Consumer survey on Online Copyright Infringement 2016

A marketing research report June 2016

Prepared for:
Department of Communications and the Arts

Certified System
Market & Social Research ISO 20252
SAI GLOBAL
A/S 20252:2012
Certificate No.: MSR20016

TNS

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1. Executive summary

This report presents the main findings of the second consumer survey of online copyright infringement amongst Australians aged 12+, conducted in March 2016, 12 months after the first consumer survey. 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; to determine the role pricing plays in lawful and unlawful access of online content; and to understand how each measure has changed since 2015. The survey asked respondents to think about activities they had undertaken in the past 3 months, which broadly corresponds to the first 3 months of the calendar year.

The key findings were as follows:

Consumption of digital content

- In 2016, 6 in 10 Australian internet users aged 12+ (62%) had consumed at least one item of digital content from across the four core content types in the past 3 months, which was consistent with digital consumption in 2015 (60%).
- There was a shift from 2015 to 2016 in digital behaviour from downloading content (the prevalence of which dropped from 43% to 39%) to streaming content (which increased from 54% to 57%).
- The increase between 2015 and 2016 in rates of streaming was particular to TV programmes and movies: The proportion of internet users who streamed TV programmes increased from 34% to 38% (making TV the most commonly accessed content type via online streaming) and the proportion of internet users who streamed movies increased from 25% to 29%. The decrease between 2015 and 2016 in rates of downloading was largest for music, where it dropped from 29% to 26% (although music remained the most commonly downloaded content type).
- For all four content types, the proportion of consumers streaming the content types on a weekly basis increased significantly from 2015 to 2016 to reach 71% for music and video games, 55% for TV programmes and 51% for movies.
- In 2016, the most consumed digital content type of the four was TV programmes (41%, up from 38% in 2015), overtaking music (39%, down from 42% in 2015). This was followed by movies (33%), and lastly video games (15%).
- Amongst consumers of digital content, the median number of files downloaded across the four content types in 2016 was 12, which matched the 2015 result. However, the median number of files streamed across the four content types increased from 14 in 2015 to 20 in 2016.

Sharing of digital content

- There was a significant increase from 8% in 2015 to 11% in 2016 in the proportion of Australian internet users aged 12+ who had shared at least one item of digital content from across the four core content types in the past 3 months.
- The median level of sharing of any of the four content types slightly increased from 5 files in 2015 to 6 files in 2016.

Payment for digital content

- 2016 saw a move towards paid content, with a significant decline from 86% in 2015 to 83% in 2016 in the proportion of digital content consumers from across the four content types who consumed at least some of it for free, and a parallel decline (from 47% to 41%) in the proportion consuming all of their content for free.
- There was a significant decline from 2015 to 2016 in the proportion of TV programme consumers who had consumed any free content (down from 87% to 75%) and 100% free content (down from 76% to 61%), although TV continued to be the content type with the highest proportion of 100% free consumption.
- There was also a significant decline from 2015 to 2016 in the proportion of movie consumers who had consumed any free content (down from 79% to 64%) and 100% free content (down from 58% to 39%).
- The changes from 2015 to 2016 amongst consumers were reflected in an increase in the proportion of all internet users who had paid to consume content, up from 32% to 36%, driven by increases in the proportion paying to consume movies (up from 12% to 20%) and to consume TV programmes (up from 9% to 16%).

Levels of infringement

- We estimate that, over the first 3 months of 2016, 23% of Australian internet users aged 12+ consumed at least one item of online content unlawfully, which equates to approximately 4.6 million people. This was a significant drop from the 26% who had consumed unlawful content in 2015.
- As in 2015, around a quarter of these infringers (in 2016, 6% of internet users) *exclusively* consumed unlawful content.
- 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 37% of content consumers had consumed at least some unlawful files in the past 3 months, a significant drop from 43% in 2015, and that there was also a significant decline in the proportion of content consumers who consumed all their files unlawfully, down from 12% in 2015 to 9% in 2016.

- Although movies continued to have the highest rate of unlawful consumption amongst consumers in 2016 (39%), this had declined significantly from 48% in 2015, driven by a significant decline in the proportion consuming '100% unlawful' content from 32% in 2015 down to 23% in 2016. There were similar declines for music (in any unlawful consumption from 37% to 32%; in 100% unlawful consumption from 20% to 15%) and for TV programmes (in any unlawful consumption from 33% to 26%; in 100% unlawful consumption from 21% to 15%). The rate of unlawful consumption for video games remained the same as in 2015, but was the lowest of the four content types.
- We estimate that in the first quarter of 2016 279 million music tracks, 56 million TV programmes, 34 million movies and 5 million video games were unlawfully consumed online. This represented a drop in volumes for video games and TV programmes but an increase for music and movies.
- Across all consumers of unlawful content, the median number of files downloaded or streamed unlawfully in the first three months of 2016 was 16, which matched the result from 2015. The median number of files downloaded or streamed unlawfully was highest for music (20 tracks – equivalent to two albums), followed by TV programmes (7), movies (5) and video games (3), which were all broadly consistent with findings from 2015.
- Movies consumed digitally remained the most likely content type to have been consumed unlawfully: 37% of consumed digital movies were consumed unlawfully (consistent with 36% in 2015) compared with a quarter of music tracks (23%) and TV programmes (24%), with a smaller proportion of TV programmes consumed unlawfully than in 2015 (32%). Video games had the smallest proportion consumed unlawfully, following a drop from 29% in 2015 to 14% in 2016.

Services used for consuming or sharing digital content

- YouTube remained the most commonly used service for consuming or sharing content, both overall and for music, but there was a drop in overall usage of the site, from 55% in 2015 to 48% in 2016, driven by decreasing proportions using it for movies and TV programmes. iTunes/Apple remained the second most used site or service, both overall and for music, but also experienced a significant decline from 37% in 2015 to 32% in 2016, with lower proportions using it for movies.
- In 2016, 27% of consumers or sharers had used Netflix, up from 9% in 2015, and making it the third most popular service overall. The proportion using Netflix for movies increased from 16% in 2015 to 41% in 2016, and the proportion using Netflix for TV programmes increased from 12% in 2015 to 31% in 2016, meaning it was the most popular service for both movies and TV programmes.

- Three other movie and TV streaming services, namely Foxtel/Presto, Stan and SBS On Demand, also had significantly higher levels of usage for consuming and sharing movies and TV programmes in 2016 than in 2015.
- Use of Spotify as a music streaming service increased significantly from 19% in 2015 to 30% in 2016; and use of Pandora as a music streaming service also increased significantly from 9% in 2015 to 13% in 2016.
- As in 2015, Steam was the most used service for video games, with EB Games moving above iTunes/Apple in 2016 to become the second most used service.
- As in 2015, infringers were far more likely than non-infringers to use sites, protocols or applications enabling peer-to-peer sharing, in the form of uTorrent (24%), BitTorrent (22%) and Pirate Bay (16%), whereas 4% or less of non-infringers said they had used these. Peer-to-peer sharing remained most prominent for movies, with uTorrent and BitTorrent in the top ten most used sites or services for accessing movie content. However, usage of both these methods for movies declined significantly from 2015 to 2016 (from 19% to 13% for uTorrent and from 16% to 12% for BitTorrent).

Spend

- The proportion of 12+ individuals who spent money on at least one of the spend categories analysed ranged from 23% for video games and 29% for TV programmes to 54% for music and 71% for movies. Except for video games, the proportion of individuals who spent money on each category had increased significantly compared with 2015.
- Average quarterly spend ranged from $20.90 for TV programmes to $91.10 for music, and had increased for all content types compared with 2015.
- 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, 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. This was all comparable to 2015.
- There was a significant increase in the proportion of people spending money on online subscriptions for movies (up from 4% in 2015 to 14% in 2016), and in the average amount they spent (up from $1.10 to $5.10). The proportion of people spending money on TV programme subscriptions (16%), and the average amount they spent ($5.90), closely mirrors movie subscriptions (this was not asked about in the 2015 survey). There has also been a significant, although more modest, increase in the proportion of people spending money on online subscriptions for music (up from 7% in 2015 to 10% in 2016), and in the average amount they spent (up from $6.50 to $11.20).

- For each content type, those who consumed a mix of lawful and unlawful content spent more money over a 3 month period than those who consumed 100% of their content lawfully, but those who consumed 100% of their content unlawfully spent the least money. This is comparable to the figures from 2015, and suggests that those who consume 100% of their content lawfully tend to consume less content (and hence spend less money) than those who consume a mix of lawful and unlawful content. Since the majority of spend on music and movies was not from content purchases but from concerts and gigs and the cinema, those who consumed 100% of their content unlawfully still spent a substantial amount of money on music and movies. In contrast, they did not spend very much money on either video games or TV programmes.

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 (although nearly half would pay $10 a month). This was the same as in 2015, although music consumers were generally a little more likely to pay each price in 2016 than they were in 2015.
- 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. Again, this mirrored findings from 2015, although movie consumers were generally a little more likely to pay each price in 2016 than they were in 2015.

Reasons for using paid services and for infringing

- The most commonly cited reason for using paid services remained convenience (50%), followed by speed (39%), wanting to support creators/industry (37%), and preferring not to use sites providing unlawful content (37%). The top reasons were the same as in 2015, although the proportion of those paying for content who cited wanting to support creators/industry had fallen from 43%.
- As in 2015, the most commonly cited reasons for infringing were because it is free (52%), convenient (44%) and quick (41%). Infringers were less likely than in 2015 to cite convenience (down from 51% to 44%) and trying before they can buy (down from 35% to 24%) as a motivation.

What would make infringers stop?

- A reduction in the cost of lawful content was, as in 2015, the most commonly cited factor that would encourage people to stop infringing (43% of infringers), closely followed by lawful content being available as soon as it is released elsewhere (35%) and lawful content being available (31%). The proportion citing lawful content being available fell significantly from 38% in 2015 to 31% in 2016.
- Other common motivating factors to stop unlawful consumption related to lawful services being convenient/flexible (30%) or being better (27%). In both cases, the proportion of infringers selecting this factor increased compared with 2015 (from 26% and 22% respectively).
- Only 1 in 20 infringers (6%) said that nothing would make them stop, rising to 1 in 10 (10%) of those consuming 100% of their content unlawfully. This is consistent with the 2015 findings.

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

- Overall, a high proportion of internet users aged 12+ (42%) stated they were either "not particularly" or "not at all confident" in their knowledge regarding what is and what is not lawful online, which broadly matched the 2015 figure of 43%.
- There were lower levels of confidence among females (45% not confident) than males (38%), although the proportion of females who were not confident fell significantly from 50% in 2015 to 45% in 2016.
- There was a trend towards lower levels of confidence with an increase in age, with 35% of 12-15 year olds and 32% of 16-24 year olds rating themselves as not confident compared with 42% of 45-54 year olds and 54% of those aged 55+. However, levels of confidence have been increasing amongst those aged 45+: In 2015 49% of 45-54 year olds and 59% of those aged 55+ were not confident.
- Awareness levels for licenced online services Netflix (73% compared with 51%), Stan (49% compared with 30%) and Spotify (48% compared with 38%) were all far higher in 2016 than in 2015. YouTube and Foxtel/Presto remained the two best known licenced services, with Netflix overtaking iTunes/Apple to become the third best known licenced service.
- The most commonly cited indicator of an online service providing access to licenced content was the presence of a trusted brand (15%), followed by a well-known brand (11%), a legal statement (12%) and having to pay (10%). This was broadly in line with findings from 2015.

2. Research overview

2.1 Background

The problem of online copyright infringement

The internet has led to a revolution in how consumers access media content: consumers stream videos on YouTube, movies on Netflix and music on Spotify; they download e-books from Amazon, music from iTunes, and computer games and software from Steam; and they have a huge range of TV channels to choose from, plus the ability to stream TV programmes online at a time of their choosing.

As it has become easier to access media content, it has also become much easier to access and share that content in breach of copyright. While not solely used for the purposes of infringing copyright, peer-to-peer methods encompassing protocols, applications and webites such as BitTorrent, uTorrent and The Pirate Bay can also enable consumers to access content in breach of copyright.

The first consumer survey

According to the Australian Copyright Council, Australia's copyright industries make a significant economic contribution, employing just over one million people, generating economic value of $111.4 billion and generating just over $4.8 billion in exports. Creative industries have argued that the move from physical to digital media consumption has increased the risk of copyright infringement, which may diminish the economic contribution of these industries[1]. Directly, copyright infringement results in a loss of income for businesses in copyright industries. Less directly, copyright infringement can decrease the incentive to create new content, as creators may be unable to sustain themselves from their incomes.

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.

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[1] PWC on behalf of the Australian Copyright Council, *The Economic Contribution of Australia's Copyright Industries 2002 – 2014* (2015), http://www.wipo.int/export/sites/www/copyright/en/performance/pdf/pwc_report_2014_australia.pdf

Due to a lack of authoritative local data on online copyright infringement, in 2015 the Department of Communications and the Arts commissioned a study to provide baseline data on the prevalence of online copyright infringement in Australia. The survey will enable the government to assess the effectiveness of the three measures in reducing online copyright infringement, which it has indicated it will do 18 months after implementation.

TNS was commissioned to conduct the first consumer survey in March/April 2015, which intentionally modelled surveys undertaken in the UK by Kantar Media, enabling direct comparison between Australia's first survey and the UK's fifth-wave survey[2].

The first consumer survey provided a holistic view of online copyright infringement in Australia by measuring level of use (lawful versus unlawful) and level of access (streaming, downloading and sharing) of four core content types (music, movies, TV programmes and video games). The findings from the research were published in July 2015[3], and provided an authoritative foundation to assess the effectiveness of the measures to address online copyright infringement.

The second consumer survey

This second survey was commissioned to measure and understand any changes in online content consumption, access and infringement since the first survey in 2015.

The fieldwork for the first survey coincided with the launch of Netflix Australia on 24 March, meaning that it was unable to measure the uptake and impact of Netflix and the other newly-launched streaming services Stan and Presto to any great extent. The second survey is designed to take the introduction of these services into account.

The *Copyright (Online Infringement) Act 2015* came into effect in June 2015, after the first survey was conducted. The Act enables rights holders to apply for a Federal Court order requiring an internet service provider (ISP) to block foreign websites that infringe copyright, or facilitate infringement. While a number of rights holders have recently used the provisions to file applications with the Federal Court, these are still being consdiered and are not reflected in the survey results.

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[2] The UK study was commissioned by UK communications regulator Ofcom, undertaken by Kantar Media and made possible by financial support from the UK Intellectual Property Office (IPO). http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/?a=0.

