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ACCAN Research Snapshot: How Australians watch TV

The way Australians watch television (TV) is changing. There are more free-to-air (FTA) channels than ever. Broadcasters offer broadcast video on demand (BVOD) like iView or SBS On Demand and many Australians subscribe to subscription video on demand (SVOD) services like Netflix and Stan. Consumers also watch amateur and professional content shared on video platforms such as YouTube or Twitch. Consumers have more choice than ever before.

However, with greater choice comes new demands on consumers. The rise of video streaming places new pressures on the free-to-air broadcasting model and The Government is reconsidering how broadcast TV is regulated.[1] To access a full range of services, media consumers need to balance multiple accounts, subscriptions and multiple devices including smart phones, tablets and internet connected TV's.[2] Streaming services place new burdens on households' internet bandwidth and data limits. For many reasons, it is important that the interests of consumers are represented in the future of television.

ACCAN continues to advocate for media consumers as broadcasting converges with telecommunications. As ACCAN has argued in the past, while streaming services provide new opportunities for consumers, media policy must continue to recognise the importance of FTA broadcast TV to many Australians and especially those that are less digitally included.[3] To better represent the consumer voice ACCAN recently conducted a survey to find out more about how Australians are watching television. We would like to share three key findings:

1. Free-to-air TV is still the most popular media channel and remains important to consumers.
2. Although video streaming is popular, there are still digital inclusion gaps around who uses streaming services and owns a smart TV.
3. Many people use accessibility features like captions and audio description to watch TV, especially young people.

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[1] For example, the Media reform green paper from the Department of Infrastrcuture, Transport, Regional Development, Communications and the Arts. Available at: https://www.infrastructure.gov.au/have-your-say/media-reform-green-paper-proposals-modernise-television-regulation-australia
[2] ACMA 2022, *Communications and media in Australia: Trends and developments in viewing and listening 2020-21*, p12, available: https://www.acma.gov.au/sites/default/files/2022-06/Trends%20and%20developments%20in%20viewing%20and%20listening%202020-21.pdf
[3] ACCAN 2021, ACCAN response to Media Reform Green Paper, available: https://accan.org.au/accans-work/submissions/1854-media-reform-green-paper

Free-to-air TV is still important to Australians

Our survey found that free-to-air television is overwhelmingly important to Australians. A total of 81% of respondents to our survey said that free-to-air TV is important to them.

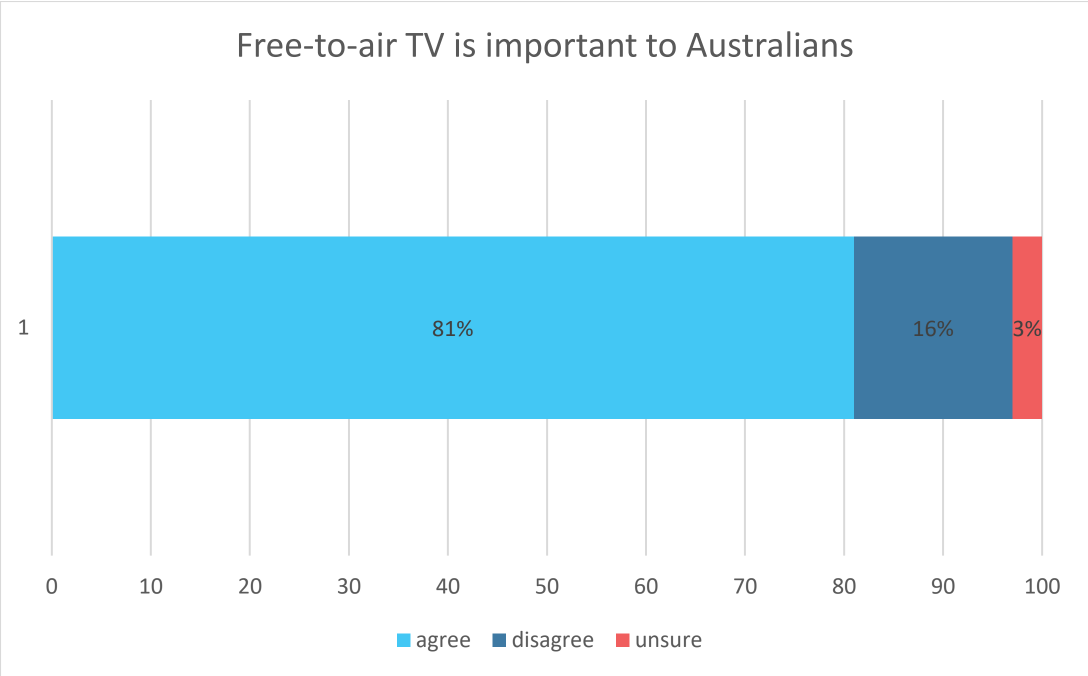

Figure 1. Free-to-air TV is important to 81% of Australians. Source: Ipsos 2022.

