

Online Media Use in Australia 2007- 2011

Submission to the Independent Media Inquiry

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Introduction

This submission presents findings relevant to the Inquiry's terms of reference from three surveys of the Australian component of the World Internet Project (WIP). This is a project of the ARC Centre of Excellence for Creative Industries and Innovation located at the Institute for Social Research, Swinburne University of Technology.

WIP is a collaborative survey-based project looking at the social, political and economic impact of the Internet and other new technologies. Founded by the UCLA Center for the Digital Future in the United States in 1999 (now based at the USC Annenberg Center), the WIP now has over 30 partners in countries and regions all over the world, including Singapore, Italy, China, Japan, Hong Kong, Macao, Korea, Philippines, Sweden, Germany, Great Britain, Spain, Hungary, Canada, Chile and Argentina.

Surveys of 1000 Australians aged eighteen years or over were conducted in 2007, 2009 and 2011. The sample was a stratified random sample with three quota requirements – age (5 groups) x gender x location (capital city / balance), resulting in 20 quota groups. This year's survey was undertaken between 8th June and 6th July 2011.

This submission is intended to provide the Inquiry with the most recent data from our research. The data may be used with attribution as the Inquiry sees fit. We would also be happy to discuss the data and their implications further if that would be useful. For more information please contact Scott Ewing on (03 92145564) or by email sewing@swin.edu.au.

Social patterns of internet access and use

This section outlines some basic access and usage data from our three surveys. Table 1 is the proportion of Australian households with various digital technologies. This shows the quick take-up of broadband over the period of analysis. In 2007 56.9% of households had a broadband connection. This grew to three quarters in 2009 and 82.8% in 2011. Dial-up internet has all but disappeared with only 3.2% of households in 2011 with a connection of this type.

This table also illustrates the rise and rise of the laptop as a household technology. While desktop penetration remained almost constant over the period, the proportion of households with a laptop grew from 44.0% in 2007 to 72.5% by 2011. Wireless networks exhibited a similar pattern of growth. In 2007 just under a quarter of Australian households enjoyed a wireless network, by 2009 it was almost a half and by 2011 nearly two-thirds (63.0%).

We asked about a number of newer technologies in 2011 for the first time. We found that one in five households had a tablet device, 7.4% had a digital book reader and a further one in five had a television with a built-in internet connection.

Table 1 Household technologies, 2007, 2009 and 2011

	2007	2009	2011
Broadband	56.9	75.9	82.8
Dial up	16.6	4.7	3.2
No connection	26.0	18.5	12.1
Desktop	70.1	72.5	72.3
Laptop	44.0	59.6	72.5
Wireless network	24.2	49.4	63.0
Tablet	n/a	n/a	20.7
Handheld reader	n/a	n/a	7.4
TV with built-in internet connection	n/a	n/a	20.7

Source: CCI World Internet Project data

Our definition of an internet user, common across the WIP, is someone who has used the internet in the three months prior to interview. We found in our 2011 survey that the proportion of Australians aged 18 or more who were internet users had

grown to 86.8% (Table 2). This represented a 6.2 percentage point increase from 2009 (or 7.7% growth) and a 14.2 percentage point change from 2007.

The gap between men and women surprisingly increased from 2009 to 2011 with 89.1% of men and 84.7% of women online. This is surprising because the gap narrowed between 2007 and 2009 and we would have expected it to have all but disappeared in 2011.

The gap between those living in capital cities and non-capital cities was maintained in 2011 with 89.6% of those living in capital cities using the internet compared to 81.8% of those living outside capital cities.

In 2007 we found a sizeable difference in online rates between those Australians born overseas and those born in Australia. This gap has narrowed over the time period and now those born overseas are only slightly more likely to use the internet and the difference is not statistically significant (88.0% to 86.5%).

Looking across age groups, almost all respondents in the three younger groups use the internet. We had only one respondent aged 18-24 who did not use the internet in 2011. Online rates for those aged 25-34 were 97.7% and for those 35-49 it was 95.8%. This is not the case for the older two age brackets. Both have seen rapid increase over the period. The proportion of people aged 65 and over has almost doubled from 2007 to 2011 (29.8% to 56.7%) while for those aged 50-64 it has grown from 66.1% to 84.4%. It will be interesting to track these two groups over the next few years to see if this growth continues or there is a flattening out.