[3] https://www.communications.gov.au/departmental-news/new-online-copyright-infringement-research-released

The Copyright Notice Scheme Industry Code has not been registered with the Australian Communications and Media Authority due to rights holders and ISPs being unable to agee on funding for the scheme.

2.2 Key objectives

The fundamental objectives for this research were to understand the prevalence of online copyright infringement among consumers in Australia and how this has changed since 2015.

In order to answer these questions, they need 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
What is the current level of online copyright infringement among Australian consumers?	▪ What is the level of access (streaming, downloading and sharing) of the four core content types among Australian consumers? ▪ What level of use/access for the four core content types is lawful (and what proportion is unlawful)? ▪ How does level of use differ by demographic factors? ▪ How has consumption changed since 2015?	▪ 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 lawfully accessed (from which a figure for unlawful files can be derived)
What are the attitudes that drive online copyright infringement behaviours?	▪ 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?	▪ General attitudes ▪ Key drivers of behaviour ▪ Why people do/don't infringe ▪ What would make them stop? ▪ Awareness/use of lawful services

OVERALL AIM	RESEARCH OBJECTIVE	METRICS
	▪ What would stop consumers from undertaking copyright infringement behaviours? ▪ What is the level of awareness and use of lawful streaming, downloading and sharing services? ▪ What are the key reasons driving use/non-use of lawful services? ▪ How do knowledge, awareness and attitudes differ by demographic factors? ▪ How have knowledge and attitudes changed since 2015, and what role have policy measures played?	▪ Reasons why do/don't use lawful services ▪ Understanding of what is lawful
What role does pricing play in lawful and unlawful access of online content?	▪ 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? ▪ How have spend levels and willingness to pay changed since 2015, and what role have policy measures played?	▪ Current spend on relevant material ▪ Willingness-to-pay modelling

2.3 Methodology overview

In 2015, the survey was designed to closely replicate the methodology for the UK study so that results between the two jurisdictions could be compared.

A key objective and primary focus of the 2016 consumer survey is to be able to compare results between the first and second surveys in order to understand to what extent consumption and attitudes have changed in Australia. In order to enable such a comparison, it was imperative that the 2015 survey approach be replicated as closely as possible, including:

- Use of the same data collection methodologies;
- Conducting fieldwork at a similar time of year;
- Asking the same questions, using the same questionnaire structure;
- Defining target sample, quotas and weighting in the same way to achieve an equivalent representative sample; and
- Use of the same data analysis processes.

As in 2015, the approach for the 2016 Australian study comprised 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.

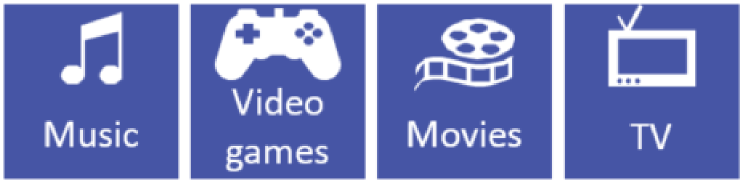
A total of n=2,405 interviews were undertaken between 4 March and 21 March 2016 with the target audience for this study - all people aged 12+ in Australia. Of this total, n=2,005 interviews were achieved online, n=1,828 from people aged 16+ and n=177 from people aged 12-15 years old. The remaining n=400 interviews were achieved by CATI from people aged 16+. The average length of the interview was 14 minutes online and 20 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 2016.

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 lawfulness

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 lawful, and from this it is possible to calculate how much was free and how much was unlawful respectively. Payment and lawfulness 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
- **Lawfulness** – how many do you think were downloaded or streamed lawfully

As highlighted by the 2015 survey, there is a large proportion of the Australian public who are not confident they know what is lawful and what is unlawful 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 unlawful activities, some people may not be aware that what they are doing is necessarily unlawful, and hence the level of unlawful 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 potentially 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 lawfully obtained.

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

Table 2.4.2: Key metrics

Assessing levels of online infringement

Topic	Respondent level	Volume level
General behaviour	1. Done in the past 3 months 2. Frequency 3. Median volumes (past 3 months) among those who have done activity	
Payment	Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past 3 months: 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 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	Paid and free proportions of total volume (incorporating physical format where relevant)

Topic	Respondent level	Volume level
Lawfulness	Proportion of the population who fit into the following derived groups in terms of volume of content consumed in the past 3 months: 1. 100% lawful 2. Mix of lawful and unlawful 3. 100% unlawful 4. Any unlawful (combination of 2 + 3) 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.	Lawful and unlawful proportions of total volume (incorporating physical format where relevant)

Assessing consumer spend on categories and price sensitivity

Topic	Respondent level	Volume level
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)	

Significant differences by year and by subgroup

For each category the report details the main findings from 2016 and compares them with the results from 2015. In the tables, significant differences have been indicated by highlighting a significant increase in 2016 compared with 2015 in green text, and a significant decrease in red text.

The report also details significant differences of interest (at the 95% confidence level) among the following groups:

Table 2.2.3: Subgroups of interest

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

2.5 Changes to the 2016 survey instrument compared with 2015

As previously outlined, in order to facilitate the most accurate comparison between the two surveys, it was imperative that the 2015 survey approach be replicated as closely as possible in 2016. A number of small changes were made to improve the survey in an Australian context.

Terminology change – use of 'lawful/unlawful' rather than 'legal/illegal'

The results of the 2015 study were published on 22 July 2015 and received a large amount of press attention. One criticism directed at the report was its use of the terms 'legal' and 'illegal' to describe online copyright infringement, which can be a civil, rather than a criminal matter, depending on the circumstances.

The use of the terms 'legal/illegal' was inherited from the UK study and adopted in the 2015 Australian survey to reflect the common use of the term when referring to online copyright infringement. As the focus of future comparisons are likely to be with the Australian rather than UK studies, it was agreed that for the 2016 study the wording in the questionnaire should be changed to 'lawful/unlawful' to better reflect the legal status of online copyright infringement in Australia. Although there are important legal distinctions between 'legal/illegal' and 'lawful/unlawful', the two terms are not so dissimilar that the questionnaire change will have a major impact on the survey results.

Including 'household' when measuring proportion of files paid for

In order to more accurately calculate what *proportion* of files a person personally consumed that were paid for, it was decided to consider payment at the household level to avoid under-reporting paid for content when payment was made by another household member, for example a child consuming content through a subscription paid for by their parent. The wording for relevant questions (Q25; Q41; Q53; Q68) was changed from 'you' to 'you or someone in your household'.

To ask *how many* consumed files were personally paid for by either them or someone in their household, spend data continued to be collected at an individual respondent level.

Other question amendments

<u>Subscription services:</u>

In the Australian market, the major subscription services offer both movies and TV programmes. In order to obtain an accurate figure for total spend in relation to the separate movie and TV programme content categories, it was decided to collect spend on 'Online Movie and TV programme subscription services e.g. BigPond Movies, Netflix' in both the movie (Q44e - amended) and TV programme (Q59d - added) sections. When combined together for total spend, this amount (which is identical in Q44e and Q59d) is only counted once.

<u>Attitudes:</u>

When asked about the reasons for their online behaviour, survey respondents are presented with a selection of pre-coded reasons to choose from (prompted responses), as well as being able to type in a reason not listed (spontaneous responses).

Spontaneous responses mentioned by at least 1% of respondents in the 2015 survey were included in the 2016 survey as pre-coded responses in order to ensure the survey fully captured the prominence of these reasons. New pre-coded responses were added to the questions relating to reasons for downloading or streaming rather than buying physical versions (Q73), reasons for not downloading (Q74) and reasons for unlawful consumption (Q77). The list of pre-coded reasons for what would make people stop downloading or streaming unlawfully (Q78) was reduced by removing the options of internet throttling and internet suspension, as these are not Australian Government policy.

<u>Device, VPN and home television usage:</u>

Examples of smartphone and games console types were updated to reflect the latest developments in these areas, the definition of a VPN service was clarified, and a new pre-code was added to capture those who receive television through free-to-air internet-based streaming services.

Change of supplier for online sample

TNS subcontracted sourcing of the online respondents for the 2016 project to a different online panel. Following a takeover of the 2015 online panel by another organisation in mid-2015 and changes to their sampling methods, a different online panel was used for the 2016 project in order to achieve a consistently representative sample.

Exclusion of respondents from mean calculations

The survey utilises a large number of questions that collect numeric data from respondents, some of which is used to calculate averages and grossed up population figures. In the UK study, means were initially used to report averages, but were found to be fairly volatile due to a minority of individuals selecting high numeric answers, and hence, where possible, medians were adopted instead. However, medians are not suitable for providing grossed up population estimates, and means have continued to be used for this purpose, both for the UK study and for the Australian study.

When analysing the Australian 2016 survey data, n=9 respondents were identified who had provided very high numeric answers to certain questions and where, on further investigation, their pattern of answers to the numeric questions appeared to be untrustworthy (e.g. typing random numbers rather than giving a realistic estimate). Whilst the answers of these n=9 respondents had a negligible impact on reported percentages, they had a major impact at distorting mean calculations, and therefore it was decided to exclude their data from mean calculations.

Following the investigations into the 2016 survey data, checks were conducted on the 2015 survey data to ascertain whether a similar problem had occurred. This process identified n=7 respondents from the 2015 survey whose answers to the numeric questions appeared to be untrustworthy. The 2015 mean calculations were therefore rerun with these n=7 respondents excluded in order to provide more accurate and comparable results between 2015 and 2016. This has resulted in some data changes between the 2015 results referenced in this report and the 2015 results referenced in the 2015 report. In most cases these changes are very small, and do not alter the research findings. However, there are somewhat larger changes in relation to content consumption volumes (Table 4.2.1), meaning for example that the proportion of movies consumed unlawfully was lower in 2015 than originally estimated.

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). As noted in the research overview, significant increases from 2015 to 2016 are in green text and significant decreases are in red text.

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

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**	E-books 2015	**E-books 2016**	PC software 2015	**PC software 2016**	Any of 6 2015	**Any of 6 2016**
Base: All internet users 12+	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387
Download	29%	**26%**	11%	10%	19%	17%	18%	16%	43%	**39%**	12%	12%	17%	16%	50%	**47%**
Stream/ access	34%	33%	13%	12%	25%	**29%**	34%	**38%**	54%	**57%**	11%	10%	16%	15%	57%	**60%**
Download or stream	42%	**39%**	16%	15%	29%	**33%**	38%	**41%**	60%	62%	15%	14%	23%	21%	65%	66%
Share	5%	7%	2%	3%	4%	4%	4%	4%	8%	**11%**	2%	2%	2%	3%	9%	**12%**
Download stream or share	42%	**39%**	16%	16%	29%	**33%**	38%	**42%**	60%	62%	15%	14%	23%	21%	65%	66%

- In 2016, two-thirds (66%) 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, which was comparable to the 2015 result (65%). However, there was a shift in digital behaviour from downloading content to streaming content: there was a significant increase in the proportion of internet users who had streamed or accessed content from 57% in 2015 up to 60% in 2016; and there was a significant decline in the proportion of internet users who downloaded content from 50% in 2015, down to 47% in 2016.
- Although sharing content remains a relatively niche activity, the 2016 results reflect a significant increase in this behaviour, up from 9% in 2015 to 12% in 2016.
- Looking at the 'any of four' content types focused on in this report, the proportion of internet users who had consumed digital content overall remained comparable between 2015 and 2016 (60% and 62% respectively). There were, however, significant changes in the method of consumption as per a significant increase in streaming from 54% in 2015 up to 57% in 2016, a significant decline in downloading from 43% in 2015 to 39%, and a significant increase in sharing content from 8% in 2015 to 11% in 2016.
- The increase in streaming rates between 2015 and 2016 was not seen across every content type but rather was particular to TV programmes and movies. The proportion of internet users who claimed to stream TV programmes increased from 34% in 2015 to 38% in 2016, making TV the most commonly accessed content type via online streaming. Similarly, there was a significant increase in the proportion of internet users who accessed movies via streaming up from 25% in 2015 to 29% in 2016. The proportion of internet users streaming music online in 2016 remained comparable to 2015 at around one-third (33% in 2015 and 34% in 2015). The increase in rates of streaming of TV programmes and movies occurred across all ages and for both males and females, but was most pronounced for: 12-15 year olds (up from 34% to 47%) and 45-54 year olds (up from 28% to 39%) in the case of TV programmes; and for females, 12-15 year olds and 25-54 year olds (up 7 percentage points for all these groups) in the case of movies.
- As per the 2015 results, in 2016 it remained less common to stream or access computer software (15%), video games (12%) or e-books (10%). For most content types, but particularly for TV programmes and movies, streaming or accessing was more common than downloading.
- Although music remained the most common content type downloaded in 2016, it experienced a significant decline from 29% in 2015 to 26% in 2016, which drove the decline in rates of downloading across content types. This decrease occurred amongst both males and females, and was largest amongst 16-24 year olds (down from 52% to 40%) and 25-34 year olds (down from 42% to 33%). Other types of content also experienced slight downward shifts in 2016; 17% of users downloaded

movies in 2016 as compared to 19% in 2015, 16% of users downloaded TV programmes as compared to 18% in 2015.

- In 2016, consumption of content (calculated by combining streaming or accessing with downloading) was now most common for TV programmes at 41%, a significantly higher result than 38% in 2015. This was followed by music at 39%, which was significantly lower than the 42% recorded in 2015. In 2016, one-third (33%) of users downloaded or streamed movies, which is significantly higher than the 2015 result of 29%. This was followed by PC software (21% in 2016, and 23% in 2015), video games (15% in 2016 and 16% in 2015) and e-books (14% in 2016 and 15% in 2015).
- The proportion of internet users sharing specific content remained largely comparable between years. The most common shared content was music (7% in 2016 and 5% in 2015), followed by TV programmes and movies (4% across years), video games (3% in 2016 and 2% in 2015), PC software (3% in 2016 and 2% in 2015) and e-books (comparable 2% across years).
- In 2016, amongst those who had consumed (streamed, accessed or downloaded) any content in the past 3 months, 8 in 10 (83%) had done so using fixed line access (up from 77% in 2015), a third (34%) using a mobile network (down from 37% in 2015) and 1 in 10 (11%) using public Wi-Fi (in line with the 12% results from 2015).