Free-to-air TV is particularly important to older Australians. Our research found that 89% of respondents over 50 agreed that free-to-air TV is important to them.

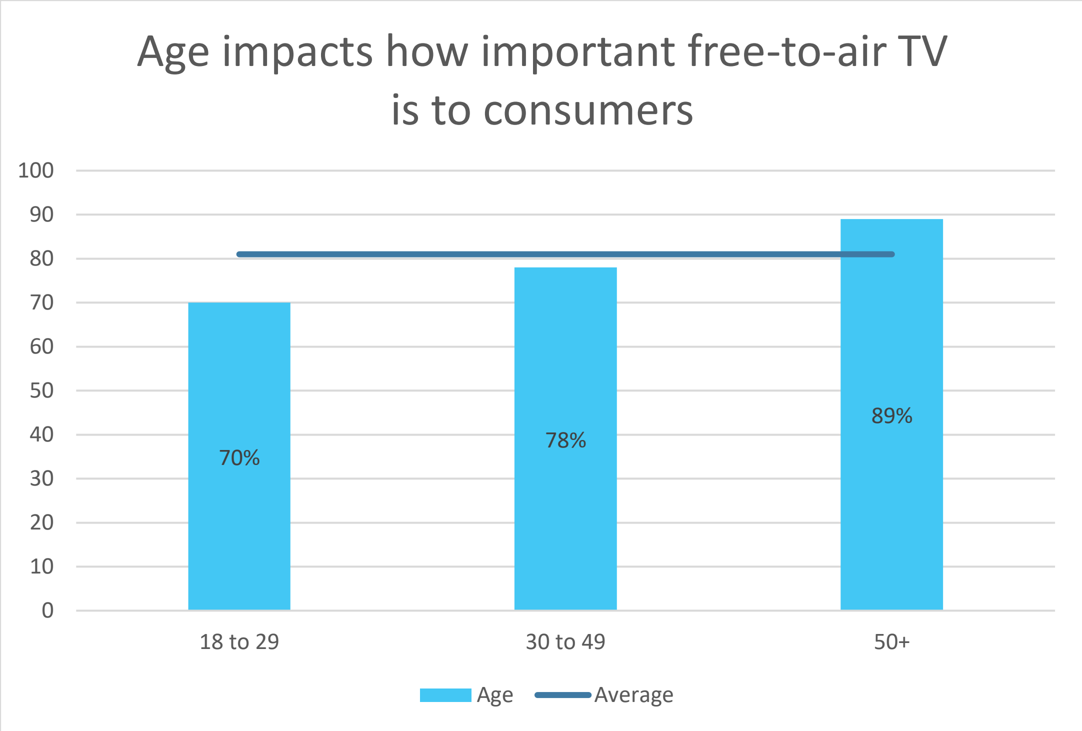

Figure 2. 89% of respondents over 50 agreed that free-to-air TV is important to them, compared to 78% of those aged between 30 to 49 and 70% of those aged between 18 and 29. Source: Ipsos 2022.

We also found that free-to-air TV is more important to people who live in the country and that people in the bush are passionate about free-to-air TV. 46% of people who lived in a regional town or more than 5km from a town "strongly agree" that free-to-air TV is important compared to 35.5% of people in a capital city or major regional city.

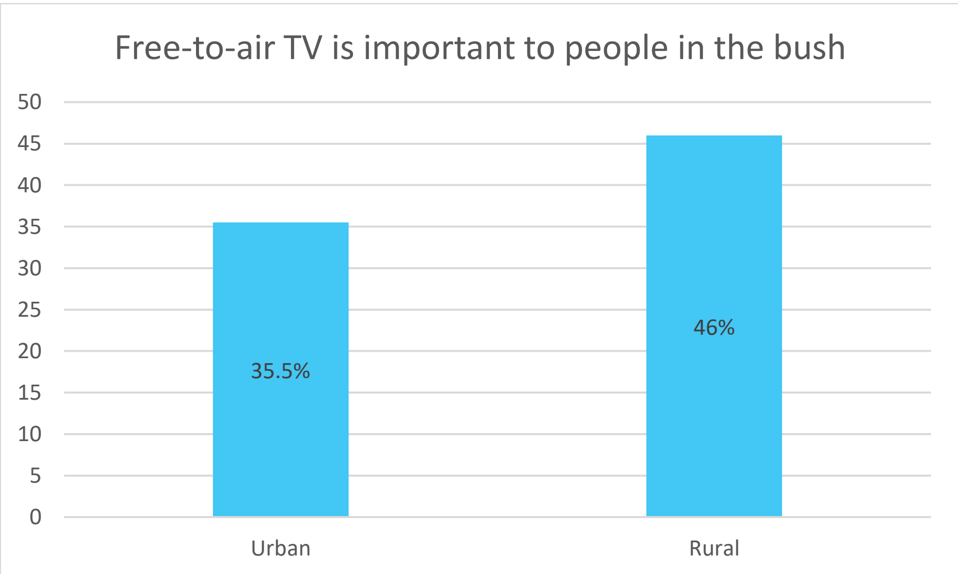

Figure 3. 46% of people who lived in a regional town or more than 5km from a town "strongly agree" that free-to-air is important compared to 35.5 of people in a capital city or major regional city. Source: Ipsos 2022.

