books (15%).
- Around 1 in 20 internet users had shared music (5%), movies (4%) or TV programmes (4%), and 2% had shared each of the other three content types (computer software, e-books and video games).
- Males were more likely than females to have consumed at least one of the six types of content (68% compared with 63%). In particular, they were more likely to have consumed music (44% compared with 39%), video games (21% compared with 11%), computer software (29% compared with 17%) and movies (33% compared with 24%).
- Consumption of at least one of the six types of content decreased with age, from 81% of 12-15 year olds and 84% of 16-24 year olds to 44% of those aged 55+. 12-15 year olds were the most likely age group to have consumed video games (37%), whilst 16-24 year olds were the most likely age group to have consumed all other content types except e-books (which were consumed at fairly even levels across all age groups).
- Sharing of at least one of the six types of content also decreased with age, from 16% of 12-15 year olds to 4% of those aged 55+.

Amongst those who had consumed (streamed, accessed or downloaded) any content in the past 3 months, three quarters (77%) had done so using fixed line access, 4 in 10 (37%) using a mobile network and 1 in 10 (12%) using public Wi-Fi.

Those who downloaded, streamed or accessed, or shared any of the four core content types were asked for each how often they did this. The following table shows the proportion of those who did the activity in past three months who did it at least once a week.

Table 3.1.2: Proportion of those who had done activity at all in the past 3 months who did it at least once a week

		 Music	 Video games	 Movies	 TV
Download	Base: Did at all in last 3 months	817	306	549	541
	% weekly	31	24	36	48
Stream/access	Base: Did at all in last 3 months	937	362	712	967
	% weekly	59	63	41	48
Share	Base: Did at all in last 3 months	169	65	113	113
	% weekly	50	56	32	35






- 6 in 10 of those who had streamed or accessed video games (63%) and music (59%) in the past 3 months did so on a weekly basis, dropping to half (48%) of those who had streamed or accessed TV programmes and 4 in 10 (41%) of those who had streamed or accessed movies.
- Video games (56%) and music (50%) were also more likely to be shared on a weekly basis than TV programmes (35%) or movies (32%).
- In contrast, TV programmes (48%) were most likely to be downloaded at least weekly, followed by movies (36%), music (31%) and video games (24%).
- For all four content types, males were more likely than females to download them on a weekly basis: 35% did so for music (compared with 27% of females), 28%

for video games (compared with 17%), 40% for movies (compared with 30%), and 51% for TV programmes (compared with 43%). Males (68%) were also more likely than females (53%) to stream or access video games on a weekly basis, but not any more likely to stream or access the other content types. Base sizes for sharing were too small to compare results between males and females.

- For music only, there was a strong relationship between age and frequency of streaming or accessing or downloading the content type: 52% of 12-15 year olds downloaded music and 72% streamed or accessed music on a weekly basis compared with 8% and 25% respectively for those aged 55+.

The following table outlines the median volumes of files downloaded, streamed/accessed or shared in the past three months (among those who had done each activity) for each of the four core content types. In the UK study, means were initially used in reporting, but were found to be too volatile due to a minority of individuals consuming or sharing very large numbers of files, and hence medians are now used instead. The Australian study showed a similar pattern, and hence medians have also been adopted.

Table 3.1.3: Median number of files among 12+ internet users who consumed or shared content (past 3 months)

		 Music	 Video games	 Movies	 TV	 Any of 4
Download	Base	817	306	549	541	1,202
	Median	12	3	4	5	12
Stream/access	Base	937	362	712	967	1,500
	Median	20	3	3	4	14
Download or stream	Base	1152	451	824	1,077	1,664
	Median	25	4	5	6	22
Share	Base	169	65	113	113	260
	Median	5	2	2	1	5






- Of the four content types, music had the highest average number of files consumed and shared in the past 3 months. The median number of music tracks

consumed was 25 (with an average of 12 downloaded and 20 streamed or accessed) and the median number shared was 5.

- The second highest average number of files consumed was for TV programmes, with a median of 6 consumed (5 downloaded and 4 streamed or accessed). However, the median number of TV programmes shared, at 1, was the lowest of any content type.
- A similar median number of video games and movies were consumed (4 video games and 5 movies) and shared (2 in each case).
- Overall, those downloading any of the four content types downloaded a median of 12 files and those streaming or accessing any type streamed or accessed a median of 14 files, putting median consumption at 22 files in a 3 month period. The median level of sharing of any of the four content types was 5 files.
- In total across the four content types, males had consumed a median of 28 files and females had consumed a median of 20 files; both males and females had shared a median of 5 files. 16-24 year olds had consumed the highest number of files of any age group (median 60), whereas 45-54 year olds and those aged 55+ had consumed a median of 9 files. 25-34 year olds had shared the highest number of files (median 8), whilst those aged 55+ had shared the fewest files (median 2).

The following table shows the incidence of the top 10 services used in the past 3 months to consume or share each type of content.

Table 3.1.4: Use of services for consuming or sharing content in the past 3 months

	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed or shared content	1,161	458	832	1,084	1,669
1	YouTube 58%	Steam 24%	YouTube 39%	YouTube 32%	YouTube 55%
2	iTunes/Apple 45%	iTunes/Apple 23%	uTorrent 19%	ABC iView 21%	iTunes/Apple 37%
3	Google search 23%	EB Games 22%	BitTorrent 16%	TENplay 19%	Google search 25%
4	Facebook 23%	Facebook 18%	iTunes/Apple 16%	Plus7 18%	Facebook 23%
5	Spotify 19%	Google search 16%	Netflix 16%	SBS 16%	uTorrent 14%
6	Free app 14%	Google Play 15%	Google search 15%	9jumpin 15%	BitTorrent 14%
7	Email 11%	Xbox Live 13%	Pirate Bay 13%	Netflix 12%	Spotify 13%
8	Google Play 11%	Sony/PS 13%	Foxtel/Presto 10%	uTorrent 11%	TENplay 13%
9	BitTorrent 10%	Amazon 11%	SBS 9%	Google search 11%	ABC iView 13%
10	Pandora 9%	Email 8%	Facebook 9%	iTunes/Apple 10%	Email 12%
Mean number of services	3	2	2	2	4

- Consumers or sharers of each content type used an average of 2-3 services to consume or share that content type, and across all four content types consumers used an average of 4 services.
- YouTube was the most used site or service for consuming or sharing music (58%), movies (39%) and TV programmes (32%), and also overall across the four content types (55%). Steam (24%) was the most used site or service for consuming or sharing video games.
- iTunes/Apple was the second most used site or service for both music (45%) and video games (23%), and was also in the top 10 for movies (16%) and TV programmes (10%). It was therefore the second most used site or services across the four content types (37%).
- Google Play for Android appeared in the top 10 for music (11%) and video games (15%), as did email (11% and 8% respectively).
- Netflix appeared in the top 10 for both movies (16%) and TV programmes (12%). It is not known whether respondents were referring to the newly launched Australian Netflix service or to a foreign (e.g. US) Netflix service (as discussed in the appendix).
- Facebook appeared in the top 10 for music (23%), video games (18%) and movies (9%), and overall across the four content types was the fourth most used site or service (23%).
- Peer-to-peer methods, in the form of BitTorrent software (16%), uTorrent (19%) and Pirate Bay (13%) were most prominent for movies, but also appeared in the top 10 for music and TV programmes.
- For music, Spotify (19%), free music download apps (14%) and Pandora (9%) all also featured in the top 10 most used sites or services.
- For video games, EB Games (22%), Xbox Live (13%), Sony Entertainment Network/PlayStation (13%) and Amazon (11%) all also featured in the top 10 most used sites or services.
- For TV programmes, the top 10 included several TV channel online streaming/download services such as ABC iView (21%), TENplay (19%), Plus7 (18%), SBS on Demand (16%) and 9jumpin (15%). SBS on Demand also featured in the top 10 for movies (9%).
- For movies, the top 10 also included Foxtel Presto (10%).






3.2 Payment groups

People were categorised according to the proportion of digital content that they claimed to have paid for; these categories are referred to as 'payment groups'. The following table shows the incidences for each payment group in terms of content accessed in the past three months, across two different bases:

- Base 1 - all who downloaded or streamed/accessed each content type in the past three months
- Base 2 - all internet users aged 12+

The second base has been included because the proportion of people active in each category varies between content types; looking at payment categories across the 12+ internet universe allows comparisons to be made between them.