A similar pattern to age is seen with household income. Almost all those living households earning 60,000 or more use the internet. For those living in households on less than \$30,000 per annum, internet use has increased strongly over the period of analysis although there was much greater growth 2007 to 2009 (42.6% to 58.3% or 36.9% growth) than 2009 to 2011 (58.3% to 67.2% or 15.3% growth). For those in the next income group up there has been steady and more even growth from a much higher base (72.2% to 77.9% to 82.5%).

The vast majority of those employed or studying use the internet 2011 (96.1% and 100% respectively). Internet use amongst 'home makers' has increased steadily over the period, from 62.5% in 2007 to 79.2% by 2011. As would be expected, internet use amongst retired persons has grown rapidly but from a low base (29.8% in 2007 to 56.7% in 2011).

Internet use is strongly associated with education. By 2011 94.7% of those who had attended university were internet users. Seven out of ten respondents that finished high school and/or had undertaken vocational education were internet users

Table 2 Proportion using internet by selected characteristics, 2007, 2009 and 2011

	2007	2009	2011
Total population	72.6	80.6	86.8
Male	74.3	81.7	89.1
Female	70.9	79.5	84.7
Capital city	76.6	83.7	89.6
Non-capital city	65.4	75.1	81.8
Born in Australia	71.6	79.6	86.5
Born overseas	76.7	84.2	88.0
Age groups			
18-24	95.1	97.5	99.2
25-34	90.6	94.3	97.7
35-49	83.7	90.8	95.8
50-64	66.1	79.2	84.4
65+	29.8	40.0	56.7
Household income			
Less than \$30,000	42.6	58.3	67.2
\$30,000 to less than \$60,000	72.2	77.9	82.5
\$60,000 to less than \$100,000	85.8	90.5	95.9
\$100,000 and more	92.5	96.1	98.3
Employment status			
Employed	86.0	92.6	96.1
Student *	86.7	97.5	100.0
Home maker	62.5	77.6	79.2
Retired	37.9	48.2	60.2
Education status			
Didn't finish high school	47.5	63.2	72.8
Finished high school/vocational education	69.5	77.6	83.3
Attended university and higher	89.7	90.5	94.7

Source: CCI World Internet Project data

Our data suggests that internet use in Australia will approach 100% over the next decade. Internet use amongst those groups that have been slow to take up the technology such as older persons, those living in households on low incomes and lower educated Australians is still growing strongly. Usage among groups that have been early adopters is now at or very close to 100%. Usage in households that have a broadband connection and/or a wireless network is now around 95%. At the risk of over-simplification, we can say that non-use is now concentrated among those aged 65 and over, an important group of media consumers in Australia. It is also still possible that some proportion of current users of the internet may drop out as they age and leave the work-force; this will be an interesting phenomenon to keep track of in the coming few years.

News and information uses of the internet in Australia

This section of the paper deals with data on Australians' use of the internet for news and information.

Table 3 establishes how quickly and completely the internet has become the main source of news and information for Australians. By 2007 more than two thirds of internet users nominated the internet as an important or very important source of news. In 2009 this had grown to more than three quarters, compared to the next most nominated, newspapers with just under a half of respondents.

What is particularly striking is that four in ten users nominate the internet as a 'very important' source of news and information, three times as many as either radio or newspapers and more than four times as many as television.

Table 3 How important are the following media for news and information, internet users only, 2007, 2009 and 2011

		2007	2009	2011
Television	Important	24.1	28.8	29.9
	Very important	8.5	8.9	8.9
	Total	32.6	37.8	38.8
Newspapers	Important	32.9	28.4	31.0
	Very important	13.8	10.6	12.1
	Total	46.7	38.9	43.1
Radio	Important	31.4	29.9	35.8
	Very important	14.5	15.1	13.0
	Total	45.9	45.0	48.8
Internet	Important	31.9	32.2	35.8
	Very important	36.7	41.2	40.5
	Total	68.6	73.4	76.3

Source: CCI World Internet Project data

Table 4 presents data on people's use of the internet for a number of news and information related uses. This information is presented as both a proportion of internet users engaging in each activity and the proportion of the total population. The latter takes into account the growth in the internet population over the time to provide an indication of the total growth for each activity.