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 2016	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**
Download	Base: Did at all in last 3 months	817	640	306	253	549	448	541	434
	% weekly	31	**40**	24	27	36	38	48	48
Stream/access	Base: Did at all in last 3 months	937	818	362	311	712	752	967	981
	% weekly	59	**71**	63	**71**	41	**51**	48	**55**
Share	Base: Did at all in last 3 months	169	176	65	74	113	112	113	114
	% weekly	50	55	56	60	32	38	35	42

- For all four content types, the proportion of consumers streaming/ accessing the content types on a weekly basis increased significantly in 2016 compared with 2015 as follows (with the increase applying in each case to most age groups and genders):
    - 71% of music consumers streamed/ accessed music on a weekly basis in 2016 compared with 59% in 2015;
    - 71% of video game consumers streamed/ accessed video games on a weekly basis in 2016 compared with 63% in 2015;
    - 55% of TV programme consumers streamed/ accessed TV programmes on a weekly basis in 2016 compared with 48% in 2015; and
    - 51% of movie consumers streamed/ accessed movies on a weekly basis in 2016 compared with 41% in 2015.
- The 2016 results for sharing content on a weekly basis slightly increased against the 2015 results for all four content types, albeit not significantly. Video games sharers were the most likely to have shared on a weekly basis (60% in 2016 and 56% in 2015), followed by music

sharers (55% in 2016 and 50% in 2015), TV programme sharers (42% in 2016 and 35% in 2015), and lastly movie sharers (38% in 2016 and 32% in 2015).

- As per the 2015 results, downloading content on a weekly basis was most common for TV programme consumers (a comparable 48% between years). This was followed by music, which experienced a significant increase from 31% in 2015 up to 40% in 2016 (which was consistent across age and gender). Next most commonly downloaded on a weekly basis were movies (38% of music consumers in 2016 and 36% in 2015), and video games (27% of video game consumers in 2016 and 24% in 2015).

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 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Download	Base	817	640	306	253	549	448	541	434	1,202	1,007
	Median	12	12	3	3	4	4	5	5	12	12
Stream/access	Base	937	818	362	311	712	752	967	981	1,500	1422
	Median	20	**24**	3	3	3	**5**	4	**5**	14	**20**
Download or stream	Base	1152	956	451	386	824	836	1,077	1061	1,664	1544
	Median	25	**30**	4	4	5	**6**	6	**7**	22	**26**
Share	Base	169	176	65	74	113	112	113	114	260	285
	Median	5	**9**	2	3	2	2	1	**2**	5	**6**

- The 2016 results reflected a largely comparable result to 2015 concerning the median number of files downloaded or shared in the past 3 months, but the number of files being streamed had increased.
    - 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 in 2016 was 30, a higher number than the 2015 figure of 25, with the increase driven by a greater number of files being streamed. The median number of music tracks that were shared in 2016 was 9, which was higher than the 2015 result of 5.
    - The second highest number of files consumed was for TV programmes, with a median of 7 consumed in the past 3 months in 2016, slightly higher than 6 in 2015 (with the increase driven by streaming). The median number of TV programmes shared remained low in 2016 at 2, albeit an increase from 1 in 2015.
    - The median number of movies consumed on a weekly basis was 6 in 2016, compared with 5 in 2015 (the increase again driven by streaming), and the median number of movies shared was 2 (comparable across years).
    - Lastly, the median number of video games remained at 4 between years, and the median number shared was 3 in 2016 and 2 in 2015.
- Overall, those downloading any of the four content types downloaded a median of 12 files, which was comparable between years. However, the median number of files streamed on a weekly basis increased significantly to 20 in 2016, from 14 in 2015. It follows that total median consumption (download or stream) increased significantly to 26 files per week in 2016, from 22 files per week in 2015. The median level of sharing of any of the four content types remained more consistent between years at 6 files in 2016 and 5 files in 2015.

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.

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

	Music	Video games	Movies	TV	Any of 4
	2016 (2015)	2016 (2015)	2016 (2015)	2016 (2015)	2016 (2015)
Base: All who consumed or shared content	966 (1,161)	397 (458)	845 (832)	1,071 (1,084)	1552 (1,669)
1	YouTube 56% (58%)	Steam 28% (24%)	Netflix 41% (16%)	Netflix 31% (12%)	YouTube 48% (55%)
2	iTunes/Apple 43% (45%)	EB Games 27% (22%)	YouTube 34% (39%)	YouTube 27% (32%)	iTunes/Apple 32% (37%)
3	Spotify 30% (19%)	iTunes/Apple 21% (23%)	Foxtel/Presto 15% (10%)	ABC iView 23% (21%)	Netflix 27% (9%)
4	Facebook 24% (23%)	Facebook 20% (18%)	uTorrent 13% (19%)	SBS 19% (16%)	Facebook 22% (23%)
5	Google search 21% (23%)	Google Play 18% (15%)	Google search 13% (15%)	Plus7 17% (18%)	Google search 21% (25%)
6	Google Play 15% (11%)	Google search 18% (16%)	SBS 12% (9%)	TENplay 16% (19%)	Spotify 19% (13%)
7	Email 14% (11%)	Xbox Live 17% (13%)	BitTorrent 12% (16%)	Foxtel/Presto 13% (8%)	ABC iView 15% (13%)
8	Pandora 13% (9%)	Sony/PS 15% (13%)	iTunes/Apple 12% (16%)	9jumpin 11% (15%)	SBS 15% (11%)
9	Free app 13% (14%)	BitTorrent 12% (7%)	Facebook 10% (9%)	Google search 9% (11%)	Google Play 13% (11%)
10	uTorrent 10% (9%)	Amazon/ Kindle 12% (11%)	Stan 10% (3%)	Stan 8% (3%)	Foxtel/Presto 12% (8%)
Mean number of services	3 (3)	3 (2)	3 (2)	2 (2)	4 (4)

- In 2016 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. This was identical to the 2015 result.
- YouTube remained the most used site or service for consuming or sharing music (56% in 2016 and 58% in 2015). While YouTube was the second most popular service for consuming or sharing movies and TV programmes in 2016 (having been the most popular service in 2015), it experienced a significant decline in popularity compared with 2015; the proportion of users using YouTube for consuming or sharing movies was down significantly from 39% in 2015 to 34% in 2016; and for TV programmes YouTube was down significantly from 32% in 2015 to 27% in 2016. This was reflected in a drop in use of YouTube overall from 55% to 48% (and from 76% to 59% in the case of 16-24 year olds), although it remained the most popular service for consuming or sharing content.
- Netflix was introduced to Australia in March 2015, meaning that usage was low at the time of the 2015 survey. The popularity of Netflix in 2016 was reflected by a large, and significant, increase as the most commonly used service for the consumption or sharing of movies and TV programmes: the proportion using Netflix for movies increased from 16% in 2015 up to 41% in 2016; and the proportion using Netflix for TV programmes increased from 12% in 2015 up to 31% in 2016. Overall, 27% of consumers or sharers had used Netflix, up from 9% in 2015, and making it the third most popular service. Netflix usage was slightly higher for females (30%) than males (25%), and was highest for the 16-24 year old age group (37%).
- Other movie and TV streaming services also experienced a boost in 2016:
    - The popularity of Foxtel/Presto for streaming both movies and TV increased significantly between 2015 and 2016 (movies were up from 10% in 2015 to 15% in 2016; and TV programmes were up from 8% in 2015 to 13% in 2016).
    - Usage of Stan also increased significantly between 2015 and 2016 (movies were up from 3% in 2015 to 10% in 2016, and TV programmes were up from 3% in 2015 to 8% in 2016).
    - The overall popularity of SBS increased significantly from 11% in 2015 to 15% in 2016. This was driven by a significant boost for consumption of movies from 9% in 2015 to 12% in 2016, and an increase in TV from 16% in 2015 to 19% in 2016.
- Although iTunes/Apple remained the second most used site or service overall, it experienced a significant decline from 37% in 2015 to 32% in 2016.
    - The overall, although waning, popularity of iTunes was driven by its prominence as a service for the consumption of music (43% in 2016 and 45% in 2015), followed by video games (21% in 2016 and 23% in 2015). iTunes experienced the largest and

most significant decline for movies from 16% in 2015 down to 12% in 2016.

- Music platforms Spotify and Pandora experienced a boost in 2016. Use of Spotify as a music streaming service increased significantly from 19% in 2015 to 30% in 2016; and use of Pandora as a music streaming service also increased significantly from 9% in 2015 to 13% in 2016. Usage of Pandora for music is now more common amongst males than females (16% compared with 10%) and is most common amongst the 25-34 year old age group (23%), whereas usage of Spotify for music is now more common amongst females (35% compared with 26%) and most common amongst 16-24 year olds (50%).
- Use of Google Play (which allows downloads and streaming) increased significantly for music consumption and sharing from 11% in 2015 to 15% in 2016, and increased marginally as a service for video games from 15% in 2015 to 18% in 2016.
- Steam remained the most used site or service for consuming or sharing video games (28% in 2016 and 24% 2015), closely followed by EB Games (27% in 2016 and 22% 2015). Steam continued to have a strong skew towards males (31%) and 16-24 year olds (41%).
- Facebook appeared in the top 10 sites or services for music (24% in 2016 and 23% in 2015), video games (20% in 2016 and 18% in 2015) and movies (10% in 2016 and 9% in 2015), and overall across the four content types was the fourth most used site or service (22% in 2016 and 23% in 2015).
- In 2016, there was a decline in peer-to-peer methods used for consuming movies as follows, which may reflect increased use of Netflix:
    - UTorrent experienced waning popularity in 2016 for the consumption and sharing of movies, reflected by a significant decline from 19% in 2015 to 13% in 2016 (dropping from the second to the fourth most popular service for movies), with the biggest decline amongst 16-24 year olds; and
    - The use of BitTorrent similarly declined significantly for movies from 16% in 2015 to 12% in 2016 (dropping from the third to the seventh most popular service for movies).
- uTorrent remained in the top ten services used for consuming and sharing music, reflecting little change between years (10% in 2016, 9% in 2015), and use of BitTorrent for consuming and sharing video games actually increased from 7% in 2015 to 12% in 2016.
- The more ambiguous method for accessing media of 'Google search' remained reasonably popular in 2016 as a way of accessing music (21% in 2016 and 23% in 2015), video games (18% in 2016 and 16% in 2015), and TV programmes (9% in 2016 and 11% in 2015). Overall, as in 2015, amongst those consuming or sharing, younger people were more likely to use YouTube, iTunes, Netflix, Facebook, Spotify and Google Play whereas older people were more likely to use ABC iView and SBS on Demand.

3.2 Payment groups

People were categorised according to the proportion of digital content they claimed to have paid for, either personally or by someone in their household; 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 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who consumed content	1,152	956	445	385	824	836	1,077	1,061	1,663	1544
100% paid	26%	24%	31%	33%	21%	**36%**	13%	**25%**	14%	**17%**
Mix of paid and free	26%	**30%**	31%	29%	22%	25%	12%	14%	39%	42%
100% free	48%	46%	38%	38%	58%	**39%**	76%	**61%**	47%	**41%**
ANY PAID	52%	54%	62%	62%	42%	**61%**	24%	**39%**	53%	**59%**
ANY FREE	74%	76%	69%	67%	79%	**64%**	87%	**75%**	86%	**83%**
Base: All internet users 12+	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387
100% paid	11%	**9%**	5%	5%	6%	**12%**	5%	**10%**	8%	**10%**
Mix of paid and free	11%	12%	5%	4%	6%	**8%**	4%	**6%**	24%	26%
100% free	20%	18%	6%	6%	17%	**13%**	28%	**25%**	28%	26%
ANY PAID	22%	21%	10%	9%	12%	**20%**	9%	**16%**	32%	**36%**
ANY FREE	31%	29%	10%	10%	23%	21%	33%	31%	52%	51%

- In the last 3 months, half (51% in 2016 and 52% in 2015) of all internet users consumed at least one content type for free. Specifically:
    - one-third of internet users consumed free TV programme content (31% in 2016 and 33% in 2015) or free music content (29% in 2016 and 31% in 2015);
    - 2 in 10 (21% in 2016 and 23% in 2015) consumed free movie content; and
    - 1 in 10 (10% in 2016 and 2015) consumed free video game content.

- In 2016, 26% of all internet users consumed all content for free, similar to the 28% recorded in 2015. Exclusive use of free content was highest for TV programmes (25% in 2016 and 28% in 2015), followed by music (18% in 2016 and 20% in 2015), movies (13% in 2016 and 17% in 2015) and lastly video games (6% in 2016 and 2015), but there were significant decreases in exclusive use of free content for both TV programmes and movies.
- Although a large proportion of TV content consumers continue to consume TV content for free (61% '100% free' in 2016), there was a significant shift towards paid usage in 2016, which was likely driven by the increase in usage of paid streaming services such as Netflix as discussed previously. This is reflected by:
    - a significant decline in those consuming 100% free content, down from 76% in 2015 to 61% in 2016; and
    - a significant increase in those consuming 100% paid content, up from 13% in 2015 to 25% in 2016.
- Females were no longer any more likely than males to consume 100% free content (61% for both), but older TV programme consumers remained most likely to get all of their TV programme content for free.
- Again, although around two-thirds of movie content consumers consume movies for free (64% 'any free' in 2016) a similar trend towards paid content was evident as reflected by:
    - a significant decline in those consuming 100% free content, down from 58% in 2015 to 39% in 2016 and
    - a significant increase in those consuming 100% paid content, up from 21% in 2015 to 36% in 2016, making movie content the most likely to be 100% paid as compared with other content types.
- The biggest drop in the proportion getting at least some movie content for free was seen amongst those aged 45+.Those who consumed music content were in 2016 now more likely than consumers of other content types to get at least some of it for free: three quarters (76% in 2016 and 74% in 2015) consumed at least some free music content and just under half (46% in 2016 and 48% in 2015) consumed all their music content for free. There was, however, a significant shift amongst music content users towards a 'mix of paid and free' (30% in 2016 compared with 26% in 2015). Music consumers aged 45+ were more likely in 2016 than younger music consumers to have got all their music for free.
- Around two-thirds of users of video game content consumed at least some of it for free (67% in 2016 and 69% in 2015); however, only 38% (both 2016 and 2015) consumed '100% free' content, and one-third consumed exclusively 100% paid content (33% in 2016 and 31% in 2015). As in 2015, female video game consumers were more likely than males to get at least some video game content for free.

- Overall, 2016 reflected a trend towards paid content, with a significant decline in the proportion of those who consumed at least some free content from one of the four content types from 86% in 2015 to 83% in 2016, and a parallel decline in the proportion consuming all of their content for free (from 47% in 2015 to 41% in 2016).