Table 3.2.1: Payment groups – proportion who paid to consume content or did so for free (past 3 months)






	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed content	1,152	445	824	1,077	1,663
100% paid	26%	31%	21%	13%	14%
Mix of paid and free	26%	31%	22%	12%	39%
100% free	48%	38%	58%	76%	47%
ANY PAID	52%	62%	42%	24%	53%
ANY FREE	74%	69%	79%	87%	86%
Base: All internet users 12+	2,607	2,607	2,607	2,607	2,607
100% paid	11%	5%	6%	5%	8%
Mix of paid and free	11%	5%	6%	4%	24%
100% free	20%	6%	17%	28%	28%
ANY PAID	22%	10%	12%	9%	32%
ANY FREE	31%	10%	23%	33%	52%

- In the last 3 months, a third of internet users consumed free TV programme content (33%) or free music content (31%), a quarter (23%) consumed free movie content and 1 in 10 (10%) consumed free video game content, with half (52%) consuming at least one of these content types for free. 3 in 10 internet users (28%) consumed all of their TV programme content for free and 2 in 10 (20%) consumed all of their music content for free.
- Those who consumed TV programme content were most likely to get it for free: 9 in 10 (87%) consumed at least some free TV programme content and three quarters (76%) consumed all their TV programme content for free. Female TV programme consumers were more likely than males to get all of their TV programme content for free (79% compared with 72%). Likewise, older TV programme consumers were more likely to get at least some of their TV programme content for free (93% of those aged 55+ compared with 80% of 12-15 year olds) and to get all their TV programme content for free (89% of those aged 55+ compared with 64% of 12-15 year olds)
- Those who consumed movie content are second most likely to get it for free: 8 in 10 (79%) consumed at least some free movie content and 6 in 10 (58%) consumed all their movie content for free.
- Those who consumed music content were second least likely to get it for free: three quarters (74%) consumed at least some free music content and half (48%) consumed all their movie content for free.
- Those who consumed video game content were least likely to get it for free: 7 in 10 (69%) consumed at least some free video game content and 4 in 10 (38%) consumed all their video game content for free. Female video game consumers were more likely than males to get at least some video game content for free (78% compared with 64%) and to get all their video game content for free (48% compared with 33%).
- Overall, 86% of those who consumed content from at least one of the four content types (52% of internet users) consumed at least some of it for free and 47% consumed all of it for free (28% of internet users). Females (51%) were more likely than males (44%) to consume all of their content for free, as were older age groups (63% of those aged 55+ compared with 39% of 12-15 and 16-24 year olds). Males and younger age groups were more likely to have a mixture of free and paid consumption.

3.3 Existing ownership, and free access to digital content before purchasing

The following table displays whether those who had consumed digital content in the past 3 months already owned all of this content in a physical format, already owned at least some of it in a physical format, or owned none of it in a physical format.

Table 3.3.1: Prior physical ownership of content consumed in the past 3 months






	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed content	1,152	445	824	1,077	1,663
100% owned in physical format	6%	13%	5%	3%	2%
Any owned in physical format	38%	39%	26%	13%	37%
None owned in physical format	62%	61%	74%	87%	63%
Mean number owned in physical format	17	2	2	3	15

- 4 in 10 consumers of video games (39%) and music (38%) claimed ownership of physical copies of at least some of the content they had consumed online in the past three months. This fell to a quarter (26%) of consumers of movies and 13% of consumers of TV programmes. Overall, 37% claimed ownership of physical copies of at least one copy across the four content types.
- On average, music consumers already owned 17 tracks in physical format, and consumers of other content types already owned 2-3 physical copies.

The following table shows whether people who had paid for content (in either digital or physical format) in the past 3 months have previously consumed that same content online for free.

- Of those who had paid for content in the past 3 months, 4 in 10 consumers of music (41%) had previously consumed at least one of those tracks previously for free, making music the most common content type for this practice. 3 in 10 consumers of video games (28%) and of TV programmes (28%) and 2 in 10 consumers of movies (18%) had previously consumed content for free. Overall, 37% of consumers of at least one of the four content types had previously consumed content for free.

Table 3.3.2: Consuming online content for free before purchasing in the past 3 months

	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who had paid for content	932	554	988	576	1,524
100% of paid for content previously consumed for free	13%	12%	7%	14%	6%
Any paid for content previously consumed for free	41%	28%	18%	28%	37%
No paid for content previously consumed for free	59%	72%	82%	72%	63%
Mean number previously consumed for free	21	1	1	3	15

- For all four content types, around 1 in 10 of those who had paid for content in the past 3 months had previously consumed all of that content for free.
- On average, music consumers had previously consumed 21 tracks for free, TV programme consumers had previously consumed 3 programmes for free, and consumers of other content types had previously consumed 1 file for free.
- For all four content types, males were more likely than females to have previously consumed the content for free: the proportion of males who had done so at least once was 47% for music (compared with 35% of females), 30% for video games (compared with 23%), 23% for movies (compared with 12%), and 32% for TV programmes (compared with 23%).
- Those aged 45+ were less likely than younger people to have previously consumed music (20% 45-54, 23% 55+), movies (13% 45-54, 8% 55+) and TV programmes (18% 45-54, 12% 55+) for free.

Levels of copyright infringement

<http://www.>



4. Levels of copyright infringement






4.1 Legality groups

As with the payment group metrics outlined in Section 3.2, it is possible to create 'legality' groups by assessing the proportion of online content they each consumed legally.

For all four content types, respondents were asked how many of the free pieces of digital content they consumed were consumed legally. For music and movies, respondents were also asked how many of the pieces of digital content they paid for were consumed legally. This question was not asked about video games or TV programmes because the UK pilot study found that only a negligible proportion of people pay for illegal digital content of these types.

For music and movies, it is possible to measure the legality of all the digital content consumed by combining the figures for legally accessed free digital content and legally accessed paid for digital content.. For video games and television programmes an equivalent measure for the legality of all digital content consumed can be derived by assuming that all paid content was legal. These measures are shown in the following table.

Table 4.1.1: Legality groups – proportion who consumed any content legally/illegally (past 3 months)

	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed content	1,152	445	824	1,077	1,663
100% legal	63%	78%	52%	67%	57%
Mix of legal and illegal	17%	10%	17%	12%	31%
100% illegal	20%	12%	32%	21%	12%
ANY ILLEGAL	37%	22%	48%	33%	43%
Base: All internet users 12+	2,607	2,607	2,607	2,607	2,607
100% legal	27%	12%	15%	25%	35%
Mix of legal and illegal	7%	2%	5%	4%	19%
100% illegal	8%	2%	9%	8%	7%
ANY ILLEGAL	15%	3%	14%	12%	26%

- Overall, across all four content types, 4 in 10 content consumers (43%) had consumed at least some illegal files, corresponding to a quarter of all internet users (26%). 1 in 10 content consumers (12%) and 7% of all internet users consumed all their files illegally.
- Movies had the highest rate of illegal consumption amongst consumers: Half (48%) of those who had consumed movies had done at least some of this illegally and a third (32%) had done all of it illegally.
- Music and TV programmes had similar rates of illegal consumption amongst consumers: Around a third of (37% for music; 33% for TV programmes) had consumed at least some illegally and 2 in 10 (20% for music; 21% for TV programmes) had consumed all of it illegally.
- Illegal consumption of video games was the least common of any of the content types: 2 in 10 (22%) had consumed at least some of this illegally and 1 in 10 (12%) had consumed all of it illegally.

- The higher rate of overall consumption of music than movies entails that, whilst consumption of movies was more likely to be illegal than consumption of music, the same proportion of all internet users have consumed illegal music (15%) as have consumed illegal movies (14%). The proportion of internet users who have consumed illegal television programmes was also at a similar level (12%), but the proportion who had consumed illegal video games was much lower (3%), reflecting both lower consumption of video games and that video games that were consumed were relatively likely to be consumed legally.
- Amongst those consuming content, illegal consumption of content was more common amongst younger Australians: 6 in 10 16-24 year olds (59%) had consumed illegal content compared with 2 in 10 (20%) of those aged 55+. This reflected above average rates of any illegal consumption for 16-24 year olds for all four of music (47%), video games (33%), movies (58%) and TV programmes (45%). In addition, male consumers of content were overall slightly more likely than females to have done so illegally (45% compared with 40%).

The next table shows the demographic profile of consumers of 'any illegal' content across the four content types (infringers) compared with '100% legal' (non-infringers).






Table 4.1.2: Demographic profiles of infringers versus non-infringers

		All adults 12+	All content consumers	Any illegal (infringers)	100% legal (non-infringers)
Base		2,630	1,663	768	895
Gender	Male	50%	53%	56%	50%
	Female	50%	47%	44%	50%
Age	12-15	6%	8%	8%	8%
	16-24	14%	20%	27%	14%
	25-34	16%	21%	26%	17%
	35-44	17%	20%	19%	20%
	45-54	16%	14%	11%	16%
	55+	31%	18%	8%	25%

- Across all four content types, the profile of content consumers was slightly skewed towards males and under 35s, and the profile of infringers was more strongly skewed towards males and under 35s. The profile of non-infringers was similar to the profile of all adults 12+.

The following table shows the median number of items downloaded or streamed illegally, split out by the legality groups.





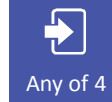
Table 4.1.3: Legality groups – median content items consumed illegally in the past 3 months

	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed illegal content	464	103	417	395	768
Mix of legal and illegal	20	3	5	7	20
100% illegal	20	2	5	7	13
ANY ILLEGAL	20	2	5	7	16

- Across all content types, the median number of files downloaded or streamed illegally among infringers was 16.
- The median number of files downloaded or streamed illegally was highest for music (20 tracks – equivalent to two albums), followed by TV programmes (7), movies (5) and video games (2).

The table below shows the legality of the *free* consumed content and, and then the legality of the free consumed content as a proportion of all consumed content and as a proportion of all internet users.