All activities experienced growth in participation over the period. In 2011, two thirds of internet users looked for news about their local community online while three quarters searched for national and international news. More than eight in ten users checked weather forecasts online.

When we look at the proportion of the population looking for news and information online we see that there is even stronger growth but from a lower base. Taking national news as an example, in 2007 less than half of Australians were using the internet for this purpose (47.7%). By 2009 this had grown to six in ten and by 2011 it had reached two thirds of the population.

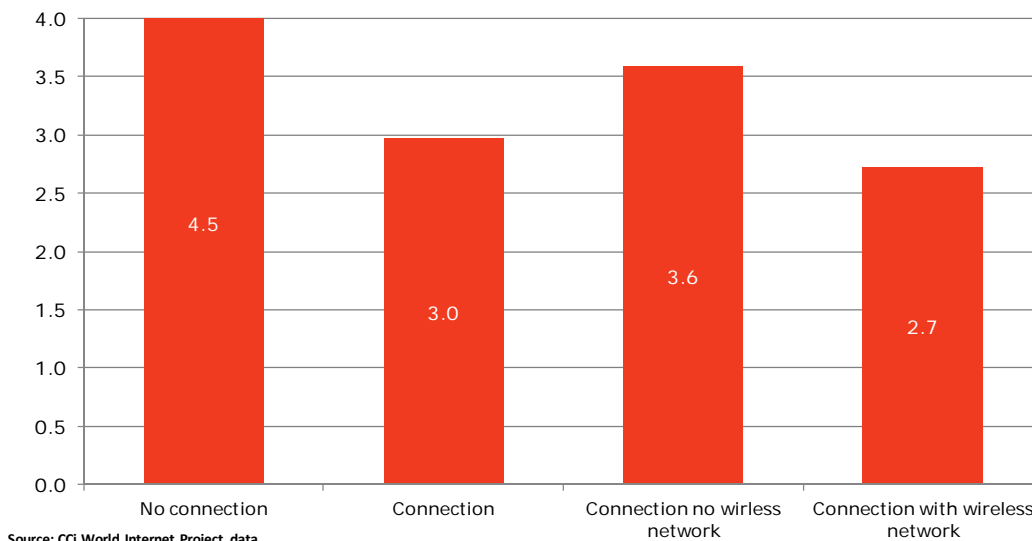
Table 4 News and information related uses of the internet, 2007, 2009 and 2011

	Proportion of internet population			Proportion of total population		
	2007	2009	2011	2007	2009	2011
Look for local news	56.8	65.8	66.1	41.2	53.0	57.4
Look for national news	65.7	73.3	76.4	47.7	59.1	66.3
Look for international news	64.1	69.9	74.7	46.5	56.3	64.8
Check weather	62.6	73.8	81.1	45.4	59.5	70.4

Source: CCI World Internet Project data

The relationship between online and offline news and information gathering is an important issue for the inquiry. Figure 1 presents mean time spent reading a newspaper weekly by home internet connectivity. Those people living in a household without an internet connection spend on average 50% more time reading a newspaper each week (four and a half hours to three hours). If the household has a wireless network, time spent reading a newspaper drops further to around two hours and forty minutes. Those living in a household with an internet connection but no wireless network spend more than three and a half hours reading a newspaper each week.