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 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who consumed content	1,152	956	445	385	824	836	1,077	1,061	1,663	1,544
100% owned in physical format	6%	7%	13%	10%	5%	5%	3%	4%	2%	3%
Any owned in physical format	38%	**43%**	39%	41%	26%	29%	13%	**16%**	37%	40%
None owned in physical format	62%	**57%**	61%	59%	74%	71%	87%	**84%**	63%	60%
Mean number owned in physical format	15	13	2	2	2	**1**	1	**2**	13	10

- Consumers of online music content were most likely to also own any of this content in a physical copy (43% in 2016), with a significant increase over the past year (from 38% in 2015). This was coupled with a decline in 'none owned in a physical format' (57% in 2016, which was a significant decline from 62% in 2015). On average, music consumers already owned 13 tracks in physical format (compared with 15 tracks in 2015).

- Video game content consumers were next most likely to also own physical copies of any content they had consumed online in the last 3 months (41% in 2016 and 39% in 2015). On average, video game consumers already owned 2 games in physical format.
- This was followed by movie content consumers, with 3 in 10 (29%) claiming to own physical copies of any of the online movie content accessed in the last 3 months, which was a slightly higher proportion than in 2015 (26%). On average, movie consumers already owned 1 movie in physical format.
- Lastly, although TV programme content consumers were the least likely to also own physical copies of online TV content accessed in the last 3 months compared to the other content types, this proportion has significantly increased from 13% in 2015 to 16% in 2016. On average, TV programme consumers already owned 2 TV shows in physical format and in 2016 they were more likely to be male (18%) than female (13%) and were relatively unlikely to be aged 45+.

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

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

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who had paid for content	932	853	554	523	988	942	576	650	1,524	1,420
100% of paid for content previously consumed for free	13%	12%	12%	11%	7%	7%	14%	13%	6%	**4%**
Any paid for content previously consumed for free	41%	41%	28%	31%	18%	**22%**	28%	29%	37%	35%
No paid for content previously consumed for free	59%	59%	72%	69%	82%	**78%**	72%	71%	63%	65%
Mean number previously consumed for free	21	18	1	**3**	1	**2**	3	4	15	15

- Of those who had paid for content in the past 3 months, 4 in 10 consumers of music (41% in both 2016 and 2015) 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 (31% in 2016 and 28% in 2015) and of TV programmes (29% in 2016 and 28% in 2015) had previously consumed content for free.
- Lastly, movies were the least likely to be purchased after previously consuming the content for free compared with other content types. That said, in 2016 there was a significant increase in the proportion paying for content which had previously been consumed for free, up from 18% in 2015 to 22% in 2016.
- Overall, more than one-third (35% in 2016 and 37% in 2015) of consumers of at least one of the four content types had previously consumed content for free. Specifically, there was a significant decline in the proportion of those who claimed that all of their paid content had previously been consumed for free, from 6% in 2015 down to 4% in 2016.
- On average, music consumers had previously consumed 18 tracks for free (which is slightly lower than the 2015 average of 21), TV programme consumers had previously consumed 4 programmes for free (which is very slightly higher than the 2015 average of 3), consumers of video games had previously consumed 3 files for free (compared with 1 file in 2015) and consumers of movies had previously consumed 2 files for free (compared with 1 file in 2015).
- As in 2015, for all four content types males were more likely than females to have previously consumed purchased physical copies online for free, and younger consumers were more likely than older consumers to have done so.

4. Levels of copyright infringement

4.1 Lawfulness groups

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

For all four content types, respondents were asked how many of the free pieces of digital content they consumed were consumed lawfully. For music and movies, respondents were also asked how many of the pieces of digital content they paid for were consumed lawfully. This question was not asked about video games or TV programmes. It was not included in the 2015 questionnaire because the UK pilot study on which it was based found that only a negligible proportion of people pay for unlawful digital content of these types. This was therefore consistent in the 2016 questionnaire.

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

Table 4.1.1: Lawfulness groups – proportion who consumed any content lawfully/unlawfully (past 3 months)

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who consumed content	1,152	956	445	385	824	836	1,077	1,061	1,663	1,544
100% lawful	63%	**68%**	78%	78%	52%	**61%**	67%	**74%**	57%	**63%**
Mix of lawful and unlawful	17%	17%	10%	10%	17%	16%	12%	11%	31%	28%
100% unlawful	20%	**15%**	12%	12%	32%	**23%**	21%	**15%**	12%	**9%**
ANY UNLAWFUL	37%	**32%**	22%	22%	48%	**39%**	33%	**26%**	43%	**37%**

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All internet users 12+	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387
100% lawful	27%	26%	12%	12%	15%	**20%**	25%	**30%**	35%	**39%**
Mix of lawful and unlawful	7%	7%	2%	**1%**	5%	5%	4%	5%	19%	17%
100% unlawful	8%	**6%**	2%	2%	9%	7%	8%	**6%**	7%	6%
ANY UNLAWFUL	15%	**12%**	3%	3%	14%	13%	12%	11%	26%	**23%**

- Overall, across all four content types, 37% of content consumers had consumed at least some unlawful files in the past 3 months, a significant drop from 43% in 2015. This corresponds to a quarter of all internet users consuming at least some unlawful files in the past 3 months, but this again dropped from 26% in 2015 to 23% in 2016.
- There was also a significant decline in the proportion of content consumers who consumed all their files unlawfully, down from 12% in 2015 to 9% in 2016. This difference was less pronounced when based upon all internet users, with 6% in 2016, and 7% in 2015, of all internet users consuming all their files unlawfully.
- Although movies continued to have the highest rate of unlawful consumption amongst consumers in 2016 (39%), this had declined significantly from 48% in 2015, driven by a significant decline in the proportion consuming '100% unlawful' content from 32% in 2015 down to 23% in 2016.
- This downward shift in the overall proportion of consumers engaging in 'unlawful' content consumption was also evident for music; in 2016 there was a significant decline amongst 'any unlawful' content from 37% in 2015 down to 32% in 2016, which was largely driven by the significant decline amongst '100% unlawful' respondents from 20% in 2015 down to 15% in 2016.
- This story of declining proportions of consumers consuming 'any unlawful' content continued for TV where there was a significant decline from 33% in 2015 down to 26% in 2016, again driven by a drop in the percentage of consumers of '100% unlawful content', from 21% in 2015 down to 15% in 2016.

- The only exception to this trend was for video games, where the proportion consuming 'any unlawful' content remained identical between years at 22%, which is the lowest rate across the four content types.
- Since TV programmes and music are consumed by a greater proportion of internet users than movies, the proportion of internet users unlawfully consuming each of movies (13%), music (12%) and TV programmes (11%) was about the same. Compared with 2015, only music saw a significant decrease in unlawful behaviour across all internet users, reflecting that the proportion of internet users consuming music also decreased, whereas the proportion consuming movies and TV programmes increased. The proportion of internet users who had unlawfully consumed video games was much lower (3%), reflecting both lower consumption of video games and that video games that were consumed were relatively unlikely to be consumed unlawfully.
- Amongst those consuming content, unlawful consumption of content remained more common amongst younger Australians: approximately half of under 35s had consumed unlawful content compared with around a quarter of those aged 35+. This reflected higher rates of unlawful consumption for under 35s year olds for each individual content type. In addition, male consumers of content remained slightly more likely than females to have done so unlawfully (39% compared with 35%).

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

Table 4.1.2: Demographic profiles of infringers versus non-infringers

	All adults 12+ 2015	**All adults 12+ 2016**	All content consumers 2015	**All content consumers 2016**	Any unlawful (infringers) 2015	**Any unlawful (infringers) 2016**	100% lawful (non-infringers) 2015	**100% lawful (non-infringers) 2016**
Base	2,630	2,405	1,663	1544	768	602	895	942
Male	50%	50%	53%	52%	56%	54%	50%	50%
Female	50%	50%	47%	48%	44%	46%	50%	50%
12-15	6%	6%	8%	8%	8%	10%	8%	7%
16-24	14%	14%	20%	19%	27%	24%	14%	16%
25-34	16%	17%	21%	22%	26%	30%	17%	18%
35-44	17%	16%	20%	18%	19%	**15%**	20%	20%
45-54	16%	15%	14%	15%	11%	11%	16%	18%
55+	31%	32%	18%	18%	8%	9%	25%	23%

- Compared with the total sample (all adults 12+), **content consumers** were significantly more likely to be aged between 12 and 34 years of age, and significantly less likely to be over 55 years of age.
- Compared with the total sample (all adults 12+), **'infringers'** were slightly more likely to be male (54%) than female (46%), as compared with equal 50% each in the total sample. 'Infringers' were significantly more likely to be aged between 12 and 34 years of age, and significantly less likely to be over 45 years of age. The profile of **'non infringers'** was fairly similar to the total sample, except for having a lower proportion of those aged 55+.
- There was little change in the demographic profile between 2015 and 2016.

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

Table 4.1.3: Lawfulness groups – median content items consumed unlawfully in the past 3 months

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who consumed unlawful content	464	323	103	91	417	333	395	282	768	602
Mix of lawful and unlawful	20	20	3	3	5	5	7	10	20	16
100% unlawful	20	20	2	3	5	5	7	5	13	15
ANY UNLAWFUL	20	20	2	3	5	5	7	7	16	16

- Across all content types, the median number of files downloaded or streamed unlawfully among infringers was 16, which remained consistent across 2015 and 2016.
- The median number of files downloaded or streamed unlawfully was highest for music (20 tracks for both 2016/2015), followed by TV programmes (7 for both 2016/2015), movies (5 for both 2016/2015) and video games (3 in 2016 and 2 in 2015).

The next table shows the lawfulness of the free consumed content, and then the lawfulness of the free consumed content as a proportion of all consumed content and as a proportion of all internet users.

Table 4.1.4: Lawfulness groups – proportion who consumed free content lawfully/unlawfully (past 3 months)

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
Base: All who consumed free content	868	736	303	254	655	556	942	808	1,444	1,310
100% lawful free	60%	64%	68%	67%	44%	**51%**	62%	65%	55%	**59%**
Mix of lawful and unlawful free	15%	15%	7%	10%	16%	**12%**	9%	10%	28%	**24%**
100% unlawful free	26%	**20%**	26%	23%	40%	36%	28%	25%	18%	16%
ANY UNLAWFUL FREE	40%	36%	32%	33%	56%	**49%**	38%	35%	45%	**41%**
Base: All who consumed content	1,152	956	445	385	824	836	1,077	1,061	1,663	1,544
100% lawful free	44%	**49%**	47%	45%	35%	33%	54%	**49%**	47%	**55%**
Mix of lawful and unlawful free	11%	12%	5%	7%	13%	**8%**	8%	7%	24%	23%
100% unlawful free	19%	**15%**	18%	15%	32%	**23%**	25%	**19%**	15%	14%
ANY UNLAWFUL FREE	30%	27%	22%	22%	44%	**31%**	33%	26%	39%	38%
Base: All internet users 12+	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387	2,607	2,387
100% lawful free	19%	19%	7%	7%	10%	11%	20%	20%	28%	30%
Mix of lawful and unlawful free	5%	4%	1%	1%	4%	3%	3%	3%	14%	13%
100% unlawful free	8%	**6%**	3%	**2%**	9%	8%	9%	8%	9%	8%

	Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**	Any of 4 2015	**Any of 4 2016**
ANY UNLAWFUL FREE	13%	**10%**	3%	3%	13%	**10%**	12%	11%	24%	**21%**

- Amongst those who consumed free digital content, movies were the most likely to be consumed unlawfully out of the four content types. There was, however, a significant decline in the proportion unlawfully consuming movies from 56% in 2015 down to 49% in 2015, and a slight decline in the proportion unlawfully consuming all free movies (from 40% to 36%).
- TV was the next most common content type consumed unlawfully (amongst those who consumed free digital content), and 'any unlawful' consumption dropped slightly from 38% in 2015 to 35% in 2016, with a corresponding decline in those consuming their TV '100% unlawful free' from 28% in 2015 to 25% in 2016.
- Music experienced a slight decline in 'any unlawful free' amongst those who consume free digital content from 40% in 2015 down to 36% in 2016, which was driven by a significant decline in those consuming '100% unlawful free' from 26% in 2015 to 20% in 2016.
- Lastly, video games were the least likely to be consumed unlawfully amongst those who consume free digital content, at 33% in 2016 and 32% in 2015. There was a small decline in the proportion consuming '100% unlawful free' from 26% in 2015 down to 23% in 2016.

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

Table 4.1.5: Lawfulness groups – proportion who consumed paid digital content lawfully/unlawfully (past 3 months)

	Music 2015	**Music 2016**	Movies 2015	**Movies 2016**	Any of 2 2015	**Any of 2 2016**
Base: All who consumed paid content	595	514	349	488	747	753
100% lawful	75%	79%	76%	78%	72%	75%
Mix of lawful and unlawful	13%	12%	9%	11%	16%	15%
100% unlawful	13%	10%	16%	**11%**	12%	10%
ANY UNLAWFUL	25%	21%	24%	22%	28%	25%
Base: All internet users 12+	2,607	2,387	2,607	2,387	2,607	2,387
100% lawful	16%	16%	9%	**16%**	19%	**23%**
Mix of lawful and unlawful	3%	**2%**	1%	**2%**	4%	5%
100% unlawful	3%	**2%**	2%	2%	3%	3%
ANY UNLAWFUL	5%	4%	3%	4%	7%	8%

- In 2016, 2 in 10 (21%) of those who consumed paid music had consumed at least some of this unlawfully, equating to 4% of all internet users; this was an slight decline in 'any unlawful' paid content from 25% for 'those who consumed paid content' in 2015. Similarly, there was a slight decline in '100% unlawful' paid content from 13% in 2015 down to 10% in 2016.
- A similar 2 in 10 (22%) of those who consumed paid movies had consumed some of this unlawfully (equating to 4% of all internet users), and a slight decline from the 2015 result of 24%. There was a significant decline in the proportion of respondents consuming '100% unlawful' paid content from 16% in 2015 down to 11% in 2016. There was only a slight increase in the proportion of those who consumed paid movies between 2015 (76%) and 2016 (78%) who always did so lawfully, but when based on all internet users there was a significant increase from 9% in 2015 up to 16% in 2016. This reflected higher likelihood of payment for movies in 2016.