Table 4.1.4: Legality groups – proportion who consumed free content legally/illegally (past 3 months)

	 Music	 Video games	 Movies	 TV	 Any of 4
Base: All who consumed free content	868	303	655	942	1,444
100% legal free	60%	68%	44%	62%	55%
Mix of legal and illegal free	15%	7%	16%	9%	28%
100% illegal free	26%	26%	40%	28%	18%
ANY ILLEGAL FREE	40%	32%	56%	38%	45%
Base: All who consumed content	1,152	445	824	1,077	1,663
100% legal free	44%	47%	35%	54%	47%
Mix of legal and illegal free	11%	5%	13%	8%	24%
100% illegal free	19%	18%	32%	25%	15%
ANY ILLEGAL FREE	30%	22%	44%	33%	39%
Base: All internet users 12+	2,607	2,607	2,607	2,607	2,607
100% legal free	19%	7%	10%	20%	28%
Mix of legal and illegal free	5%	1%	4%	3%	14%
100% illegal free	8%	3%	9%	9%	9%
ANY ILLEGAL FREE	13%	3%	13%	12%	24%




- Amongst those who consumed free digital content, respondents were most likely to consume movie content illegally, with a majority (56%) consuming at least some of it illegally and 4 in 10 (40%) consuming all of it illegally. Between 3 in 10 and 4 in 10 of those who consumed free music, video game or TV programme content consumed at least some of it illegally and around a quarter consumed all

of this content illegally in each case. Across the four content types, half (45%) of those who consumed any content consumed at least some of it illegally and 2 in 10 (18%) consumed all of it illegally.

- Amongst those consuming free content, illegal consumption of free content was more common amongst younger Australians: 51% of 16-24 year olds had illegally consumed free music (compared with 18% of those aged 55+); 53% had illegally consumed free video games (compared with 17%); 43% had illegally consumed free movies (compared with 23%) and 53% had illegally consumed free TV programmes (compared with 19%). Overall, 6 in 10 16-24 year old consumers (62%) had consumed illegal free content compared with 2 in 10 (22%) of consumers aged 55+. In addition, male consumers of free video games were more likely than females to have done so illegally (37% compared with 24%).
- Nearly half (44%) of those who consumed movie content (whether free or paid) did so through illegal free means, compared with a third (33%) of those who consumed TV programme content, 3 in 10 (30%) of those who consumed music content and 2 in 10 (22%) of those who consumed video game content.
- Around 1 in 10 internet users illegally consumed free music (13%), movies (13%) or TV programmes (12%) in the past 3 months and 3% illegally consumed free video games. This reflects the relatively high rate of consumption of music and TV programmes and the relatively low rate of consumption of video games. Overall, a quarter (24%) of internet users had consumed at least some illegal free content across the four content types.

The next table shows the legality of paid content for music and movies. This question was not asked about video games or TV programmes.

Table 4.1.5: Legality groups – proportion who consumed paid digital content legally/illegally (past 3 months)

	 Music	 Movies	 Any of 2
Base: All who consumed paid content	595	349	747
100% legal	75%	76%	72%
Mix of legal and illegal	13%	9%	16%
100% illegal	13%	16%	12%
ANY ILLEGAL	25%	24%	28%
Base: All internet users 12+	2,607	2,607	2,607
100% legal	16%	9%	19%
Mix of legal and illegal	3%	1%	4%
100% illegal	3%	2%	3%
ANY ILLEGAL	5%	3%	7%

- A quarter (25%) of those who consumed paid music had consumed at least some of this illegally, equating to 5% of all internet users, and 13% consumed all of their paid music illegally. Similarly, a quarter (24%) of those who consumed paid movies had consumed at least some of this illegally, equating to 3% of all internet users, and 16% consumed all of their paid movies illegally.

The top 10 services used in the past 3 months to consume or share the four content types (see Chapter 3.1) can be compared between infringers and non-infringers.

Table 4.1.6: Legality groups – use of services for consuming or sharing content in the past 3 months





	All content consumers	Any illegal (infringers)	100% legal (non-infringers)
Base: All who consumed or shared content	1,669	768	895
1	YouTube 55%	YouTube 67%	YouTube 46%
2	iTunes/Apple 37%	iTunes/Apple 38%	iTunes/Apple 36%
3	Google search 25%	Google search 32%	Google search 21%
4	Facebook 23%	Facebook 29%	Facebook 19%
5	uTorrent 14%	uTorrent 28%	ABC iView 15%
6	BitTorrent 14%	BitTorrent 26%	SBS 13%
7	Spotify 13%	Pirate Bay 19%	TENplay 12%
8	TENplay 13%	Spotify 16%	Plus7 12%
9	ABC iView 13%	Google Play 15%	Email 10%
10	Email 12%	Free music app 15%	Amazon 10%
Mean number of services	4	5	3

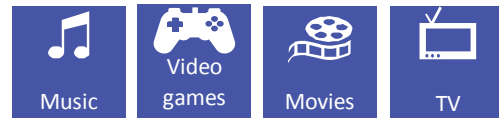
- On average, infringers (mean of 5) used a greater number of services for consuming or sharing content than non-infringers (mean of 3), meaning they used most services in greater proportions. For both infringers and non-infringers, the top four services were the same four legal services: YouTube; iTunes/Apple, Google Search and Facebook.
- Infringers were far more likely than non-infringers to use peer-to-peer methods, in the form of BitTorrent software (26%), uTorrent (28%) and Pirate Bay (19%), whereas 5% or less of non-infringers said they had used these services. Non-infringers were a lot more likely to be using legal services such as ABC iView, SBS On Demand, TENplay and Plus7 rather than peer-to-peer methods.

4.2 Content consumption volumes

While the metrics outlined so far have focused on results at an individual respondent level, the following table outlines total consumption volume estimates for each of the content types (in the past 3 months, rounded to the nearest million in each case, and based on mean consumption across all adults 12+). It assumes that all physical files are paid for and acquired legally.

Table 4.2.1: Volume of content consumed

		 Music	 Video games	 Movies	 TV
TOTAL	Volume	1,012m	48m	255m	285m
	% of total	100%	100%	100%	100%
Physical	Volume	152m	16m	109m	58m
	% of total	15%	33%	43%	20%
Digital	Volume	859m	32m	145m	227m
	% of total	85%	67%	57%	80%
DIGITAL FILES ONLY					
Paid	Volume	353m	12m	24m	50m
	% of digital	41%	38%	17%	22%
Free	Volume	505m	20m	121m	176m
	% of digital	59%	62%	83%	78%
Legal	Volume	604m	23m	50m	145m
	% of digital	70%	71%	34%	64%
Illegal	Volume	254m	9m	95m	82m
	% of digital	30%	29%	66%	36%



PHYSICAL AND DIGITAL FILES COMBINED

		Music	Video games	Movies	TV
Paid	Volume	506m	28m	133m	108m
	% of total	50%	58%	52%	38%
Free	Volume	505m	20m	121m	176m
	% of total	50%	42%	48%	62%
Legal	Volume	757m	39m	159m	203m
	% of total	75%	81%	62%	71%
Illegal	Volume	254m	9m	95m	82m
	% of total	25%	19%	38%	29%

- Music was by far the most consumed content type over a 3 month period, both overall (1,012m tracks) and digitally (859m tracks), although this partly reflects music albums being counted as 10 tracks. The vast majority of music tracks were consumed digitally (85%) rather than physically (15%).
- The second most consumed content type was TV programmes, with 227m consumed digitally and 285m consumed overall. Like music, most (80%) were consumed digitally, although this does not include free content consumed non-digitally (e.g. watched through a normal TV).
- Movies were consumed in almost as high numbers as TV programmes, with 255m consumed overall. However, a greater proportion (43%) of movies was consumed in a physical format, meaning that around twice as many movies were consumed physically as TV programmes.
- Video games were consumed in the lowest volumes, with a total of 48m consumed in the past 3 months, two thirds digitally (67%) and one third (33%) physically.
- Music and video game content consumed digitally was more likely to be paid for than movie or TV programme content consumed digitally: 4 in 10 music (41%) and video game (38%) files were paid for compared with 2 in 10 movie (17%) and TV programme (22%) files.
- Movies consumed digitally were twice as likely to have been consumed illegally as other file types: Two thirds (66%) of consumed digital movies were consumed illegally compared with around 3 in 10 music files (30%), video games (29%) and TV programmes (36%). However, because a far greater number of music files were consumed digitally, the number of music files consumed illegally (254m)



was substantially higher than movies (95m), TV programmes (82m) or video games (9m).

Consumer spend

<http://www.>



5. Consumer spend

This section outlines the main findings for consumer spend across the four content types.

5.1 Quarterly consumer spend among 12+ year olds

The table below shows, at a respondent level, the average spend within content types in the past 3 months across a number of expenditure categories. It also shows the proportions of the entire Australian population (i.e. not just internet users) aged 12+ who claim to have spent any money on these items. The 'Other' category incorporates merchandise (for all content types), music concerts or gigs, cinema tickets, and movies purchased individually through pay-per-view. Online subscriptions are applicable to music and movies only.

Table 5.1.1: Average consumer quarterly spend among 12+ year olds – all content types





	 Music		 Video games		 Movies		 TV	
Base: All 12+ year olds	2,630		2,630		2,630		2,630	
	Mean	% any	Mean	% any	Mean	% any	Mean	% any
Physical purchases/rentals	\$13.60	23%	\$17.10	18%	\$15.30	32%	\$8.10	16%
Individual digital purchases	\$6.60	19%	\$5.30	8%	\$1.60	7%	\$2.40	7%
Online subscriptions	\$6.50	7%	-	-	\$1.10	4%	-	-
Other	\$51.40	26%	\$2.90	8%	\$32.10	57%	\$1.70	5%
TOTAL	\$78.20	44%	\$25.30	22%	\$50.10	67%	\$12.20	22%

- Across the four content types, music had the highest average spend per person, at an estimated \$78.20, followed by movies (\$50.10), video games (\$25.30) and TV programmes (\$12.20). This reflected the proportion of 12+ year olds spending money on these content types: Two thirds (67%) spent money on movies and nearly half (44%) spent money on music compared with two in ten (22%) spending money on each of TV programmes and video games.