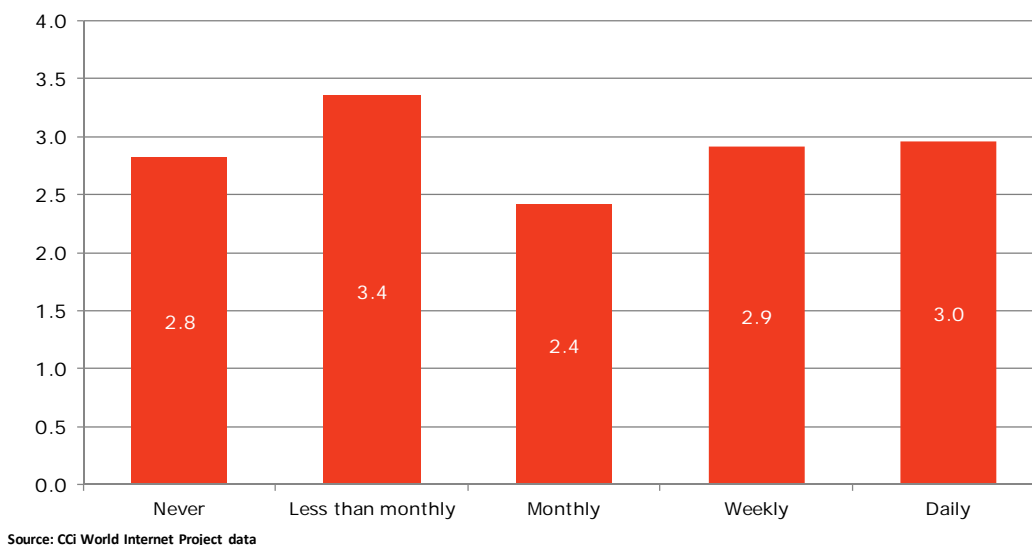
Figure 1 Mean time spent reading a newspaper (hours per week) by home connectivity



Source: CCI World Internet Project data

Figure 2 presents information on the relationship between time spent reading a newspaper (offline) and frequency of visiting news site operated by a professional news organisation. People who never visit an official news site spend on average around two hours and fifty minutes a week reading newspapers. Those that visit one less than monthly spend the most time reading offline newspapers (three hours and twenty five minutes). Those that visit a professional news site monthly spend the least time at just under two and a half hours. an hour less a week reading newspapers while those visiting weekly spend just less than three hours. Those that are visiting weekly and daily spend more time reading hard copy newspapers as those that never visit official news sites.

Figure 2 Mean time spent reading a newspaper (hours per week) by frequency of visiting 'official' news site, internet users only.



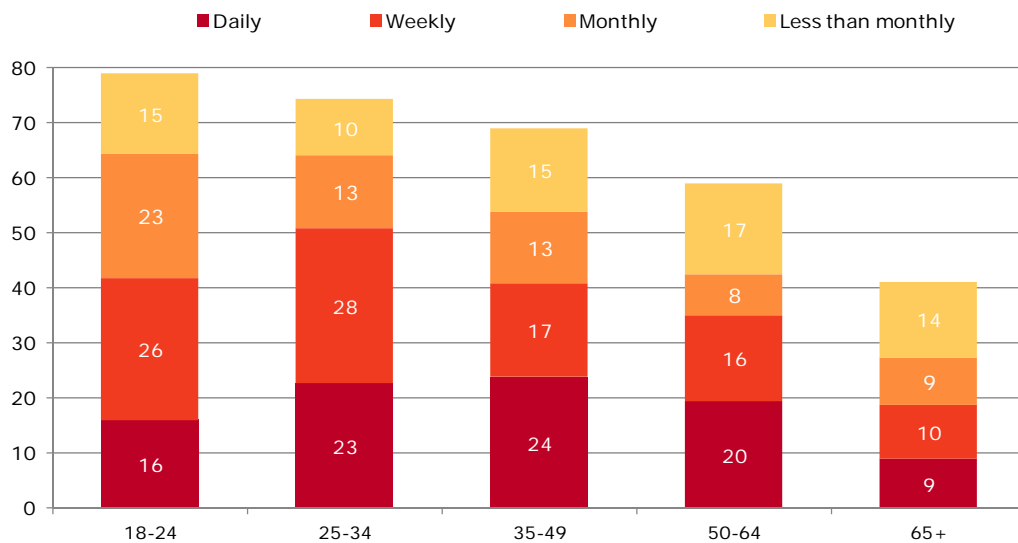
Online news and information gathering by age

The question of how age affects online news and information gathering is interesting because younger age groups are on average more digitally literate, and their online behaviour is often thought to be a useful indicator of future patterns of overall behaviour.