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: Lawfulness groups – use of sites or services for consuming or sharing content in the past 3 months

	All content consumers	Any unlawful (infringers)	100% lawful (non-infringers)
	2016 (2015)	2016 (2015)	2016 (2015)
Base: All who consumed or shared content	1,552 (1,669)	602 (768)	942 (895)
1	YouTube **48%** (55%)	YouTube **56%** (67%)	YouTube 43% (46%)
2	iTunes/Apple **32%** (37%)	iTunes/Apple **32%** (38%)	iTunes/Apple 33% (36%)
3	Netflix **27%** (9%)	Facebook 32% (29%)	Netflix **27%** (8%)
4	Facebook 22% (23%)	Google search 29% (32%)	ABC iView 18% (15%)
5	Google search **21%** (25%)	Netflix **28%** (11%)	Spotify **18%** (11%)
6	Spotify **19%** (13%)	uTorrent 24% (28%)	Facebook 17% (19%)
7	ABC iView 15% (13%)	BitTorrent 22% (26%)	Google search **17%** (21%)
8	SBS **15%** (11%)	Spotify 20% (16%)	SBS **17%** (13%)
9	Google Play 13% (11%)	Email 18% (15%)	Plus7 13% (12%)
10	Foxtel **12%** (8%)	Google Play 16% (15%)	Google Play 12% (8%)

- On average, infringers (mean of 5 in both 2016 and 2015) used a greater number of services for consuming or sharing content than non-infringers (mean of 4 in 2016 and 3 in 2015), meaning they used most services in greater proportions.
- In 2015 the top four services used by 'infringers' and 'non-infringers' were the same: YouTube, iTunes, Google Search and Facebook. In 2016

the top four services for 'infringers' remained the same, but Netflix and ABC iView replaced Google Search and Facebook in the top four services for non-infringers. 'Infringers' were significantly more likely than 'non-infringers' to use YouTube, Google search and Facebook for consuming or sharing content, whereas use of iTunes and Netflix was the same in both groups.

- Infringers were far more likely than non-infringers to use peer-to-peer methods, in the form of uTorrent (24% in 2016 and 28% in 2015), BitTorrent software (22% in 2016 and 26% in 2015), and Pirate Bay (16% in 2016 and 19% in 2015), although use of all three had declined slightly since 2015. 4% or less of non-infringers said they had used each of these.
- Non-infringers were a lot more likely to be using licensed 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 lawfully.

Table 4.2.1: Volume of content consumed

		Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**
Base: All 12+ year olds		2,630	2,405	2,630	2,405	2,630	2,405	2,630	2,405
TOTAL	Volume	908m	**1,360m**	48m	58m	119m	131m	233m	262m
	% of total	100%	100%	100%	100%	100%	100%	100%	100%
Physical	Volume	152m	164m	15m	22m	41m	37m	29m	30m
	% of total	17%	12%	32%	38%	35%	28%	13%	11%
Digital	Volume	756m	**1,195m**	32m	36m	77m	93m	204m	231m
	% of total	83%	**88%**	66%	62%	64%	71%	87%	88%

DIGITAL FILES ONLY

		Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**
Paid	Volume % of digital	303m 40%	360m 30%	12m 37%	**22m** 61%	24m 31%	**51m** 55%	43m 21%	**87m** 38%
Free	Volume % of digital	453m 60%	**835m** 70%	19m 62%	14m 39%	53m 69%	**43m** 46%	160m 79%	145m 63%
Lawful	Volume % of digital	598m 79%	**916m** 77%	22m 71%	30m 83%	49m 64%	59m 63%	138m 68%	175m 76%
Unlawful	Volume % of digital	158m 21%	279m 23%	9m 29%	5m 14%	28m 36%	34m 37%	65m 32%	56m 24%

PHYSICAL AND DIGITAL FILES COMBINED

		Music 2015	**Music 2016**	Video games 2015	**Video games 2016**	Movies 2015	**Movies 2016**	TV 2015	**TV 2016**
Paid	Volume % of total	457m 50%	524m 39%	27m 57%	**44m** 76%	66m 55%	**88m** 67%	73m 31%	**117m** 45%
Free	Volume % of total	455m 50%	**835m** 61%	20m 41%	14m 24%	53m 45%	**43m** 33%	161m 69%	145m 55%
Lawful	Volume % of total	754m 83%	**1079m** 79%	38m 80%	**53m** 91%	91m 76%	97m 74%	168m 72%	204m 78%
Unlawful	Volume % of total	158m 17%	279m 21%	9m 19%	5m 9%	28m 23%	34m 26%	65m 28%	56m 21%

- As in 2015, music was by far the most consumed content type over a 3 month period, both overall (1,360m tracks) and digitally (1,195m tracks), although this partly reflects music albums being counted as 10 tracks. The vast majority of music tracks were consumed digitally (88%) rather than physically (12%). The number of music tracks consumed increased significantly from 908m in 2015, with almost all of this increase from digital consumption.
- The second most consumed content type was TV programmes, with 231m consumed digitally and 262m consumed overall. Like music, most (88%) were consumed digitally, although this does not include free content consumed non-digitally (e.g. watched through a normal TV). The number of programmes consumed increased from 233m in 2015, with once again almost all of this increase from digital consumption.
- The third most consumed content type was movies, with 131m consumed overall, but a greater proportion (28%) consumed in a physical format, meaning that more movies were consumed physically than TV programmes. However, the number of movies physically consumed fell from 41m in 2015 to 37m in 2016, whereas the number digitally consumed increased, meaning that digital consumption has become a greater proportion of total consumption. Total consumption of movies increased slightly from 119m in 2015.
- Video games were consumed in the lowest volumes, with a total of 58m consumed in the past 3 months, 62% digitally and 38% physically. Total video game consumption increased from 48m in 2015, with both physical and digital consumption increasing.
- Looking only at digital consumption, video game (up from 37% to 61%), movie (up from 31% to 55%) and TV programme (up from 21% to 38%) content was all more likely to be paid for in 2016 than in 2015. In contrast, music content was a little less likely to be paid for than in 2015 (down from 40% to 30%).
- Movies consumed digitally remained the most likely content type to have been consumed unlawfully: 37% of consumed digital movies were consumed unlawfully (consistent with 36% in 2015) compared with a quarter of music tracks (23%) and TV programmes (24%), with a smaller proportion of TV programmes consumed unlawfully than in 2015 (32%). Video games had the smallest proportion consumed unlawfully, following a drop from 29% in 2015 to 14% in 2016.
- Because a far greater number of music files were consumed digitally, the number of music files consumed unlawfully (279m) was substantially higher than TV programmes (56m), movies (34m) or video games (5m). This represented a drop in volumes for video games and TV programmes but an increase for music and movies.

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 TV, music and movies only.

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

	Music Mean	Music % any	Video games Mean	Video games % any	Movies Mean	Movies % any	TV Mean	TV % any
Physical purchases/rentals 2016	$14.80	24%	$19.50	20%	$14.40	**27%**	$8.80	16%
Physical purchases/rentals 2015	$13.50	23%	$17.10	18%	$15.30	32%	$8.00	16%
Individual digital purchases 2016	$7.40	18%	**$7.90**	8%	**$2.60**	8%	$2.70	**9%**
Individual digital purchases 2015	$6.50	19%	$5.30	8%	$1.60	7%	$2.30	7%
Online subscriptions 2016	**$11.20**	**10%**	-	-	**$5.10**	**14%**	$5.90	16%
Online subscriptions 2015	$ 5.70	7%	-	-	$1.00	4%	-	-
Other 2016	$57.70	28%	**$5.70**	9%	**$43.20**	**63%**	**$3.50**	**7%**

Other 2015	$50.90	26%	$2.80	8%	$31.90	57%	$1.60	5%
TOTAL 2016	**$91.10**	46%	**$33.10**	23%	**$65.30**	**71%**	**$20.90**	**30%**
TOTAL 2015	$76.60	44%	$25.20	22%	$49.80	67%	$12.00	22%

Base: All 12+ year olds (2016 n=2,405 and 2015 n=2,630)

- Across the four content types, music had the highest average spend per person, at $91.10, which is a significant increase on the 2015 figure of $76.60. Movies had the next highest average at $65.30 per person, which is also a significant increase on the 2015 figure of $49.80. This is then followed by video games ($33.10, up significantly from $25.20 in 2015) and TV programmes ($20.90, up significantly from $12.00 in 2015). The increase for TV programmes was partly due to the introduction of a new measure of TV programme online subscriptions.
- This reflects the proportion of 12+ year olds spending money on these content types: 7 in 10 (71%) paid for movies and half (46%) spent money on music compared with 3 in 10 (30%) spending money on TV programmes and 2 in 10 (23%) spending money on video games. The proportion of 12+ year olds who had spent money on music, movies and TV programmes increased significantly from 2015 to 2016, but there was no change for video games.
- For both music ($57.70) and movies ($43.20), the majority of the average spend was not from content purchases. In the case of music, this mainly consisted of attending concerts and gigs and in the case of movies this primarily consisted of going to the cinema. This is comparable to 2015.
- 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 ($19.50), followed by music ($14.80) and movies ($14.40), with the lowest level for TV programmes ($8.80), with each of these amounts similar in 2016 to 2015.
- There has been a significant drop in the proportion of 12+ year olds who have made any physical movie purchases (27%) compared with 2015 (32%). This may reflect a significant increase in the proportion of people spending money on online subscriptions for movies (up from 4% in 2015 to 14% in 2016), and in the average amount they spent (up from $1.10 to $5.10). The proportion of people spending money on TV programme subscriptions (16%), and the average amount they spend ($5.90), closely mirrors movie subscriptions (this was not asked about in the 2015 survey).
- There has also been a significant, although more modest, increase in the proportion of people spending money on online subscriptions for music (up from 7% in 2015 to 10% in 2016), and in the average amount they spent (up from $5.70 to $11.20).

- Although there has been a drop in the physical purchases of movies (27%), it was still the content type where the highest proportion of 12+ year olds spent money on physical purchases, whereas video games (20%) had one of the lowest proportions. This indicates that those who purchased physical video games spent relatively more and those who made physical movie purchases spent relatively less.
- The highest spend on individual digital purchases was for video games ($7.90) and music ($7.40), with lower levels for movies ($2.60) and TV programmes ($2.70). However, the proportion of 12+ year olds spending money on individual digital purchases was at least double the level for music (18%) than for the other content types (8-9%), indicating that compared with video games those making digital music purchases spent relatively less. This behaviour is consistent with the 2015 report.
- TV programmes is the only content type which has had a significant increase in digital purchases from 2015 (7%).

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

Table 5.2: Average consumer quarterly spend among lawfulness groups – all content types

Base: All 12+ year olds	Music Base	Music Mean	Video games Base	Video games Mean	Movies Base	Movies Mean	TV Base	TV Mean
100% lawful 2016	633	$147. 80	294	**$145.20**	503	**$105.80**	779	**$40.00**
100% lawful 2015	688	$125.20	342	$110.10	407	$66.20	682	$22.10
Mix of lawful and unlawful 2016	167	$229.10	39	$188.30	131	$123.50	114	**$61.50**
Mix of lawful and unlawful 2015	208	$182.90	48	$115.50	137	$92.30	141	$28.40
100% unlawful 2016	156	$110.40	52	$18.90	202	$55.20	168	$6.80
100% unlawful 2015	256	$86.30	55	$23.60	280	$52.00	254	$8.30

- For each content type, those who consumed a mix of lawful and unlawful content spent more money over a 3 month period than those who consumed 100% of their content lawfully, but those who consumed 100% of their content unlawfully spent the least amount of money. This is comparable to the figures from 2015, and suggests that those who consume 100% of their content lawfully tend to consume less content (and hence spend less money) than those who consume a mix of lawful and unlawful content. Quarterly spend tended to be higher in 2016 than in 2015 for those who consumed 100% of their content lawfully and those who consumed a mix of lawful and unlawful content.
- Since the majority of spend on music and movies was not from content purchases but from concerts and gigs and the cinema, those who consumed 100% of their content unlawfully still spent a substantial amount of money on music and movies. In contrast, those who consumed 100% of their content unlawfully did not spend very much money on either video games or TV programmes.

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

Base: All 12+ year olds	Music Spend ($m)	Music % of total	Video games Spend ($m)	Video games % of total	Movies Spend ($m)	Movies % of total	TV Spend ($m)	TV % of total
Physical purchases/rentals 2016	298	16%	393	**59%**	290	**22%**	177	**42%**
Physical purchases/rentals 2015	269	18%	341	68%	305	31%	159	67%
Individual digital purchases 2016	149	8%	**159**	**24%**	**52**	4%	54	**13%**
Physical purchases/rentals 2015	129	8%	106	21%	32	3%	46	19%
Online subscriptions 2016	**226**	**12%**	-	-	**103**	**8%**	119	28%
Online subscriptions 2015	114	7%	-	-	20	2%	-	-
Other 2016	1,163	**63%**	**115**	**17%**	**871**	66%	**71**	**17%**
Other 2015	1,014	66%	56	11%	635	64%	32	13%
TOTAL 2016	**1,836**	100%	**667**	100%	**1,316**	100%	**421**	100%
TOTAL 2015	1,525	100%	502	100%	992	100%	239	100%

Base: All 12+ year olds (2016 n=2,405 and 2015 n=2,630)

- Music had the highest overall quarterly spend across the content types, at an estimated $1,836m, followed by movies ($1,316m), video games ($667m) and TV programmes ($421m). These figures are all significantly higher than those from 2015, with TV programmes seeing the largest proportional increase.
- For both music (63%) and movies (66%), the majority of the quarterly spend was not from content purchases, but from attending concerts and gigs or the cinema. Whilst in each case spend on non-content has increased, this constitutes a smaller proportion of total music spend in 2016 (63%) than in 2015 (66%) due to a large increase in spending on online music subscriptions.
- In comparison, non-content purchases relating to TV programmes (up from $32m to $71m) and video games (up from $56m to $115m) have increased dramatically, although still account for a far smaller proportion of total spend for these content types than for music or movies. These increases mean that physical purchases of TV programmes and video games now comprise a smaller proportion of total spend for these content types than in 2015, despite slightly increased spending on physical purchases.
- For all content types, the amount of money spent on physical purchases was substantially larger than the amount spent on digital purchases. This is similar to 2015.
- The highest spend on physical purchases was for video games ($393m). This was also the case in 2015. However, the second highest physical purchases spend was on music (298m) whilst in 2015 it was on movies ($305m in 2015). In both years the lowest spend was for TV programmes ($177m in 2016).
- The highest spend on individual digital purchases was for video games ($159m) and music ($149m), with spending on video games increasing from $106m in 2015 to now outstrip spending on music. In 2016 TV programmes had the third highest spend (54m), with the lowest level for movies (52m); this is the same pattern as in 2015.
- The highest spend on online subscriptions was for music ($225m), followed by TV programmes ($119m) and then movies ($103m). Spending on both music and movies had increased significantly from 2015's figures ($114m and $20m respectively); this measure was not collected for TV programmes in 2015. The rapid growth in spending on online subscriptions for music, movies and TV programmes since 2015 is reflected in online subscriptions now comprising an increased proportion of total spend compared with physical purchases and even (in the case of TV programmes) individual digital purchases.