- For both music (\$51.40) and movies (\$32.10), the majority of the average spend was not from content purchases. In the case of music, this primarily consisted of concerts and gigs and in the case of movies this primarily consisted of going to the cinema.
- For all content types, the average amount of money spent on physical purchases was substantially larger than the amount spent on digital purchases.
- The highest average spend on physical purchases was for video games (\$17.10), followed by movies (\$15.30) and music (\$13.60), with the lowest level for TV programmes (\$8.10). However, movies (32%) was the content type where the highest proportion of 12+ year olds spent money on physical purchases, whereas video games (18%) had one of the lowest proportions, indicating that those who made physical video games purchases spent relatively more and those who made physical movie purchases spent relatively less.
- The highest spend on individual digital purchases was for music (\$6.60) and video games (\$5.30), with lower levels for TV programmes (\$2.40) and movies (\$1.60). However, the proportion of 12+ year olds spending money on individual digital purchases was at least double the level for music (19%) than for the other content types (7-8%), indicating that compared with video games those making digital music purchases spent relatively less.

The following table shows the average total spend for each content type (see previous charts for details of spend coverage) among the legality groups:

Table 5.1.2: Average consumer quarterly spend among legality groups – all content types

	 Music		 Video games		 Movies		 TV	
Base: All 12+ year olds	Base	Mean	Base	Mean	Base	Mean	Base	Mean
100% legal	688	\$126.20	342	\$109.90	407	\$66.80	682	\$22.10
Mix of legal and illegal	208	\$199.70	48	\$117.50	137	\$91.90	141	\$32.80
100% illegal	256	\$87.80	55	\$23.60	280	\$52.90	254	\$8.30

- For each content type, those who consumed a mix of legal and illegal content spent more money over a 3 month period than those who consumed 100% of







their content legally, but those who consumed 100% of their content illegally spent the least money.

5.2 Quarterly total spend estimates

While the previous sub-section focused on results at an individual level, the following table outlines total spend estimates for each of the content types in the past 3 months, based on mean spend and rounded to the nearest million in each case.

Table 5.2.1: Total quarterly spend estimates – all content types

	 Music		 Video games		 Movies		 TV	
Base: All 12+ year olds	2,630		2,630		2,630		2,630	
	Spend (\$m)	% of total	Spend (\$m)	% of total	Spend (\$m)	% of total	Spend (\$m)	% of total
Physical purchases/rentals	271	17%	341	68%	305	31%	161	66%
Individual digital purchases	131	8%	106	21%	32	3%	48	20%
Online subscriptions	129	8%	-	-	22	2%	-	-
Other	1,024	66%	58	11%	639	64%	34	14%
TOTAL	1,557	100%	504	100%	998	100%	243	100%

- Music had the highest overall quarterly spend across the content types, at an estimated \$1,472m, followed by movies (\$998m), video games (\$504m) and TV programmes (\$243m).
- For both music (70%) and movies (64%), the majority of the quarterly spend was not from content purchases. In the case of music this primarily consisted of concerts and gigs and in the case of movies this primarily consisted of going to the cinema. In comparison, non-content purchases relating to TV programmes (14%) and video games (11%) were a small fraction of total purchases for these content types.
- For all content types, the amount of money spent on physical purchases was substantially larger than the amount spent on digital purchases.
- The highest spend on physical purchases was for video games (\$341m), followed by movies (\$305m) and music (\$271m), with the lowest level for TV programmes (\$161m).



- The highest spend on individual digital purchases was for music (\$131m) and video games (\$106m), with lower levels for TV programmes (\$48m) and movies (\$32m).
- The highest spend on online subscriptions was for music (\$129m), followed by movies (\$22m).

5.3 Price sensitivity

Consumers of digital music or digital movies in the past 3 months were asked how likely they would be to:

- a) Download a high quality music track or movie from a reputable and reliable service at a range of prices; and
- b) Subscribe to a monthly unlimited high quality music track or movie streaming service at a range of prices.

Table 5.3.1 displays the proportion of digital music consumers and of digital movie consumers who indicated that they would be likely to use the download or subscription service at each price point.

Table 5.3.1: Likely use of music and movie download and subscription services at different price points

Music download service	Price point	69c	99c	\$1.19	\$1.69	\$2.19
	Base: Music consumers	1,152	1,152	1,152	1,152	1,152
	% likely	78%	71%	54%	45%	33%
Music subscription service	Price point	\$5	\$10	\$15	\$20	\$25
	Base: Music consumers	1,152	1,152	1,152	1,152	1,152
	% likely	63%	44%	26%	15%	12%
Movie download service	Price point	\$5	\$10	\$15	\$20	\$25
	Base: Movie consumers	824	824	824	824	824
	% likely	68%	39%	22%	11%	8%
Movie subscription service	Price point	\$8	\$10	\$15	\$20	\$25
	Base: Movie consumers	824	824	824	824	824
	% likely	71%	62%	35%	19%	12%

- A majority (54%) of digital music consumers indicated they would be willing to pay \$1.19 per single music track download. At 99c this rose to 7 in 10 (71%) and at 69c it rose to 8 in 10 (78%). Nearly half (45%) were willing to pay \$1.69 per track and a third (33%) were willing to pay \$2.19 per track. At the 69c price point

there was no difference by age in willingness to pay, but as the price increases younger music consumers become less willing to pay than older music consumers: 2 in 10 16-24 year olds (20%) are willing to pay \$2.19 per track compared with nearly half (44%) of those aged 55+.

- 6 in 10 digital music consumers (63%) were willing to pay \$5 a month for a music subscription service, but less than half (44%) were willing to pay \$10 a month and only a quarter (26%) were willing to pay \$15 a month. A music subscription service appealed most to 25-34 year olds, as long as the price was not too high: 69% of 25-34 year olds would pay \$5 a month, 51% would pay \$10 a month and 34% would pay \$15 a month.
- Two thirds (68%) of digital movie consumers were willing to pay \$5 per movie download, 4 in 10 (39%) were willing to pay \$10 and 2 in 10 (22%) were willing to pay \$15. 45-54 year olds (80%) were most willing to pay a \$5 per movie download cost.
- 7 in 10 digital movie consumers (71%) were willing to pay \$8 a month for a movie subscription service and 6 in 10 (62%) were willing to pay \$10 a month. Only a third (35%) were willing to pay \$15 a month and 2 in 10 (19%) to pay \$20 a month. 45-54 year olds were again most willing to pay, particularly at the \$10 a month price point (73%).

Attitudes towards digital activities and copyright infringement

<http://www.>



6. Attitudes towards digital activities and copyright infringement

6.1 Motivations for general online activities

This survey included several questions on attitude with a view to uncovering primary motivations for taking part (and, in the case of downloading, for not taking part) in the activities covered in the survey i.e. downloading, streaming / accessing, and sharing content.

The following tables show the ranked prompted responses among those respondents who claimed to have done the above activities in the past three months. We have included only those answers that gained a response rate of 5% or more.

The questions within this sub-section focused on the general acts of downloading/streaming (without any reference to legality). The sub-sections to follow (section 6.2 and 6.3) focus on the motivations for lawful and unlawful behaviour.

Table 6.1.1: Motivations for downloading or streaming content online rather than buying physical versions

Base: All who had downloaded or streamed any of the four content types of interest in the past 3 months (1,664)	
It's easier / more convenient	71%
It's quicker	57%
It's cheaper	50%
I can get them for free	44%
I can access them more easily on the devices I have	43%
It's more up-to-date	29%
The quality isn't noticeably different	27%
There is no physical version available	27%
It's what everyone does	18%

Table 6.1.2: Motivations for not downloading content online

Base: All with internet access who have not downloaded any of the four content types in the past 3 months (1,131)	
I'm not interested	55%
I'm not sure how to do it	34%
I fear they may have viruses / malware / spyware	30%
I prefer to have a physical copy	29%
I fear that they could be illegal	22%
I'm unaware of the download services available	21%
I prefer to stream / access (without downloading)	19%
It is easier to buy physical copies	18%
Physical copies are more flexible	14%
They are too expensive	12%
The quality is not as good	8%
I don't own a computer /device capable of downloading	8%
I do not have a credit / debit card	5%

- "Ease/convenience" was the most common motivator for downloading or streaming content (71%). This was more likely among males (73% compared with 68% for females), and decreased with age from 80% among 16-24 year olds to 62% of those aged 55+.
- Speed (i.e. "it's quicker") was also cited by a majority (57%) of respondents, while for half (50%) the cost (i.e. "it's cheaper") was a reason for downloading or streaming content. Speed was most important for 16-24 year olds (71%) and least important for those aged 45-54 (47%) or 55+ (50%).
- Half (55%) of those who said they had not downloaded any files were simply not interested, while for a third (34%) this was due to a lack of knowledge of how to download content online.
- Lack of knowledge was more prevalent among females (40% compared with 27% of males) and within the older age groups, rising from 16% of those aged 12-15

years old to 43% of those aged 55+. Males (60%) were more likely than females (51%) to indicate that they were simply not interested.