Figure 3 shows that the likelihood of looking for local news online varies directly with age. Just fewer than eight in ten (79%) 18-24 year olds use the internet to find out

about local news. This proportion falls as we move through the age groups. Just over four in ten internet users aged 65 or more look for local news online (41%). Those aged 25-34 are the most frequent users of the internet for local news with nearly a quarter (23%) looking daily and a further 28% searching weekly.

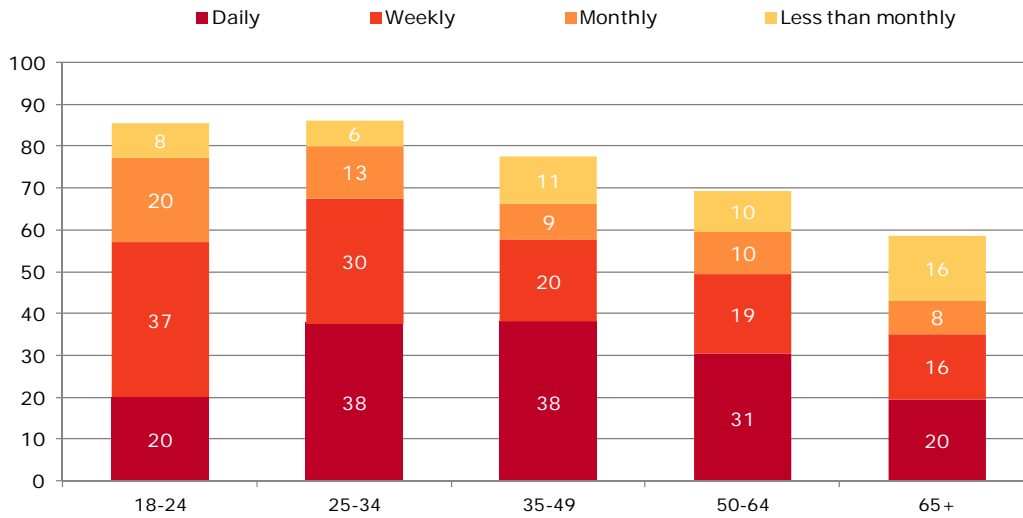
Figure 3 How often do you look for local news stories online by age, 2011



Source: CCI World Internet Project data

For national news, as Figure 2 shows, those aged 18-24 and 25-34 have almost identical participation rates (86%) but again 25-34 year olds are more likely to be frequent users (38% daily and 30% weekly). Those aged 35-49 are just as likely to be daily users but less likely to be looking weekly (20%). Just under six in ten of those people aged 65 and more are looking for national news online with one in five doing so daily.

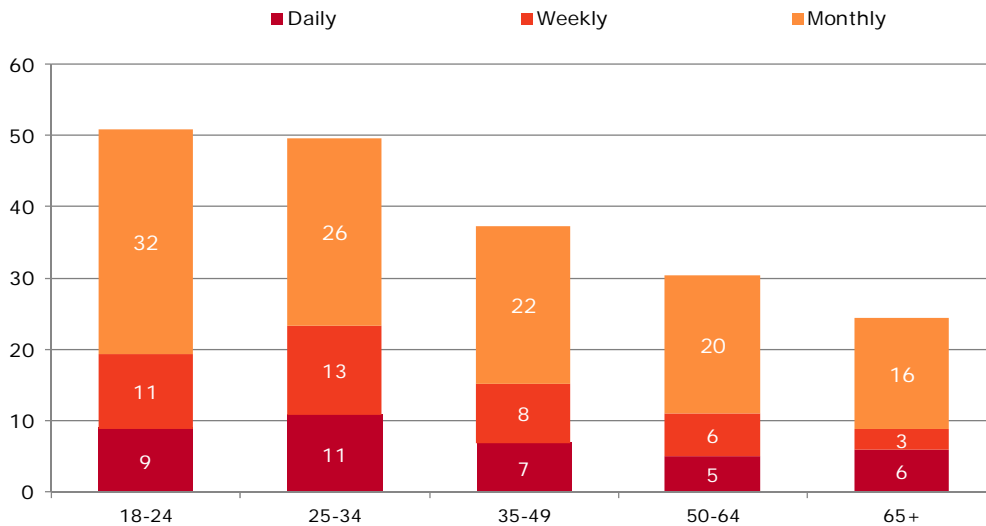
Figure 4 How often do you look for national news stories online by age, 2011