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 2016	Price point	69c	99c	$1.19	$1.69	$2.19
	Base: Music consumers	956	956	956	956	956
	% likely	79%	**75%**	**60%**	49%	**38%**
Music download service 2015	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 2016	Price point	$5	$10	$15	$20	$25
	Base: Music consumers	956	956	956	956	956
	% likely	67%	47%	26%	17%	14%
Music subscription service 2016	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 2016	Price point	$5	$10	$15	$20	$25
	Base: Movie consumers	836	836	836	836	836
	% likely	**73%**	42%	23%	11%	9%
Movie download service 2015	Price point	$5	$10	$15	$20	$25
	Base: Movie consumers	824	824	824	824	824
	% likely	68%	39%	22%	11%	8%
Movie subscription service 2016	Price point	$8	$10	$15	$20	$25
	Base: Movie consumers	836	836	836	836	836
	% likely	**77%**	66%	**40%**	22%	15%
Movie subscription service 2015	Price point	$8	$10	$15	$20	$25
	Base: Movie consumers	824	824	824	824	824
	% likely	71%	62%	35%	19%	12%

- A majority (60%) of digital music consumers indicated they would be willing to pay $1.19 per single music track download. This is an increase from the 2015 figure where 54% said they were willing to pay $1.19 per track.
- At a 99c price point willingness to pay rose to three quarters (75%, up from 71% in 2015) and at 69c it rose to 8 in 10 (79%). Half (49%) were willing to pay $1.69 per track and 4 in 10 (38%, up from 33% in 2015) were willing to pay $2.19 per track.
- At the 69c price point, all age groups were on average twice as likely to pay when compared with $2.19. However more young people indicated in 2016 that they were willing to pay $2.19 per track compared with 2015: 32% of 16-24 year olds would be likely to pay the higher price in 2016 compared with 20% in 2015. In contrast, the proportion of movie consumers aged 55+ who were willing to pay 69c per track decreased from 81% in 2015 to 65% in 2016, and the proportion willing to pay 99c per track decreased from 77% to 64%.
- Two thirds of digital music consumers (67%) were willing to pay $5 a month for a music subscription service, but less than half (47%) were willing to pay $10 a month and only a quarter (26%) were willing to pay $15 a month. Willingness to pay has increased slightly, but not significantly, since 2015.

- A music subscription service appealed most to 25-34 year olds (which was similar to 2015): 69% of 25-34 year olds would pay $5 a month, 57% would pay $10 a month, 36% would pay $15 a month, 27% would pay $20 a month and 21% would pay $25 a month. However, 16-24 year old music consumers are now the most willing to pay $5 for a subscription service, following an increase from 59% in 2015 to 74% in 2016 in the proportion likely to do so.
- Three quarters (73%) of digital movie consumers were willing to pay $5 per movie download, 4 in 10 (42%) were willing to pay $10 and a quarter (23%) were willing to pay $15, with the proportion willing to pay $5 increasing significantly from 68% in 2015.
- 25-34 year olds (78%) were most willing to pay a $5 per movie download cost, with likelihood to do so increasing from 67% in 2015. Previously 45-54 year olds (80%) were the most willing to pay a $5 per movie download cost; however, this figure has decreased to 75% for the same age bracket in 2016.
- Three quarters of digital movie consumers (77%, up from 71% in 2015) were willing to pay $8 a month for a movie subscription service and two thirds (66%) were willing to pay $10 a month. 40% were willing to pay $15 dollars a month, which is an increase from 2015 (35%). However, only 2 in 10 (22%) were willing to pay $20 a month.
- 84% of young people aged 16-24 were willing to pay $8 per month for a movie subscription service, an increase from 71% in 2015, making this the most likely age group to pay this amount. Similarly, 16-24 year olds were most willing to pay $10 a month (71%), but they were no longer the most willing age group to pay once the cost rose above $10 a month (with 25-34 year olds most willing to pay the higher monthly costs).

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 lawfulness). 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 consuming content online rather than buying physical versions

	2016 (2015)
Base: All with internet access who have consumed any of the four content types in the past 3 months	**1,544** (1,664)
It's easier / more convenient	68% (71%)
It's quicker	**51%** (57%)
It's cheaper	48% (50%)
Catching up on missed TV*	**39%** (3%)
I can access them more easily on the devices I have	**37%** (43%)
I can get them for free	**36%** (44%)
Save on physical space*	**22%** (1%)
It's more up-to-date	**21%** (29%)
The quality isn't noticeably different	**20%** (27%)
There is no physical version available	**20%** (27%)
Not available in Australia yet*	**19%** (1%)

	2016 (2015)
Try before you buy it*	17% (1%)
It's what everyone does	16% (18%)
Can't play a physical version (e.g. no CD player)*	8% (0%)

*Please note these are new response options in 2016 (in 2015, they were mentioned spontaneously)

- "Ease/convenience" has remained the most common motivator for downloading or streaming content, selected by 7 in 10 consumers (68% in 2016 and 71% in 2015). Two other responses were cited by around half of consumers: Speed (i.e. "it's quicker") was selected by 51%, which was significantly lower compared with the 2015 result of 57%; and cost was selected by 48% (similar to the 50% result from 2015). A similar reason for consuming content was "I can get them for free"; however this was significantly lower in 2016 (36%) compared with 2015 (44%). All of the most common motivators were more likely to be mentioned by 16-24 year olds.
- In 2016 there was a large and significant increase in those stating "catching up on missed TV" was their reason for consuming content, increasing from just 3% in 2015 (when it was not a pre-coded response option) up to 39% in 2016. This was a particularly important reason for females (44%), 45-54 year olds (44%) and those aged 55+ (48%). The addition of this new response option (and four others) may have contributed to the drop in mentions of many of the response options carried over from 2015.
- Around 2 in 10 consumers stated the following reasons for downloading content: 'save on physical space' (22%), 'it's more up-to-date' (21%), 'the quality isn't noticeably different' (20%), 'there is no physical version available' (20%), and 'not available in Australia yet' (19%).

Table 6.1.2: Motivations for not downloading content online

	2016 (2015)
Base: All with internet access who have not downloaded any of the four content types in the past 3 months	**1,117** (1,131)
I'm not interested	55% (55%)
I'm not sure how to do it	34% (34%)
I prefer to have a physical copy	30% (29%)
Too busy no time*	**26%** (1%)
I fear they may have viruses / malware / spyware	**26%** (30%)
I'm unaware of the download services available	22% (21%)
I prefer to stream / access (without downloading)	20% (19%)
I fear that they may be unlawful#	**18%** (22%)
It is easier to buy physical copies	17% (18%)
Physical copies are more flexible	16% (14%)
They are too expensive	**15%** (12%)
I don't own a computer /device capable of downloading	**12%** (8%)
The quality is not as good	7% (8%)
I do not have a credit / debit card	**7%** (5%)

* Please note these are new response options in 2016 (in 2015, they were mentioned spontaneously)
# In 2015, this response option referred to 'illegal' rather than 'unlawful'

- Amongst those with internet access who had not downloaded any of the four content types in the last 3 months, the most common reason for not downloading files was a simple lack of interest (55% in both 2016 and 2015), and this was most commonly mentioned by those aged 55+ (61%).
- One-third of those who said they had not downloaded any files said this was due to a lack of knowledge of how to download content online (34% in both 2016 and 2015). Lack of knowledge continued to be a bigger barrier for older internet users (mentioned by 46% of those aged 55+), but in 2016 was no bigger barrier for females than for males. A similar reason, mentioned by 2 in 10, was a lack of awareness of the download

services available (22% in 2016, 21% in 2015), which was again most mentioned by older internet users (27% of those aged 55+).

- Another 3 in 10 of those who had not downloaded any of the four content types in the last 3 months said this was because they "prefer to have a physical copy" (30% in 2016 and 29% in 2015), with those aged 55+ (34%) most likely to select this option.
- Around one-quarter (26%) said their reason for not downloading content was they are "too busy, no time", increasing from 1% in 2015 (when it was not a pre-coded response option). Lack of time was most likely to be mentioned by 25-54 year olds (peaking at 36% for 25-34 year olds).
- Another quarter of respondents were concerned about viruses, malware or spyware, a proportion that declined significantly from 30% in 2015 to 26% in 2016. A preference for streaming services without downloading was mentioned by 20% of respondents in 2016, a similar proportion to 2015 (19%), and was most commonly mentioned by 16-34 year olds (peaking at 35% for 25-34 year olds). A fear that downloading could be unlawful was mentioned by 18% of respondents in 2016, which was significantly lower than the 22% who mentioned this in 2015.

Table 6.1.3: Motivations for sharing content online

	2016 (2015)
Base: All who had shared any of the four content types of interest in the past 3 months	**285** (260)
My friends / family can't access files themselves	40% (34%)
It's easy to do	37% (44%)
I should be able to share my content with whomever I choose	30% (29%)
It's only fair	29% (36%)
It's what everyone does	28% (29%)
Unless I share content, I can't download other files myself	10% (12%)

- Amongst those who had shared files, the top reason was that their "friends/ family can't access the files themselves" (40% in 2016 and 34% in 2015), followed by "it's easy to do" (37% in 2016 and 44% in 2015), each mentioned by around 4 in 10. Around 3 in 10 felt "I should be able to share my content with whomever I choose" (30% in 2016 and 29% in 2015), "It's only fair" (29% in 2016 and 36% in 2015) or "It's what everyone does" (28% in 2016 and 29% in 2015).

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) and the level of disagreement (strongly or slightly netted together). Results are shown among all those with internet access (aged 12+), and then among 'Any unlawful' infringers and '100% lawful' non-infringers (aggregated across all four core content types).

Table 6.2.1: Proportion who agree and disagree with statements

		All aged 12+ with internet access 2016	All aged 12+ with internet access 2015	**Any unlawful (infringers) 2016**	Any unlawful (infringers) 2015	**100% lawful (non-infringers) 2016**	100% lawful (non-infringers) 2015
Base: All internet users 12+		2,387	2,607	602	768	942	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)	Agree	73%	72%	75%	74%	81%	83%
	Disagree	9%	7%	5%	5%	7%	5%
It is wrong to access content online without the creators / artists permission	Agree	64%	59%	52%	42%	67%	66%
	Disagree	12%	13%	15%	21%	12%	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	Agree	63%	58%	56%	49%	68%	66%
	Disagree	9%	9%	10%	12%	10%	8%
If you had paid for a digital file you should then be able to share it with others	Agree	54%	48%	58%	53%	54%	54%
	Disagree	22%	21%	13%	16%	25%	22%
It is easy to find content on the internet for free that would usually be paid for	Agree	48%	45%	67%	63%	49%	45%
	Disagree	16%	15%	9%	11%	18%	20%
I think that you should be able to download or access the content you want for free from the internet	Agree	42%	42%	54%	53%	39%	40%
	Disagree	30%	28%	18%	16%	37%	34%
The price that you pay to download or access content online is generally about right	Agree	35%	28%	37%	27%	41%	37%
	Disagree	22%	26%	30%	36%	27%	28%
I find it difficult to find lawful content online#	Agree	26%	25%	41%	33%	22%	23%
	Disagree	33%	28%	24%	29%	46%	40%

In 2015, this statement referred to ‘legal’ rather than ‘lawful’

Attitudes towards price and payment of online content

- 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’: three-quarters (73% in 2016 and 72% in 2015) agreed with this. However, there was an increase in the proportion of internet users who disagreed with this statement from 7% disagreement in 2015 up to 9% disagreement in 2016. ‘Non-infringers’ reflected stronger levels of agreement (81% in 2016 and 83% in 2015) with this statement as compared with ‘infringers’ (75% in 2016 and 74% in 2015).
- In 2016 there was a significant increase in the proportion of all internet users who agreed that ‘The price that you pay to download or access content online is generally about right’, up from 28% in 2015 to 35% in 2016. It follows that 2016 also reflected significantly lower levels of disagreement with the statement as compared with 2015 (22% in 2016 versus 26% in 2015). These differences have been driven by a change in attitudes amongst ‘infringers’, with agreement up from 27% in 2015 to 37% in 2016 and disagreement down from 36% in 2015 to 30% in 2016.
- There was little change between 2015 and 2016 in attitudes towards ‘I think that you should be able to download or access the content you want for free from the internet’, and agreement with the statement remains relatively polarising: a comparable 42% of all internet users agreed with the statement in both 2016 and 2015, and disagreement was at 30% in 2016 and 28% in 2015. It follows that ‘infringers’ were more likely to agree with the statement (54% in 2016 and 53% in 2015) than ‘non-infringers’ (39% in 2016 and 40% in 2015).

Morality of accessing and sharing content without permission

- The 2016 results reflected an overall strengthening in morality about downloading content, as reflected by a significant increase in agreement with ‘It is wrong to access content online without the creators / artists permission’ from 59% in 2015 to 64% in 2016. Agreement with this statement particularly strengthened amongst ‘infringers’ (from 42% in 2015, up to 52% in 2016), whereas agreement amongst ‘non-infringers’ remained at around two-thirds in both 2016 and 2015 (67% and 66% respectively). Females (67%) and those aged 55+ (73%) were also particularly likely to agree with the statement, which matched findings from 2015.
- In 2016 there was a significant increase amongst internet users in agreement with ‘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’ from 58% in 2015, up to 63% in 2016. While agreement with this statement was stronger amongst ‘non-infringers’ (68% in 2016 and 66% in 2015) as compared with

'infringers', 2016 saw a significant increase in agreement with this statement amongst 'infringers' (from 49% in 2015 up to 56% in 2016). As in 2015, in 2016 those aged 45-54 (67%) or 55+ (70%) were most likely to agree with the statement.

- On the flip side, 2016 also saw a significant increase in agreement with 'If you had paid for a digital file you should then be able to share it with others', from 48% in 2015 up to 54% in 2016.

Efficacy of accessing online content

- Overall just under half of all internet users agreed that 'It is easy to find content on the internet for free that would usually be paid for'. Agreement with this statement increased significantly from 45% in 2015 up to 48% in 2016. Agreement with this statement remained higher amongst 'infringers' (67% in 2016 and 63% in 2015), as compared with 'non-infringers' (49% in 2016 and 45% in 2015). As in 2015, in 2016 males were more likely than females to indicate that it is easy (52% compared with 43%).
- The statement 'I find it difficult to find lawful content online' was polarising, and also subject to large variations between 'infringers' and 'non-infringers'. Amongst all internet users in 2016, 26% agreed with the statement (comparable to the 25% result from 2015), and 33% disagreed, which was a significant increase from the 2015 result of 28% disagreement. In 2016 a significantly higher proportion of 'infringers' agreed with the statement (41%) than did so in 2015 (33%), whereas amongst 'non-infringers' there was a significant increase in disagreement from 40% in 2015 up to 46% in 2016. Under 35s, and in particular 25-34s (35%) were particularly likely to agree that they find it difficult to find lawful content online.