- 3 in 10 were concerned about viruses, malware or spyware (30%) or preferred to have a physical copy (29%). 2 in 10 (22%) did not download files because they feared they could be illegal.

Table 6.1.3: Motivations for sharing content online

Base: All who had shared any of the four content types of interest in the past 3 months (260)	
It's easy to do	44%
It's only fair	36%
My friends / family can't access files themselves	34%
It's what everyone does	29%
I should be about to share my content with whomever I choose	29%
Unless I share content, I can't download other files myself	12%

- Amongst those who had shared files, the top reason was that "It's easy to do" (44%), followed by "It's only fair" (36%) and "My friends/family can't access files themselves" (34%).

6.2 Attitudes towards online content

Respondents were asked the following, in relation to the consumption of digital media.

To what extent do you agree or disagree with each of the following statements?

1: Strongly agree

2: Slightly agree

3: Neither agree nor disagree

4: Slightly disagree

5: Strongly disagree

The following table outlines the proportions who agree (strongly or slightly netted together), with the level of disagreement (Strongly or slightly netted together) shown in brackets. Results are shown among all those with internet access (aged 12+), and

then among infringers and non-infringers (aggregated across all four core content types).

Table 6.2.1: Proportion who agree (disagree) with statements

	All aged 12+ with internet access	Any illegal (infringers)	100% legal (non-infringers)
Base: All internet users 12+	2,607	768	895
Content that you download or access online should be cheaper than the equivalent purchased in a physical format (e.g. CD, DVD, Blu-ray, or VHS)	72% (7%)	74% (5%)	83% (5%)
It is wrong to access content online without the creators / artists permission	59% (13%)	42% (21%)	66% (13%)
The rules governing what you can and can't do with content you purchase should be the same for both physical (e.g. a CD, DVD, Blu-ray, or VHS) and online formats	58% (9%)	49% (12%)	66% (8%)
If you had paid for a digital file you should then be able to share it with others	48% (21%)	53% (16%)	54% (22%)
It is easy to find content on the internet for free that would usually be paid for	45% (15%)	63% (11%)	45% (20%)
I think that you should be able to download or access the content you want for free from the internet	42% (28%)	53% (16%)	40% (34%)
The price that you pay to download or access content online is generally about right	28% (26%)	27% (36%)	37% (28%)
I find it difficult to find legal content online	25% (28%)	33% (29%)	23% (40%)

- Overall there was a general view among those aged 12+ with internet access that content downloaded or accessed online should be cheaper than the equivalent

purchased in a physical format: 7 in 10 (72%) agreed with this, and 4 in 10 (42%) thought content should be free.

- A majority agreed that it is wrong to access content online without the creator or artist's permission (59%) and that rules governing physical and online formats should be the same (58%), yet half (48%) still agreed that if you had paid for a digital file you should then be able to share it with others.
- Half (45%) agreed that it is easy to find content on the internet for free that would usually be paid for, but internet users were more divided about whether or not it was difficult to find legal content online: a quarter (25%) agreed that it was and 3 in 10 (28%) disagreed, with the rest unsure.
- Males (50%) were more likely than females (40%) to agree that it is easy to find content on the internet for free that would usually be paid for, and younger people are also more likely to agree: 62% of 16-24 year olds find it easy compared with 38% of those aged 55+.
- Females were more likely than males (63% compared with 55%) and older people were more likely than younger people (71% of those aged 55+ compared with 47% of 16-24 year olds) to agree that it is wrong to access content online without the creator or artist's permission
- Those who consume only legal online content were more likely than the overall population to agree that digital content should be cheaper than the physical format (83% compared with 72%), that it is wrong to access content online without permission (66% compared with 59%), that rules should be the same for physical and online formats (66% compared with 58%), that you should be able to share digital files (54% compared with 48%), and that the price to consume content online is about right (37% compared with 28%). However, in each case the proportion disagreeing was about the same, indicating that the increase in agreement is due to fewer people being unsure (presumably because they have consumed online content and hence have an opinion).
- Those who have consumed illegal online content were less likely than the overall population to agree that it is wrong to access content online without permission (42% compared with 59%) and that rules should be the same for physical and online formats (49% compared with 58%). On the other hand, they were more likely to agree that you should be able to share digital files (53% compared with 48%), that it is easy to find free content online (63% compared with 45%), that you should be able to download or access the content you want for free from the internet (53% compared with 42%), and that

6.3 Motivations for legal and illegal behaviour

Further questions on attitudes were asked in order to assess the primary motivations for legal and illegal behaviour, and to uncover factors that might encourage those who currently infringe to stop.

Respondents who paid for any content were asked what their personal reasons were for doing this rather than using free services. It is important to take into account that in asking about the use of paid services over free ones there is not necessarily an implication that the latter are illegal – for many of the content types, free services such as YouTube, ABC iView and Facebook are particularly popular when it comes to consuming and sharing content. The following table displays the main reasons given for paying for online content, both at the overall level and amongst infringers and non-infringers:

Table 6.3.1: Motivations for using paid services rather than free services

	Any paid	Any illegal (infringers)	100% legal (non-infringers)
Base: All who had paid for content	896	414	482
It's easier / more convenient	50%	47%	52%
I want to support creators / industry	43%	33%	50%
It's quicker	41%	43%	40%
I don't want to use illegal sites	40%	25%	52%
I think it's morally wrong to use illegal sites	33%	18%	44%
I fear they may have viruses / malware / spyware	32%	20%	40%
They are better quality	28%	30%	27%
I can afford to pay	28%	23%	31%
I prefer to pay	24%	16%	29%
I don't think it is right to get them for free	20%	10%	27%
I fear I might be caught	16%	12%	18%
I don't know how to use the free services	13%	8%	17%
I'm unaware of the free services available	13%	8%	17%

- The most commonly cited reason for using paid services was “ease/convenience” – this was stated by half of all respondents who had used paid services (50%).
- 4 in 10 used paid services to either support creators/industry (43%), because of its speed i.e. “it’s quicker” (41%) or due to a preference to use legal sites (40%). 1 in 3 (33%) thought it was morally wrong to use illegal sites or feared viruses, malware and spyware (32%).
- Females were more likely than males to pay because they thought it was morally wrong to use illegal sites (37% compared with 30%) or due to a fear of viruses, malware and spyware (38% compared with 27%). In contrast, males were more likely to pay for convenience (53% compared with 46%) or speed (44% compared with 37%) reasons.
- Those aged 55+ are a lot more concerned than the average person paying for content about wanting to support the creators/industry (63%), not wanting to use illegal sites (59%) and thinking it is morally wrong to use illegal sites (59%).
- Those who had consumed illegal content were equally motivated as those who consumed only legal content by the convenience, speed and quality of paid services, but were less motivated by most other factors, in particular: wanting to support the creators/industry (33% compared with 50%); not wanting to use illegal sites (25% compared with 52%); thinking it is morally wrong to use illegal sites (18% compared with 44%); fearing virus, malware or spyware (20% compared with 40%); not thinking it is right to get them for free (10% compared with 27%); not knowing how to use free services (8% compared with 17%); and not being aware of free services (8% compared with 17%).

Respondents who indicated that they had infringed were asked what their personal reasons were for consuming content illegally.

The main reasons given for unlawful consumption of content online among the legality groups were as follows:

Table 6.3.2: Motivations for unlawful consumption of content online

	Any illegal	100% Illegal	Mix of legal and illegal
Base: All who have consumed content illegally	691	190	489
It's free	55%	54%	58%
It's easy / convenient	51%	49%	53%
It's quick	45%	44%	47%
It means I can try something before I buy it	35%	27%	38%
I think legal content is too expensive	30%	30%	32%
Because I can	24%	22%	25%
I can't afford to pay	23%	24%	23%
I don't want to wait for content to become available on legal services	21%	19%	23%
The files I want are not available on legal services	19%	13%	22%
I've already paid to see it / them at the cinema / in concert, etc.	17%	13%	19%
It's what my friends or family do	16%	16%	17%
The industry makes too much money	15%	14%	15%
I already spend enough on content	14%	12%	16%
I already owned content in another format	12%	6%	15%
I don't think I should have to pay for files online	10%	17%	8%
No one suffers	6%	6%	7%
No one ever gets caught	5%	6%	5%
Mean number of reasons cited (if give any)	4	4	4

- Overall, the top motivator for unlawful consumption of content online was because it is free (55%). This was more common among males (60% compared

with 49% of females), as well as the younger age groups (62% for 16-24 year olds compared with 38% for those aged 55+).

- Convenience (51%) and speed (45%) were also contributing to illegal consumption in around half of cases. Convenience was a more common reason for males (56%) than for females (45%) and for younger age groups (66% of 16-24 year olds) than older age groups (38% of those aged 55+). Similarly, those aged 55+ (34%) were less likely than 16-24 year olds (57%) to mention speed as a reason.
- A third of those consuming unlawful content did so because it meant they could try before buying (35%) or because they felt legal content was too expensive (30%). These were again more common reasons amongst 16-24 year olds than those aged 55+.
- Motivations were mostly similar between those who consume all their online content illegally and those who consume a mixture of legal and illegal content. The exceptions to this were: those who consume all their content illegally were more likely to not think they should have to pay for files online (17% compared with 8%); and those who consume a mixture of legal and illegal content were more likely to say the files they want are not available on legal services (22% compared with 13%), they have already paid to see it in a physical form (19% compared with 13%), or that they already own the content in another format (15% compared with 6%).