Source: CCI World Internet Project data

Around a half of our two youngest age cohorts visit ‘news blogs’ but for most this is a less regular activity (Figure 5). Only around one in ten do so daily (9% and 11%). Participation falls as we move through the age groups with only a quarter of those aged 65 and over looking at ‘news blogs’ and 9% looking at least weekly.

Figure 5 How often do you visit news blogs by age, 2011

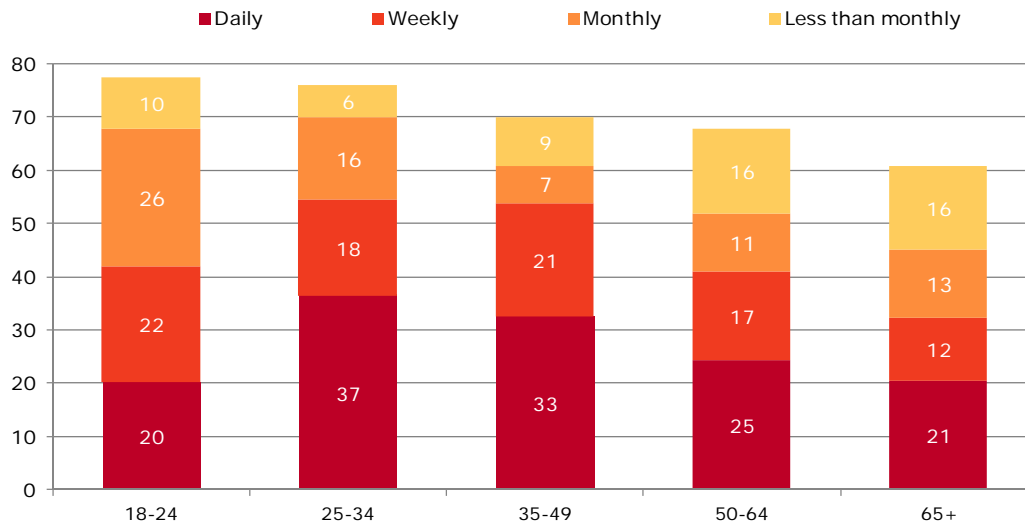


Source: CCI World Internet Project data

For all of our age groups internet users are more likely to visit an “official” news site (that is, the site of a professional news organisation) than a news blog and to do so more regularly (Figure 6). More than three quarters of our two younger age groups

visit official news sites. With seven out of ten of those aged 35-49 and 50-64 and six out of ten of those aged 65 or more. More than half of those aged 25-34 and 35-49 visit at least weekly.

Figure 6 How often do you visit official news sites by age, 2011



Source: CCI World Internet Project data

Paying for news

Australians have embraced the internet as a source of news and information but have not embraced the notion of paying for this content. Table 5 shows that seven in ten Australians say they would not consider paying for an online version of a newspaper and there was very little change in this attitude between 2009 and 2011. Fewer than one in ten (7.2% in 2009 and 8.3% in 2011) would be prepared to pay a typical hard copy cover price for the online version.