6.3 Motivations for lawful and unlawful behaviour

Further questions on attitudes were asked in order to assess the primary motivations for lawful and unlawful 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 unlawful – 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 2016	Any paid 2015	**Any unlawful (infringers) 2016**	Any unlawful (infringers) 2015	**100% lawful (non-infringers) 2016**	100% lawful (non-infringers) 2015
Base: All who had paid for content	**894**	896	**353**	414	**541**	482
It's easier / more convenient	50%	50%	46%	47%	52%	52%
It's quicker	39%	41%	**35%**	43%	41%	40%
I want to support creators / industry	**37%**	43%	29%	33%	**41%**	50%
I don't want to use sites providing unlawful content#	37%	40%	24%	25%	**45%**	52%
They are better quality	31%	28%	35%	30%	29%	27%
I think it's morally wrong to use sites providing unlawful content#	30%	33%	20%	18%	**36%**	44%
I fear they may have viruses / malware / spyware	28%	32%	24%	20%	**31%**	40%
I can afford to pay	26%	28%	22%	23%	28%	31%
I prefer to pay	22%	24%	16%	16%	26%	29%
I don't think it is right to get them for free	22%	20%	14%	10%	28%	27%
I fear I might be caught	17%	16%	17%	12%	18%	18%
I'm unaware of the free services available	15%	13%	8%	8%	19%	17%
I don't know how to use the free services	12%	13%	7%	8%	16%	17%

In 2015, these response options referred to 'illegal sites' rather than 'sites providing unlawful content'

- The most commonly cited reason for using paid services was "ease/convenience" – this was stated by half of all who had used paid services (50%) in both 2016 and 2015. Those who had consumed unlawful content were slightly less motivated than those who consumed only lawful content by the convenience (46% agreement amongst 'infringers' compared with 52% agreement amongst 'non-infringers').
- The next most common reasons for using paid services, each cited by around 4 in 10, were that "it's quicker" (39% in 2016 and 41% in 2015), 'I want to support creators / industry' (down from 43% in 2015 to 37% in 2016), and 'I don't want to use sites providing unlawful content' (37% in 2016 and 40% in 2015). There was a significant decline in agreement with about speed amongst 'infringers' (from 43% in 2015 to 35% in 2016), and significant declines in agreement about supporting the industry (from 50% to 41%) and not wanting to use sites providing unlawful content (from 52% to 45%) amongst 'non-infringers'. 'Infringers' are less likely than 'non-infringers' to be concerned about supporting the industry or using such sites.
- 3 in 10 of those using paid services thought they are better quality (31% in 2016 and 28% in 2015), that it is morally wrong to use sites providing unlawful content (30% in 2016 and 33% in 2015), or that free services may have viruses/malware/spyware (28% in 2016 and 32% in 2015). Whilst 'infringers' recognised the quality of paid services, they were less likely than 'non-infringers' to be concerned about morality or viruses, despite lower levels of mentions of these two reasons amongst 'non-infringers' in 2016 than in 2015.

Respondents who indicated that they had infringed were asked what their personal reasons were for consuming content unlawfully. The main reasons given for unlawful consumption of content online among the lawfulness groups were as follows:

Table 6.3.2: Motivations for unlawful consumption of content online

	Any unlawful 2016	Any unlawful 2015	**100% unlawful 2016**	100% unlawful 2015	**Mix of lawful and unlawful 2016**	Mix of lawful and unlawful 2015
Base: All who have consumed content unlawfully	516	691	143	190	373	489
It's free	52%	55%	48%	54%	54%	58%
It's easy / convenient	**44%**	51%	**38%**	49%	**46%**	53%
It's quick	41%	45%	37%	44%	42%	47%

	Any unlawful 2016	Any unlawful 2015	100% unlawful 2016	100% unlawful 2015	Mix of lawful and unlawful 2016	Mix of lawful and unlawful 2015
I think lawful content is too expensive#	26%	30%	**19%**	30%	28%	32%
It means I can try something before I buy it	**24%**	35%	**11%**	27%	**28%**	38%
I can't afford to pay	23%	23%	**15%**	24%	25%	23%
Because I can	22%	24%	18%	22%	24%	25%
The files I want are not available on lawful services#	19%	19%	**6%**	13%	23%	22%
It's what my friends or family do	18%	16%	10%	16%	21%	17%
I don't want to wait for content to become available on lawful services#	17%	21%	**8%**	19%	20%	23%
I've already paid to see it / them at the cinema / in concert, etc.	16%	17%	7%	13%	19%	19%
I didn't realise it was unlawful*	**13%**	1%	**14%**	2%	**13%**	1%
The industry makes too much money	12%	15%	10%	14%	13%	15%
I already owned content in another format	11%	12%	5%	6%	13%	15%
I already spend enough on content	**10%**	14%	4%	12%	12%	16%
I don't think I should have to pay for files online	**6%**	10%	**4%**	17%	6%	8%
No one suffers	6%	6%	4%	6%	6%	7%
No one ever gets caught	4%	5%	4%	6%	4%	5%
Mean number of reasons cited (if give any)	4	4	3	4	4	4

* Please note these are new response options in 2016 (in 2015, they were mentioned spontaneously)
# In 2015, these response options referred to 'legal' rather than 'lawful'

- Overall, the top motivator for unlawful consumption of content online was because 'it's free' (52% in 2016 and 55% in 2015), with little difference in likelihood of selection between '100% unlawful' users and 'mixed' users.
- 'It's easy / convenient' was the second most common reason for unlawful consumption of online content. However, there was a significant decline in citing of this response amongst respondents who had consumed 'any unlawful' content from 51% in 2015 down to 44% in 2016. This significant decline was evident across both those consuming '100% unlawful' content (down from 49% in 2015 to 38% in 2016), and those consuming a 'mix' of content (down from 53% in 2015 to 46% in 2016).
- Around 4 in 10 (41% in 2016 and 45% in 2015) respondents who had consumed 'any unlawful' content were motivated to engage in unlawful consumption because 'It's quick', with those consuming '100% unlawful' content somewhat less likely to select this response (37% in 2016).
- Around one-quarter (26% in 2016 and 30% in 2015) of those consuming 'any unlawful' content did so because they believe lawful content is too expensive, although '100% unlawful' respondents were less likely to select this in 2016 (19%) than in 2015 (30%).
- There was a significant decline in respondents indicating they consume content unlawfully because it means they can try something before they buy it, from 35% agreement in 2015 down to 24% in 2016. This decline in agreement was largely driven by '100% unlawful' respondents, whereby only 11% selected the response in 2016, as compared with 27% in 2015. It was also less commonly selected by 'mixed' respondents (down from 38% in 2015 to 28% in 2016).
- The one reason which saw a significant increase was not realising the activity was unlawful, which increased from 1% in 2015 (when not a pre-coded response) to 13% in 2016.
- 16-24 year olds gave the most reasons for using unlawful services, averaging nearly 5, whereas those aged 55+ gave on average fewer than 3 reasons.
- Infringers were also asked which, if any, from a range of options would make them stop consuming files unlawfully. The main reasons given that would encourage infringers to stop downloading or streaming files unlawfully were as follows:

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

	Any unlawful 2016	Any unlawful 2015	**100% unlawful 2016**	100% unlawful 2015	**Mix of lawful and unlawful 2016**	Mix of lawful and unlawful 2015
Base: All who consumed content unlawfully	516	691	143	190	373	489
If lawful services were cheaper#	43%	39%	33%	35%	46%	42%
If everything I wanted was available lawfully online as soon as it was released elsewhere#	35%	36%	**15%**	30%	41%	39%
If everything I wanted was available lawfully#	**31%**	38%	**19%**	29%	**36%**	43%
If lawful services were convenient / flexible#	30%	26%	17%	23%	34%	29%
If lawful services were better#	**27%**	22%	15%	18%	**31%**	24%
If it is clearer what is lawful and what isn't#	25%	25%	20%	23%	27%	25%
If a subscription service I was interested in became available	24%	26%	14%	20%	27%	30%
If I thought I might be caught	23%	20%	17%	21%	26%	21%
If I thought I might be sued	21%	23%	17%	23%	22%	24%
If my ISP sent me a letter informing me my account had been used to infringe	18%	17%	11%	15%	21%	19%
If I knew where to go to see if something was unlawful or not#	18%	14%	8%	11%	**22%**	16%
If everyone else stopped doing it	16%	14%	13%	15%	17%	15%
If there were articles in the media about people being caught	12%	9%	9%	10%	**14%**	9%
Nothing would make me stop	6%	5%	10%	10%	4%	4%
Average number of reasons cited	**3**	**4**	**2**	**3**	**4**	**4**

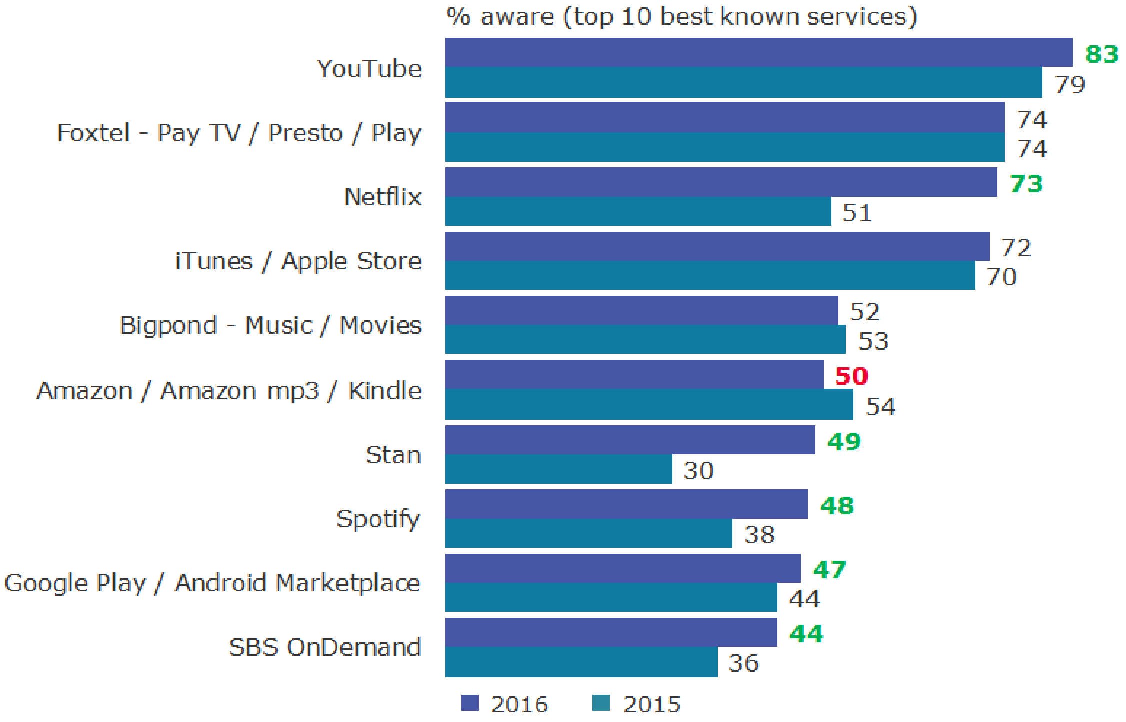
In 2015, these response options referred to 'illegal' or 'legal' rather than 'unlawful' or 'lawful'

- The top aspect that would encourage consumers to stop the consumption of unlawful content was the price of lawful services. Around 4 in 10 (43% in 2016 and 39% in 2016) of those who had consumed 'any unlawful' content indicated they would be encouraged to stop 'If lawful services were cheaper'. Selection of this factor was lowest amongst those who consume '100% unlawful content' (33% in 2016 and 35% in 2015), and highest amongst 'mixed' consumers (46% in 2016 and 42% in 2015).
- Issues around availability were next most pertinent for respondents consuming 'any unlawful' online content, namely being able to lawfully gain access to content as soon as it was released. Just over one-third (35% in 2016 and 36% in 2015) indicated they would be encouraged to stop using unlawful content 'If everything I wanted was available lawfully online as soon as it was released elsewhere'. '100% unlawful' consumers were significantly less likely than 'mixed' consumers to select this response, having dropped from 30% in 2015 down to 15% agreement in 2016.
- Similarly, 3 in 10 indicated they would be less likely to consume content unlawfully if everything they wanted was available lawfully, although the proportion mentioning this declined significantly in 2016, from 38% in 2015 down to 31%. This was driven by significant declines amongst both '100% unlawful' respondents (from 29% in 2015 to 19% in 2016) and 'mixed' respondents (from 43% in 2015 to 36% in 2016).
- The fourth most popular 'motivator' to stop consuming unlawful online content was 'If lawful services were convenient / flexible', selected by 30% of unlawful consumers in 2016, which was slightly higher than 26% in 2015. Those consuming '100% unlawful' were least likely to be encouraged by convenience and flexibility of lawful services (17%compared with 34% of those consuming a 'mix of lawful and unlawful' content).
- The motivating power of lawful services simply 'being better' increased significantly in 2016 (27%) from 2015 (22%) amongst those consuming 'any unlawful' content; this increase in 2016 was driven by those consuming a 'mix of lawful and unlawful content' (31% as compared with 24% in 2015).
- There was a small proportion of respondents who claimed 'nothing would make me stop' (6% in 2016, 5% in 2015), which was highest amongst '100% unlawful' respondents (10% in 2016 and 2015), and lowest amongst 'mixed' respondents (4% in 2016 and 2015).

6.4 Awareness of licensed online sites or services

The following chart shows prompted awareness of sites or services offering licenced/lawful access to 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+: 2016 n=2,387; 2015 n=2,607

- The three best known online services for downloading, streaming or sharing content were YouTube (whose awareness significantly increased from 79% in 2015 to 83% in 2016), Foxtel Presto/Play (74% in both 2016 and 2015) and Netflix (whose awareness increased significantly from 51% in 2015 to 73% in 2016). Increased awareness of Netflix pushed iTunes/Apple down to fourth place, despite virtually no change in awareness of this service (72% in 2016 and 70% 2015), with the four best known services each known by at least 7 in 10 people with internet access.
- A further six online services were known by around half of people with internet access: Bigpond (52% 2016, 53% 2015); Amazon (50% in 2016, significantly lower than 54% in 2015); Stan (49% in 2016, significantly higher than 30% in 2015); Spotify (48% in 2016, significantly higher than 38% in 2015); Google Play (47% in 2016, significantly higher than 44% in 2015); and SBS OnDemand (44% in 2016, significantly higher than 36% in 2015)

- On average, internet users were aware of 11 of the services they were prompted with, an increase from 10 in 2015, reflecting much higher awareness levels for Netflix, Stan and Spotify. This ranged from 13 services for 16-24 year olds down to 10 services for those aged 55+. Those who consumed 100% of their content unlawfully also had relatively low awareness of licenced sites, averaging 8 services.
- Awareness of Netflix has increased since 2015 across all ages and genders, but particularly for females (up from 49% to 75% and now higher than for males), those aged 45-54 (up from 48% to 79%) and those aged 55+ (up from 37% to 68%). However, awareness remains highest amongst 16-24 year olds (81%).
- Awareness of Stan and Spotify has also increased since 2015 across all ages and genders, with awareness amongst females now equal to that for males (up from 25% to 48% for Stan and up from 36% to 48% for Spotify).