Infringers were also asked which, if any, from a range of options would make them stop consuming files illegally. The main reasons given that would encourage infringers to stop downloading or streaming files illegally were as follows:

Table 6.3.3: Aspects that would encourage stopping consuming content illegally online

	Any illegal	100% Illegal	Mix of legal and illegal
Base: All who have consumed content illegally	691	190	489
If legal services were cheaper	39%	35%	42%
If everything I wanted was available legally	38%	29%	43%
If everything I wanted was available legally online as soon as it was released elsewhere	36%	30%	39%
If legal services were convenient / flexible	26%	23%	29%
If a subscription service I was interested in became available	26%	20%	30%
If it is clearer what is legal and what isn't	25%	23%	25%
If I thought I might be sued	23%	23%	24%
If legal services were better	22%	18%	24%
If my ISP sent me a letter saying they would suspend my internet access	21%	21%	22%
If I thought I might be caught	20%	21%	21%
If my ISP sent me a letter informing me my account had been used to infringe	17%	15%	19%
If my ISP sent me a letter saying they would restrict my internet speed	17%	16%	19%
If friends or family were caught	17%	17%	18%
If everyone else stopped doing it	14%	15%	15%
If I knew where to go to see if something was illegal or not	14%	11%	16%
If there were articles in the media about people being caught	9%	10%	9%
Nothing would make me stop	5%	10%	4%
Average number of reasons cited	4	3	4

- A reduction in cost for legal services was the most commonly cited factor that would encourage people to stop infringing (39% of infringers), closely followed

by legal content being more available (38%) and being available as soon as it is released elsewhere (36%).

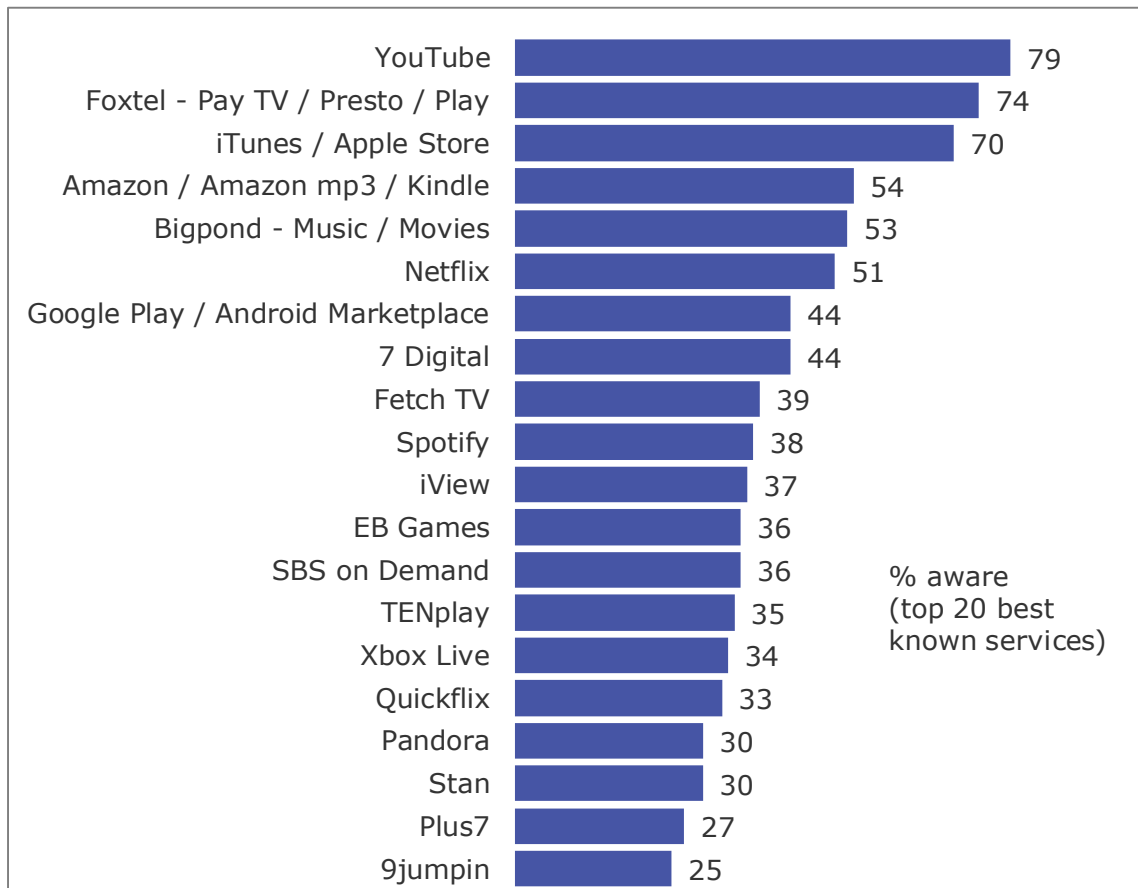
- In addition to making legal services cheaper, there were also high levels mentioning making legal services more convenient/flexible (26%), having a subscription service (26%) or in general making legal services better (22%).
- The prospect of getting caught would encourage 2 in 10 infringers (20%) to stop, rising to 23% if they thought they might get sued.
- Approximately 2 in 10 stated they would be impacted by the threat of receiving a letter from their ISP: 21% would be encouraged to stop infringing if they received a letter saying their account would be suspended, 17% if the letter indicated their account had been used to infringe and 17% if the letter said their internet speed would be restricted.
- The possibility of friends/family being caught or articles in the media about people being caught tended to have much lower levels of impact (17% and 9% respectively).
- Only 1 in 20 infringers (5%) said that nothing would make them stop.
- Those who consume all their online content illegally (10%) were more likely than those who consume a mixture of legal and illegal content (4%) to say that nothing would make them stop consuming illegal content. Conversely, those who consume a mixture of legal and illegal content were more likely to be motivated to stop consuming illegal content by: everything they want being available legally (43% compared with 29%); everything they want being available legally as soon as it is available elsewhere (39% compared with 30%); and a subscription service they were interested in becoming available (30% compared with 20%).

6.4 Awareness of legal online sites or services

The following chart shows prompted awareness of lawful/licensed online sites or services offering any of the four content types covered in this survey. The figures

below include people who also indicated that they had used any of these services in the past three months.

Figure 6.4.1: Proportion of internet users aged 12+ aware of lawful / licensed online services



Base: Internet users aged 12+ (2,607)

- The three best known online services for downloading, streaming or sharing content were YouTube (79%), Foxtel Presto/Play (74%) and iTunes/Apple (70%), each known by at least 7 in 10 people with internet access.
- A further three online services were known by at least half of people with internet access: Amazon (54%); Bigpond (53%); and Netflix (51%).
- The remainder of the top 10 best known online services consisted of Google Play (44%), 7 Digital (44%), Fetch TV (39%) and Spotify (38%).
- On average, people were aware of 11 of the services they were prompted with, although this ranged from 14 services for 16-24 year olds down to 9 services for those aged 55+, and from 12 services for males to 10.5 services for females.

- There were a few services where awareness amongst males was somewhat higher than awareness amongst females, in particular: SBS on Demand (41% compared with 31%); Xbox Live (37% compared with 30%); Quickflix (36% compared with 30%); Stan (34% compared with 25%); Napster (24% compared with 13%); and Steam (19% compared with 8%).
- Awareness of a number of services was fairly strongly correlated with age: Two thirds (67%) of 16-24 year olds were aware of Netflix compared with 4 in 10 (37%) of those aged 55+; half of under 35s (peaking at 59% of 12-15 year olds) were aware of Google Play compared with a third (34%) of those aged 55+; 6 in 10 16-24 year olds (60%) were aware of Spotify compared with 2 in 10 (21%) of those aged 55+; and 6 in 10 16-24 year olds (56%) were aware of EB Games compared with 2 in 10 (20%) of those aged 55+; and half of 12-15 year olds (50%) were aware of Xbox Live compared with a quarter (23%) of those aged 55+.
- Despite generally being aware of fewer services, those aged 55+ were actually the most likely age group to be aware of Foxtel Presto/Play (82%), Amazon (61%) and Bigpond (59%).