Table 5 How much would you be prepared to pay for an online version of a newspaper that cost \$1.50 for a hard copy, 2009 and 2011

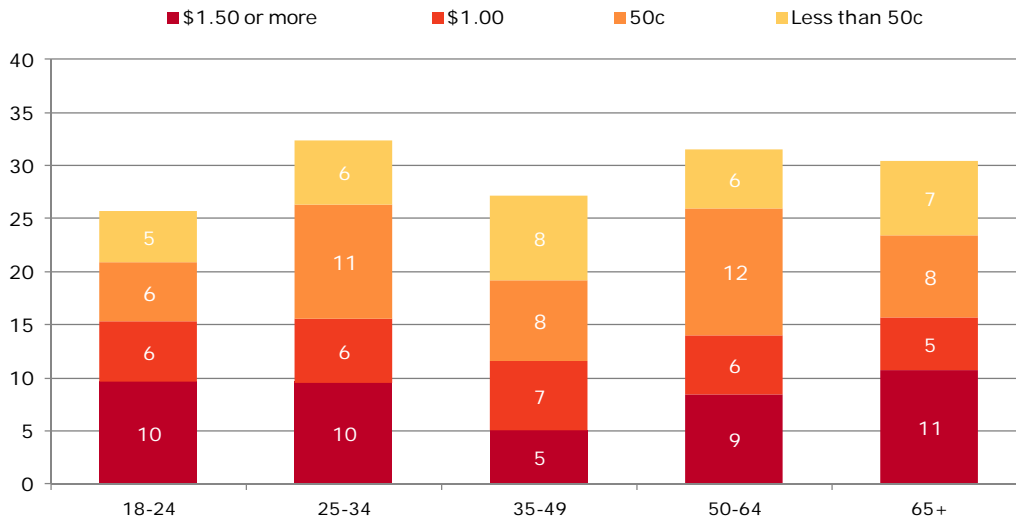
	2009	2011
\$1.50	7.2	8.3
\$1.00	5.8	6.0
50c	7.9	9.3
Less than .50c	7.7	6.6
Wouldn't consider it	71.4	69.8

Source: CCI World Internet Project data

Preparedness to pay for an online version of a newspaper does vary by age (Figure 7). Those aged 25-34 and 50-64 are the most likely to be prepared to pay with just

under a third of each age group saying they would pay something. Those aged 65 and over are slightly less likely to pay (30%) with around a quarter of those aged 18-24 and 35-49 prepared to pay. Aside from the 35-49 age group (5%), around one in ten are prepared to pay around the current cover price.

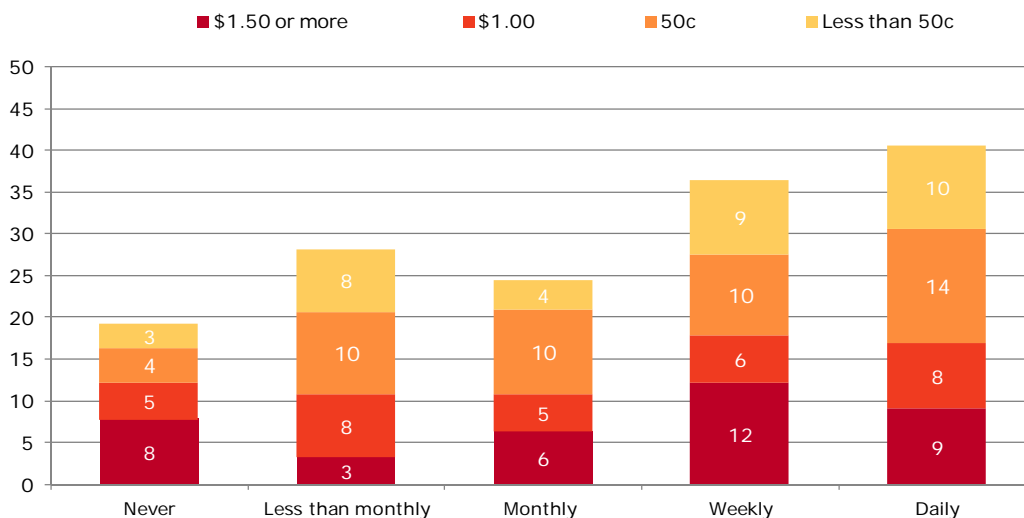
Figure 7 Paying for an online newspaper by age, 2011



Source: CGI World Internet Project data

Preparedness to pay is related to how frequently internet users visit an official news site. Just over four in ten of those that visit daily would be prepared to pay although 50c was the most popular response for those prepared to pay (14%). Those visiting weekly have the highest proportion willing to pay \$1.50 or more (12%).