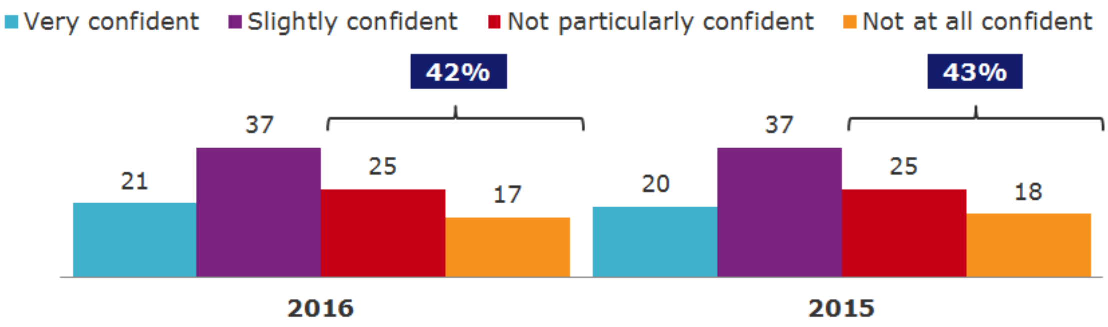
6.5 Confidence in knowing what is and isn't lawful online

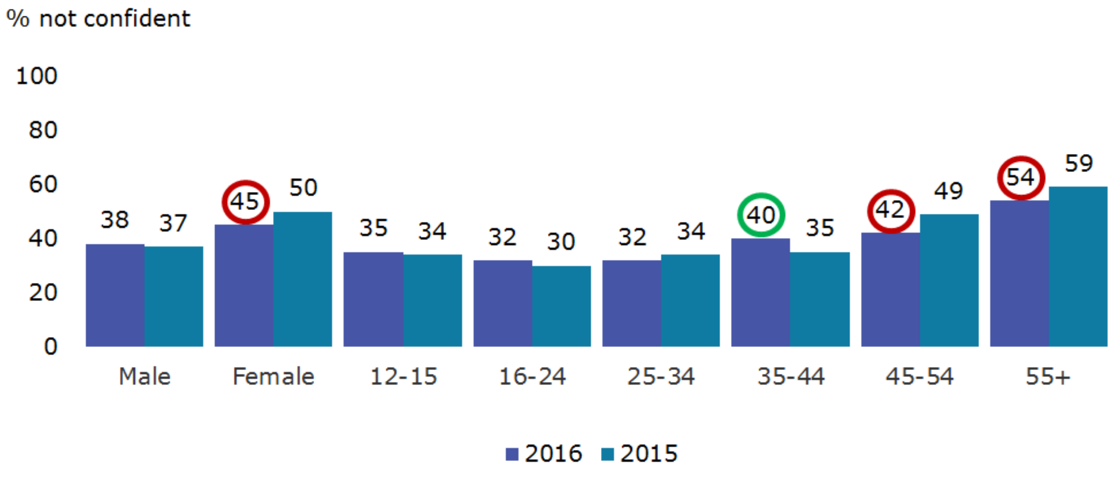
Respondents with internet access were also asked the following question:

How confident are you that you know what is lawful 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 lawful online





Base: Internet users aged 12+: 2016 n=2,387; 2015 n=2,607

Note: Green circles indicate significantly higher. Red circles indicate significantly lower.

- Overall, below half (42% in 2016 and 43% in 2015) 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 lawful online, with stated knowledge almost exactly mirroring the 2015 results.
- There were lower levels of confidence among females (45% not confident) than males (38%), although the proportion of females who were not confident fell significantly from 50% in 2015 to 45% in 2016,

compared with 37% of males). There was a trend towards lower levels of confidence with an increase in age, with 35% of 12-15 year olds and 32% of 16-24 year olds rating themselves as not confident compared with 42% of 45-54 year olds and 54% of those aged 55+. However, levels of confidence have been increasing amongst those aged 45+: In 2015 49% of 45-54 year olds and 59% of those aged 55+ were not confident.

Finally, respondents were asked an open-ended question in order to gauge what they perceived as being lawful 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 that the content was lawful?

In 2016, the top response spontaneously mentioned was the importance of a **'Trusted brand / reputable organisation / trusted site / highly respected / lawful / legitimate websites'** brand; 15% of all those with internet access spontaneously mentioned this as being the primary indicator of a lawful online service.

For example:

> *"Coming from a reputable brand plays a big part in trusting them"*
>
> *"I assume most of the content on reputable provider's sites is lawful. For example, YouTube has a very sophisticated data checking system and often takes down content which doesn't have permissions."*

Another 11% of respondents in 2016 spontaneously mentioned the similar indictor of a lawful online service being a **'well known/ recognised site/ popular brand'**

In 2015, these two codes were merged as **well-known/trusted** brand, and counted for a total of 21% mentions.

For example:

> *"It is a big, well-known, well-established, old, internationally recognised brand name."*
>
> *"Well-known companies such as Netflix or Stan are all I would use. Both big companies with good reputations so I would assume they would abide by the law."*
>
> *"Well known established companies with a good history."*

The next most commonly mentioned indictor of lawful service were the **'Terms and conditions / legal statements / legal documents / disclaimers / warnings / privacy statements / stating that it is'**, as spontaneously mentioned by 12% of respondents in 2016.

In 2015 there were two separate codes relating to the above; firstly **'Legal statement/disclaimers'** (10% mentioned this in 2015), and secondly **'Site information/fine print/terms and conditions'** (4% mentioned this in 2015).

For example:

> *"Communications at the start that this was a lawful website to download from with permission from the correct person."*
>
> *"There is a trusted guarantee and certificate of authority on the website guaranteeing that the content was lawful."*
>
> *"A statement that explains clearly that you are lawfully downloading or accessing the content. A statement that can be saved and kept as evidence, should there be a problem."*
>
> *"Having to pay for the service / paid services / subscription / interested parties being paid' also directly signified lawfulness to a number of people in both 2016 (10%) and 2015 (8%)."*

For example:

> *"If you pay for the services it generally means that you are able to legally watch it"*
>
> *"There is a fee associated with accessing / downloading the content."*
>
> *"I prefer to use Netflix to watch movies and pay a subscription fee as the quality is good and I'm not into collecting movies for my personal archive. I would be wary of any sites that offer the service for free."*

7. Appendix

7.1 Key considerations for methodological design

Key considerations

The methodology for the 2016 consumer survey replicated that employed in the 2015 consumer survey, since a key objective and primary focus of the 2016 consumer survey is to be able to compare results between the first and second surveys in order to understand to what extent consumption and attitudes have changed.

Three key considerations, highlighted in the UK methodological study[4], shaped our methodological design for the 2015 consumer survey. These considerations are outlined in detail below.

1. **Researching unlawful behaviour and obtaining honest responses**

Measuring online 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 unlawful.

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 unlawful 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 source for ongoing monitoring of online copyright infringement behaviours.

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[4] 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 size because it is more cost effective. It also provides a higher incidence of high-frequency internet users, key to quantification for any questions on unlawful 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 report[5] 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).

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

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[5] Kantar Media, 2010, Illegal File-Sharing Pilot Survey Report. Ofcom.

- 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.

7.2 Methodological approach in detail

Questionnaire design

The 2015 questionnaires were used as the basis for the 2016 online and CATI surveys, incorporating any agreed changes while ensuring the two versions maintained the same content as each other, and did not exceed 25 minutes in length. The questionnaire changes made for the 2016 survey are outlined in Section 2.4 of this report.

The 2016 questionnaire followed the same order as in 2015 with 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

Table 7.2.1: Fieldwork summary

	2015			2016		
Fieldwork dates	25 March – 13 April			4-21 March		
Methodology	Online	CATI	Total	Online	CATI	Total
Total aged 12+	n=2,227	n=403	n=2,630	n=2,005	n=400	n=2,405
12-15 year olds	n=145	-	n=145	n=177	-	n=177
Aged 16+	n=2,082	n=403	n=2,485	n=1,828	n=400	n=2,228
Interview length	22min	24min	-	14min	20min	-

A total of n=2,405 interviews were undertaken in 2016 with the target audience for this study – all people aged 12+ in Australia. This compared with n=2,630 interviews in 2015.

Online interviewing took place using an online panel. TNS subcontracted sourcing of the online respondents for the 2016 project to a different online panel. Following a takeover of the 2015 online panel by another organisation in mid-2015 and changes to their sampling methods, a different online panel was used for the 2016 project in order to achieve a consistently representative sample.

A total of n=2,005 12+ interviews were achieved online in 2016 (compare with n=2,227 interviews in 2015), with n=1,828 from people aged 16+ and n=177 from people aged 12–15 year olds. The average length of the interview was 14 minutes, somewhat shorter than the 25 minutes allowed for. All online respondents were incentivised with a reward of $2.50, which is the standard incentive provided by the online panel provider for interviews of 20-25 minutes.

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 a full service resource supplier to the market research industry, as done in 2015. TNS provided a telephone briefing to interviewers on the project requirements prior to fieldwork commencement. A total of n=400 telephone interviews were achieved through this approach. The questionnaire was, on average, 20 minutes long, somewhat shorter than the 25 minutes allowed for. A $10 Coles-Myer gift card was provided to each respondent in line with the AMSRS guidelines that state that CATI interviews over 20 minutes require an incentive.

Timing

As in 2015, 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.

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. In 2016 the pilot surveys ran on 3 March 2016. Data from the pilot was included in the final survey data as the questionnaire did not need to be amended following the pilot. Online fieldwork then took place between 4 March and 15 March 2016 and CATI fieldwork took place between 4 March and 21 March 2016.

The 2016 surveys were run at the same time of year as the 2015 study, allowing the findings from the two studies to be directly comparable against one another.

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 7.2.2: Sampling frame for research

Age group	Year	% of pop. who access the internet	% of internet users using daily	% of pop. using internet daily	% of 12+ Australia population	Total target sample	Online target sample	CATI target sample
12-15	**2016**	No data available but likely to be similar to 16-24			6%	145	145	0
	2015	No data available but likely to be similar to 16-24			6%	145	145	0
16-24	**2016**	98%	81%	79%	14%	345	305	40
	2015	96%	81%	78%	14%	345	305	40
25-34	**2016**	96%	82%	79%	17%	380	340	40
	2015	96%	82%	79%	16%	380	340	40
35-44	**2016**	94%	81%	76%	16%	410	370	40
	2015	94%	81%	76%	17%	410	370	40
45-54	**2016**	87%	75%	65%	15%	380	340	40
	2015	89%	75%	67%	16%	380	340	40
55-64	**2016**	81%	71%	58%	14%	340	270	70
	2015	78%	71%	55%	14%	340	270	70
65+	**2016**	51%	56%	29%	18%	400	230	170
	2015	46%	56%	26%	17%	400	230	170
TOTAL	**2016**	-	-	-	-	2,400	2,000	400
	2015	-	-	-	-	2,400	2,000	400

Within the target sample for each age group, it was ensured that a reasonable balance of males and females was achieved. Separate targets were set for state/territory in line with each state or territory's proportion of the total Australian population.

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 online panel provider. 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 targeting households with a higher likelihood of containing an infrequent internet user. 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 and the representativeness of the sample.

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 using figures from the most recent estimated resident population release (in the case of 2016, the 30 June 2015 figures) 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 2014-15 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. In 2016 the weighting efficiency was 74.0% (maximum weight 4.15; minimum weight 0.37), which is a respectable proportion (and similar to the 2015 efficiency), 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 7.2.3: Unweighted and weighted achieved sample

Variable	**Year**	**Unweighted**		**Weighted**	
		n	**%**	**n**	**%**
Gender					
Male	**2016**	1,143	48	1,190	50
	2015	1,318	50	1,323	50
Female	**2016**	1,262	52	1,215	50
	2015	1,312	50	1,307	50
Internet usage within age					
12-15	**2016**	177	7	144	6
	2015	145	6	158	6
16-24 daily use	**2016**	326	14	265	11
	2015	340	13	289	11

Variable	Year	Unweighted		Weighted	
16-24 non-daily use	**2016**	31	1	72	3
	2015	30	1	79	3
25-34 daily use	**2016**	328	14	313	13
	2015	489	19	342	13
25-34 non-daily use	**2016**	34	1	96	4
	2015	30	1	79	3
35-44 daily use	**2016**	327	14	289	12
	2015	520	20	342	13
35-44 non-daily use	**2016**	29	1	96	4
	2015	41	2	105	4
45-54 daily use	**2016**	322	13	241	10
	2015	293	11	289	11
45-54 non-daily use	**2016**	32	1	120	5
	2015	40	2	131	5
55-64 daily use	**2016**	285	12	192	8
	2015	239	9	210	8
55-64 non-daily use	**2016**	96	4	144	6
	2015	82	3	158	6
65+ daily use	**2016**	240	10	120	5
	2015	201	8	105	4
65+ non-daily use	**2016**	178	7	313	13

Variable	Year	Unweighted		Weighted	
	2015	180	7	342	13
State/Territory					
NSW	**2016**	758	32	773	32
	2015	882	34	842	32
VIC	**2016**	592	25	604	25
	2015	648	25	653	25
QLD	**2016**	494	21	479	20
	2015	516	20	529	20
SA	**2016**	169	7	173	7
	2015	182	7	190	7
WA	**2016**	263	11	260	11
	2015	267	10	287	11
ACT	**2016**	48	2	39	2
	2015	57	2	43	2
TAS	**2016**	57	2	53	2
	2015	54	2	58	2
NT	**2016**	24	1	24	1
	2015	24	1	27	1

This report includes some figures grossing up levels of online activity to the Australian population level. ABS data from June 2015 was used for the 2016 calculations, at which point in time the Australian population age 12+ was estimated to be 20,150,943. For the 2015 calculations, ABS data was taken from June 2014, at which point in time the Australian population age 12+ was estimated to be 19,912,473.