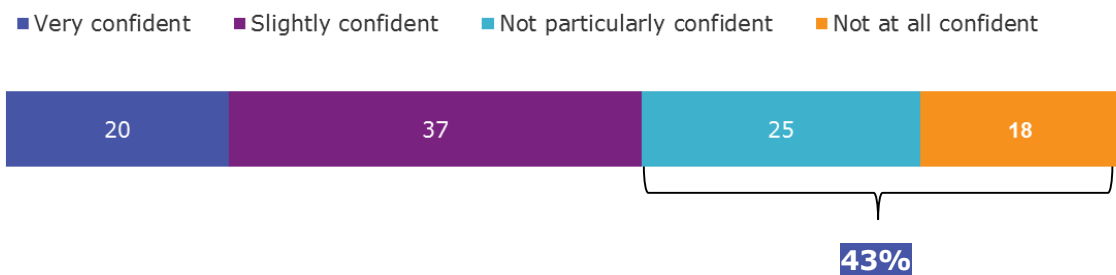
6.5 Confidence in knowing what is and isn't legal online

Respondents with internet access were also asked the following question:

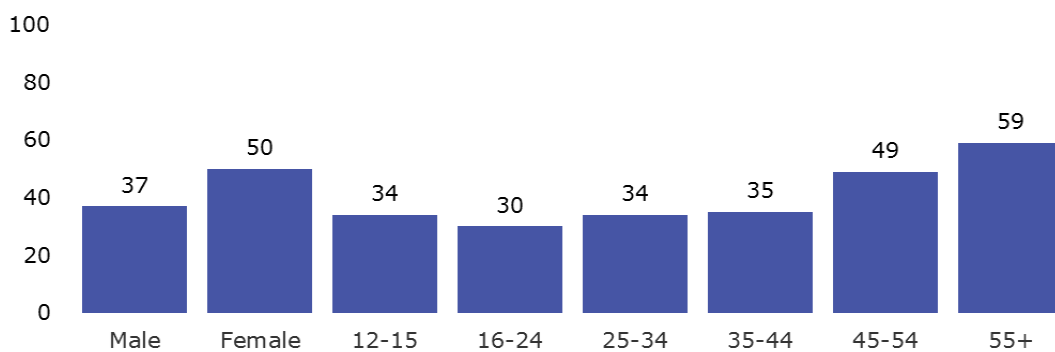
How confident are you that you know what is legal and what isn't in terms of downloading, streaming / accessing, and sharing content through the internet?

The results are shown in the chart below, with the proportion who said they were "not particularly confident" or "not at all confident" broken down by gender and age.

Figure 6.5.1: Confidence in knowing what is and what is not legal online



% not confident



Base: Internet users aged 12+ (2,607)

- Overall, just under half (43%) of internet users aged 12+ stated they were either “not particularly” or “not at all confident” in their knowledge regarding what is and what is not legal online.
- There were lower levels of confidence among females (50% compared with 37% of males). There was a trend towards lower levels of confidence with an increase in age, with 34% of 12-15 year olds and 30% of 16-24 year olds rating themselves as not confident compared with 59% of those aged 55+.

Finally, respondents were asked an open-ended question in order to gauge what they perceived as being legal in terms of online services:

What aspects of an online service which allows you to either download, or stream/access content through the internet would make you trust it was legal?



- The top response spontaneously mentioned was the importance of a **well-known/trusted** brand – 21% of all those with internet access spontaneously mentioned this as being the primary indicator of a legal online service.

For example:

"I would only download from a trusted website such as iTunes"

"It has sponsors and is widely well-known to everyone"

"If it's one of the recognised names like a reputable company such as Amazon or Google or something you would recognise as a legal entity in itself"

- **Legal statement/disclaimers** indicating the online service is legal were spontaneously mentioned by 10% of respondents.

For example:

"Sites that provide their disclaimers and legal obligations"

"Disclaimers and agreements that you read and tick before accessing"

"A clear legal agreement, terms and conditions relevant to us here in Australia"

- **Payment** in general also directly signified legality to a number of people (8%):
For example:

"Anything you pay for"

"If the service had a reputable name, and actually charged you a set amount to purchase, download, stream or access said content. If the streaming was free, then I would be dubious as the legality of the service"

"If they charged money I would assume it was legal"

- **Site information/fine print/terms and conditions** were also spontaneously mentioned by 4% of respondents as an indicator of legality.

For example:

"Terms and conditions that specify that permission has been sought from content owners prior to making available"

"A well-known brand and /or reviews and reading the fine print"

"Knowing who owns the site, reputable companies that have information about them"

Appendix

<http://www.>



7. Appendix

7.1 Key considerations for methodological design

Key considerations

Three key considerations, highlighted in the UK methodological study³, shaped our methodological design. These considerations are outlined in detail below.

1. Researching unlawful behaviour and obtaining honest responses

Measuring illegal copyright infringement is a challenge as the fundamental drawback with any questionnaire centric approach is that we are reliant on self-reported measures of behaviour. Indeed, many people will be reluctant to admit to engaging in such activities, and will no doubt be wary of the consequences if they do. Furthermore, some people may be unaware that what they are doing is illegal.

The only way that we can get truly accurate behavioural data is via monitoring online activities. However, the cost of doing this would be prohibitive, and there would be obvious representativeness issues (e.g. it is highly unlikely that anyone actively partaking in illegal file-sharing would agree to have their online activities monitored).

Therefore, we chose an approach that overcomes these cost and representation issues, minimised suspicion, and conveyed a level of trust that reassured respondents that there would be no repercussions from any response.

2. Representativeness

Estimates of copyright infringement behaviour vary substantially in Australia, by industry group. It is likely that these differences can be somewhat attributed to differences in methodology between each estimate. Therefore, it was essential to ensure this research collects sufficiently robust and representative data, in order to allow it to become an authoritative baseline for ongoing monitoring of online copyright infringement behaviours.

³ Kantar Media, 2010, Illegal File-Sharing Pilot Survey Report. Ofcom.

3. Consumer understanding

Any research that covers a technical subject matter among a wide range of ages will need to consider this in the questionnaire design and data collection stages of the research. It was essential that the survey was administered in a way that would ensure all respondents could understand what was being asked of them.

Justification for approach taken

As a result of these three considerations, as well as a need to ensure consistency between the Australian and UK studies, a mixed methodology approach was utilised. This approach comprised of online interviewing and computer assisted telephone interviewing (CATI).

Online interviewing:

An online interviewing approach was selected as the primary data collection method in order to ensure consistency with the UK survey. Online interviewing ensures a representative sample by allowing for a larger sample sizes because it is more cost effective. It also provides a higher incidence of high-frequency internet users; key to quantification for any questions on illegal online behaviour, and hence providing a more robust sample to allow profiling of the data. This sample can be down-weighted in order to provide the true proportion among all adults.

Online interviewing also assists with obtaining honest responses: The UK methodological report⁴ found that online interviewing was more likely to generate honesty because it is entirely self-completed (i.e. removing the interviewer conditioning effects).

Finally, online interviewing was felt to assist with respondents' understanding of the research by allowing:

- larger pieces of information to be presented for review to gauge responses, which can be difficult to digest when read over the telephone;
- the ability to run longer surveys; and
- more 'considered' responses because people participate at a time of self-selected convenience (rather than 'on the spot' following a telephone contact).

⁴ Kantar Media, 2010, Illegal File-Sharing Pilot Survey Report. Ofcom.

However, despite these benefits of online interviewing, it cannot be considered representative in isolation as it:

- significantly reduces coverage of 65+ year olds; and
- significantly reduces coverage of low-frequency internet users (i.e. people who use the internet less than once a day).

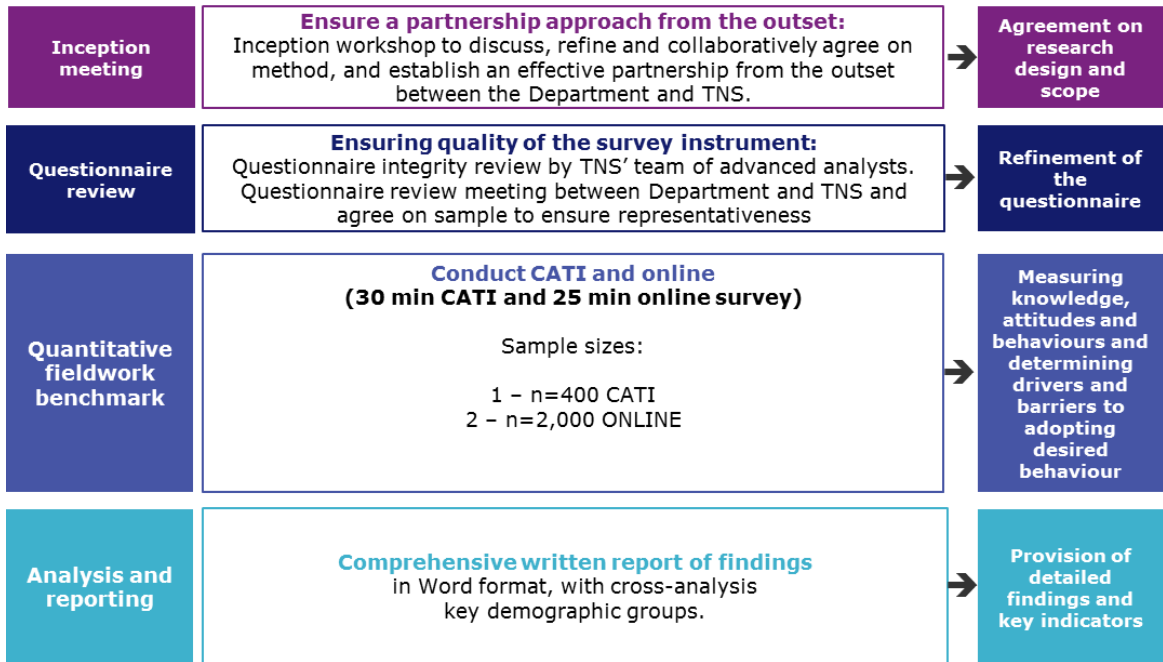
CATI interviewing:

CATI interviewing was selected in order to overcome the representativeness issues of online interviewing. The CATI interviewing component of this research was particularly targeted towards over 65s and those who use the internet less than once a day (there being also considerable overlap between these two groups).