Figure 8 Paying for an online newspaper by frequency of visiting official news site, 2011



Source: CGI World Internet Project data

Appendix 1: Background to the World Internet Project

The first report produced by what has become the World Internet Project was the work of a group of researchers based at the University of California at Los Angeles. The UCLA study team set out their guiding objective as follows:

Our goal is to explore how the Internet influences social, political, cultural, and economic behavior and ideas, as measured by the attitudes, values, and perceptions of both Internet users and non-users.

They went on to outline how they thought their work could contribute:

We hope our findings about the Internet will have broad implications for government policymaking, corporate planning, and social and cultural study. To begin this project now is critical if we hope to fully understand the Internet as it evolves. Had this type of research been conducted on the evolution of television as it emerged in the late 1940s, the information would have provided policy makers, the media, and ultimately historians with invaluable insights about how broadcasting has changed the world.

The first report produced by the US partners was concerned with a number of emerging questions around the social, economic, political and cultural dynamics of the Internet. Who was online, who was not, what were users doing online? How was the Net changing patterns of media consumption, consumer behaviour, and communication patterns? What social and psychological effects were apparent?

From its beginnings, the main research activity of the project has been a sample survey of internet users and non-users. The survey is administered in different ways by the different partners. Most partners undertake the survey by telephone with a significant minority opting for face to face interviews. Samples are collected on various bases, with some partners choosing cluster samples and some engaging in stratification to make sure that their sample reflects the population on key variables. Sample sizes range from 900 respondents to 4,000. In addition the minimum age of respondents varies from 12 up to 18 years.

Given the range of countries involved in the collaboration there are significant differences in the stage of internet development, and the national policy frameworks which influence internet use. There are large differences in internet penetration and the prevailing forms of access. For example in many countries public access points are becoming less important, while in developing countries public access points are still the main means for people to access the internet.

A related issue is that of broadband take-up. This is becoming the key issue in many countries in which the internet is a 'mature' technology, but there is no consensus regarding what constitutes broadband and this definitional problem is exacerbated when looking across countries. Similarly the evolution of the internet has varied between countries in terms of technologies adopted.

Just as importantly for a project such as this, there is great variation in the amount and type of research conducted on internet use and its impact in the various partner countries. In the US for example, the *Pew Internet and American Life* project, commenced in 1999, is a major ongoing survey-based project examining the internet and its impact on households and communities. In Australia, however, research on the social impact of the internet has been piecemeal at best. While there are many surveys that have been conducted on internet use and non-use in various countries, the World Internet Project is the only attempt to undertake coordinated survey work across countries. The combination of longitudinal data and international comparison makes this project extremely useful for identifying and tracking trends.

Appendix 2: About CCI

The ARC Centre of Excellence for Creative Industries and Innovation (CCI) was established in 2005 to focus research and development on the contribution that the creative industries and their contributing disciplines can make to a more dynamic and inclusive innovation system.

Funded by the Australian Research Council, CCI is acknowledged as a global leader in this emerging field. It is a broadly-based, cross-disciplinary, internationally focused Centre embracing both fundamental theoretical and highly applied research in media, cultural and communication studies, law, education, economics and business and information technology, addressing key problems and opportunities arising for Australia, the Asian region, and for the wider world, from innovation in both the creative economy and the broader service economy.

The Centre plays a significant role in theoretical and strategic debates with academic, policy, and industry interlocutors, as well as working extensively on new empirical and technical methodologies, including, for example, the creation of new statistical approaches to measuring the creative economy, new software solutions for creative enterprise, and ethnographic action research.

The Centre gratefully acknowledges the support of the ARC in providing core funding to establish the Centre. We acknowledge Queensland University of Technology, as the administering institution, for its substantial support for the Centre. The core collaborating partners are Swinburne University of Technology, Australasian CRC for Interaction Design, Australian Film Television and Radio School, Edith Cowan University, University of Wollongong, Royal Melbourne Institute of Technology and University of New South Wales.