The approach differs from the UK study which used face to face interviewing to target over 65s and those who use the internet less than once per day. Replication of the face to face component of the UK study in Australia was not undertaken due to the cost and logistical implications this would involve. For example, ensuring a nationally representative sample for face to face interviews in Australia would involve flying teams of researchers to metro, regional and remote locations throughout Australia, which has large cost implications. It would also require significant time investment and logistical planning which was not feasible in this instance. CATI was considered a more time and cost effective option and is in line with standard practice in Australia.

The following figure provides an overview of our approach, keeping in mind the need for consistency with the UK study, as well as ensuring representativeness, honesty of responses and consumer understanding of the issues and terminology.

Figure 7.1.1: Overview of methodological approach



7.2 Methodological approach in detail

Questionnaire design

The UK study questionnaire was used as a basis for the survey, but underwent a number of refinements in order to shorten it to a suitable length for the Australian study. In particular:

- questions were only asked about behaviour in the previous 3 months, rather than for both the previous 3 months and at any time in the past, since all key metrics were based only on the previous 3 months;
- detailed questions were asked about four core content types (music, movies, TV programmes and video games) rather than six core content types, with the two least common types (computer software and books) excluded;
- response lists such as lists of sites and services and cost options for subscription services and downloads were tailored to the Australian market; and
- questions were amended to suit whether they were being administered online or over the telephone.

The questionnaire was ordered into the following sections:

- A. Screener questions – age, gender, location, internet access and usage;
- B. Online streaming, downloading and sharing of different content types;
- C. Music;
- D. Video games;
- E. Movies;
- F. TV programmes; and
- G. Attitudes to streaming, downloading and sharing content online.

Recruitment and fieldwork

A total of n=2,630 interviews were undertaken with the target audience for this study - all people aged 12+ in Australia.

Online interviewing took place using our panel provider MyOpinions. A total of n=2,227 12+ interviews were achieved, with n=2,082 from people aged 16+ and n=145 from people aged 12–15 year olds. The average length of the interview was

22 minutes. All online respondents were incentivised with MyOpinions panel points, which can be redeemed for cash through the MyOpinions website⁵.

Recruitment of 12-15 year olds was handled differently to adult (16+) respondents as they need to be recruited via their parents (who are asked for consent). Among this age group, we used an online-only approach as internet penetration and frequency of use is very high.

CATI interviewing was subcontracted to Q&A, a Brisbane based full service resource supplier to the market research industry. TNS provided a telephone briefing to Q&A interviewers on the project requirements prior to fieldwork commencement. A total of n=403 telephone interviews were achieved through this approach. The questionnaire was, on average, 24 minutes long. A\$10 EFTPOS card was provided to each respondent in line with the AMSRS guidelines that state that CATI interviews over 20 minutes require an incentive.

Both the online and CATI surveys were piloted over the first 24 hours of interviewing to check the survey length, screening criteria and questionnaire routing were all working as anticipated.

Timing

Both surveys were run concurrently in field in order to avoid bias in the data caused by any changes in the market, particularly given the rapid pace of change and high-profile cases related to copyright infringement in the media. An online pilot survey ran from 23 to 24 March 2015, with data from the pilot not included in the final survey data. Online fieldwork then took place between 23 March and 13 April 2015 and CATI fieldwork took place between 30 March and 11 April 2015.

The Australian surveys were also run concurrently with the fifth wave of the similar UK study on which the Australian study was based, allowing the findings from the UK and Australian studies to be more directly compared against one another.

There were two events that took place close to the fieldwork period which may have had some impact on responses:

- Netflix, a subscription-based movie and television programme streaming service, launched an Australian service on 24 March 2015. Prior to this, Australians could

⁵ <http://myopinions.com.au>



only use Netflix if they bypassed geo-blocking to access Netflix's foreign (e.g. US) services. The survey did not capture whether respondents had used Netflix's Australian service or had used a foreign Netflix service.

- On 7 April 2015 the Federal Court found that a group of internet service providers must hand over contact details of Australians alleged to have illegally downloaded the movie Dallas Buyers Club. This is a high-profile case with widespread media coverage and may have impacted respondents' willingness to admit to illegal behaviour and attitudes towards illegal behaviour.

Sampling

An essential aspect of this research was to undertake rigorous sample stratification to ensure that we spoke to a nationally representative sample of the target audience - all people aged 12+ in Australia.

Although some elements of the survey cover those without internet access, so as to provide a nationally representative frame, the core focus of the study (and thus the majority of questions) was the Australian online population aged 12+.

The following table illustrates the sampling frame used for this research.

Table 7.2.1: Sampling frame for research

Age group	% of pop. who access the internet	% of internet users using daily	% of pop. using internet daily	% of 12+ Australia population	Total required sample	Online sample	CATI sample	Minimum per gender
12-15	No data available but likely to be similar to 16-24			6%	145	145	0	65
16-24	96%	81%	78%	14%	345	305	40	150
25-34	96%	82%	79%	16%	380	340	40	150
35-44	94%	81%	76%	17%	410	370	40	150
45-54	89%	75%	67%	16%	380	340	40	150
55-64	78%	71%	55%	14%	340	270	70	150
65+	46%	56%	26%	17%	400	230	170	150
TOTAL					2,400	2,000	400	965

Sample selection

The way in which the sample was selected varied across methodologies:

Online interviews (16+): The sample was initially selected using age, gender and location information held by the MyOpinions panel. The panellists were invited via email to take part in the survey, and demographic quota targets (gender, age, and location) were set to ensure that the end sample profile was representative of the Australian internet population. Respondents were screened out if they claimed to use the internet less than once a day.

Online interviews (12-15 year olds): Invitations to complete the questionnaire were emailed out to a separate sample of online panellists who had previously agreed to participate in market research, and have children in the relevant age group. They were instructed to pass the completion of the survey on to their child, having agreed they could participate. The survey was closed when the required sample profile was achieved.

CATI interviews (16+): CATI interviews were undertaken by random digit dialling (RDD). This ensures that all Australian residents aged 16+ have an equal chance to be selected and to participate in the research. All interviews were conducted via the field team and in accordance with strict quality control procedures. Quotas (by gender, age, and location) were set during interviewing to ensure representativeness of the data. Respondents were screened out if they claimed to use the internet at least once a day, thereby ensuring that all CATI interviews were with people who used the internet infrequently or not at all. Both landline and mobile phones were used in the method to maximise response rates, whilst ensuring that the sample frame is truly representative.

Weighting and grossing

In order to accurately measure levels of online copyright infringement in Australia, it was important that the achieved sample was representative of the Australian population. Careful sampling and monitoring of quotas was used to ensure that the achieved sample approximated the Australian population in terms of gender, age and state/territory, but the data was weighted on these characteristics to ABS statistics from the 2011 census to ensure an exact match.

In addition, in order to collect sufficient data on online activities, the achieved sample was designed to over-represent those who used the internet frequently (at least daily) and under-represent those who used the internet infrequently (less than daily). The final data was therefore weighted to correct for this over-representation. Because frequency of internet usage is known to be correlated with age, the data was weighted by internet usage within age in addition to gender and state/territory. Official statistics on internet usage within age were sourced from a combination of 2012-13 ABS statistics on household use of information technology (for levels of internet access) and the Australian Communications and Media Authority (ACMA) 2012-13 report (for frequency of internet usage). 12-15 year olds were not weighted by internet usage since all 12-15 year olds who took part in the survey used the internet at least daily.

Data was weighted using a Random Iterative Method (rim) technique with targets defined for gender (2 categories), internet usage within age (13 categories) and household income (8 categories). The three non-interlocking dimensions are individually put through an iterative sequence of weighting adjustments. The sequence adjusts for each dimension in turn and then repeats itself as many times as is required in order to obtain a convergence, in which the sum of the weighted

dimensions matches the target population estimates, or is as close as it is possible to achieve.

The rim weighting efficiency gives an indication of how well balanced the sample is. If the data for many respondents needs to be heavily weighted up or down, the efficiency percentage will be low. The weighting efficiency was 75.3% (maximum weight 3.75; minimum weight 0.38), which is a respectable proportion, given the deliberate decision to over-represent those who used the internet frequently in the survey design. The target weights for gender, internet usage within age and state/territory are shown in the following table.

Table 7.2.2: Unweighted and weighted achieved sample

Variable	Unweighted		Weighted	
	n	%	n	%
Gender				
Male	1,318	50	1,323	50
Female	1,312	50	1,307	50
Internet usage within age				
12-15	145	6	158	6
16-24 daily use	340	13	289	11
16-24 non-daily use	30	1	79	3
25-34 daily use	489	19	342	13
25-34 non-daily use	30	1	79	3
35-44 daily use	520	20	342	13
35-44 non-daily use	41	2	105	4
45-54 daily use	293	11	289	11
45-54 non-daily use	40	2	131	5
55-64 daily use	239	9	210	8

Variable	Unweighted		Weighted	
	n	%	n	%
55-64 non-daily use	82	3	158	6
65+ daily use	201	8	105	4
65+ non-daily use	180	7	342	13
State/Territory				
NSW	882	34	842	32
VIC	648	25	653	25
QLD	516	20	529	20
SA	182	7	190	7
WA	267	10	287	11
ACT	57	2	43	2
TAS	54	2	58	2
NT	24	1	27	1

This report includes some figures grossing up levels of online activity to the Australian population level. ABS data from June 2014 was used for these calculations, at which point in time the Australian population age 12+ was estimated to be 19,912,473.