Our survey found that on average free-to-air TV is still more important to consumers than subscription video on demand and broadcast video on demand, despite the increasing popularity of these on demand services. 81% of consumers agreed that free-to-air TV was important to them, 72% agreed that broadcast video on demand services (such as iView) were important and 65% told us that subscription video on demand services were important to them.

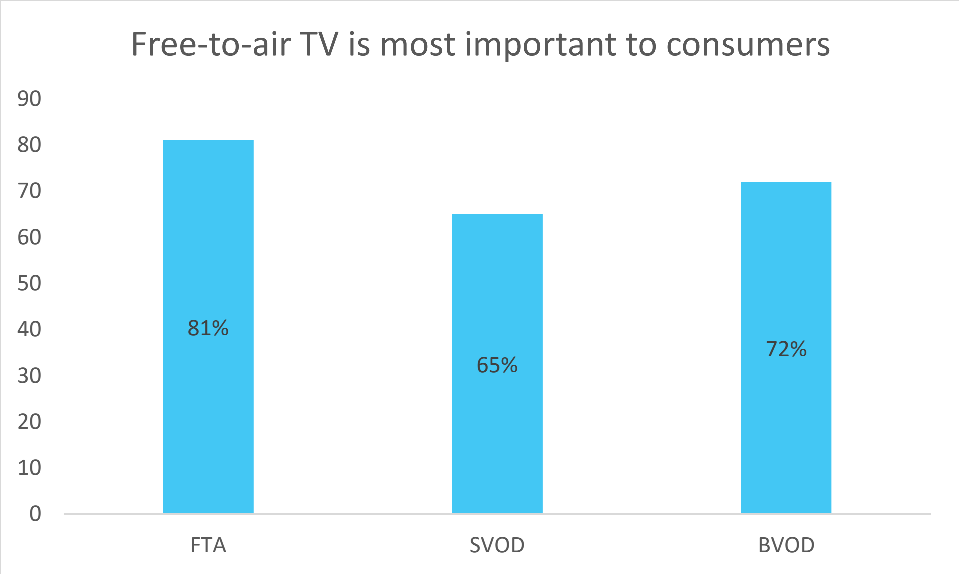

Figure 4. 81% of respondents agreed that free-to-air TV was important to them, 72% agreed that BVOD services (such as iView or SBS On Demand) were important and 65% told us that SVOD services were important to them. Source: Ipsos 2022.

Even as streaming continues to grow, broadcast is still the most important TV distribution mechanism for most Australians and particularly older and more regional Australians. As the Australian Communications and Media Authority (ACMA) noted in a recent report, broadcast TV "is vital in providing both news and entertainment to Australians who either cannot access reliable internet or cannot afford it".[4]

What is ACCAN doing about it?

ACCAN continues to engage with government and broadcasters about the future of free-to-air broadcasting in Australia. In 2021 ACCAN responded to The Department of Infrastructure, Transport, Regional Development and Communications' *Media Reform Green Paper*. The paper outlines potential reforms to the broadcast television sector including reduced regulation and different broadcasting standards. ACCAN argued that free-to-air broadcast television is important to Australians and that potential changes in broadcasting policy could be detrimental to consumers including reducing services and quality.[5] ACCAN is also representing consumers on the government's Future of Broadcasting Working Group[6] which began meeting in 2022. ACCAN will continue to monitor broadcast policy and advocate for consumers.

Streaming is popular but there are still digital inclusion gaps

[4] ACMA 2022, Communications and media in Australia: Trends and developments in viewing and listening 2020-21, p12, available: https://www.acma.gov.au/sites/default/files/2022-06/Trends%20and%20developments%20in%20viewing%20and%20listening%202020-21.pdf
[5] ACCAN 2021, ACCAN response to Media Reform Green Paper, available: https://accan.org.au/accans-work/submissions/1854-media-reform-green-paper
[6] More information about this Group available: https://www.paulfletcher.com.au/sites/default/files/attachments/Future%20of%20Broadcasting%20Working%20Group%20-%208%20April%202022.pdf

ACCAN's research found that streaming services are popular with Australians, but older Australians, the less affluent and those in regional and remote areas are less likely to use alternatives to free-to-air television. Our survey indicates that 83% of Australians watch free-to-air TV, 69% watch broadcast video on demand, and 70% watch subscription video on demand.

Age is an important factor in how Australians watch TV. As the graph below shows, younger people tend to use more subscription video on demand services, while middle aged Australians have a balanced mix of free-to-air, and on demand services. Australians over 50 tend to watch more free-to-air TV and less streaming services. This finding has been mirrored by ACMA research conducted in 2021 which found that broadcast TV remained popular with "older people in particular".[7]

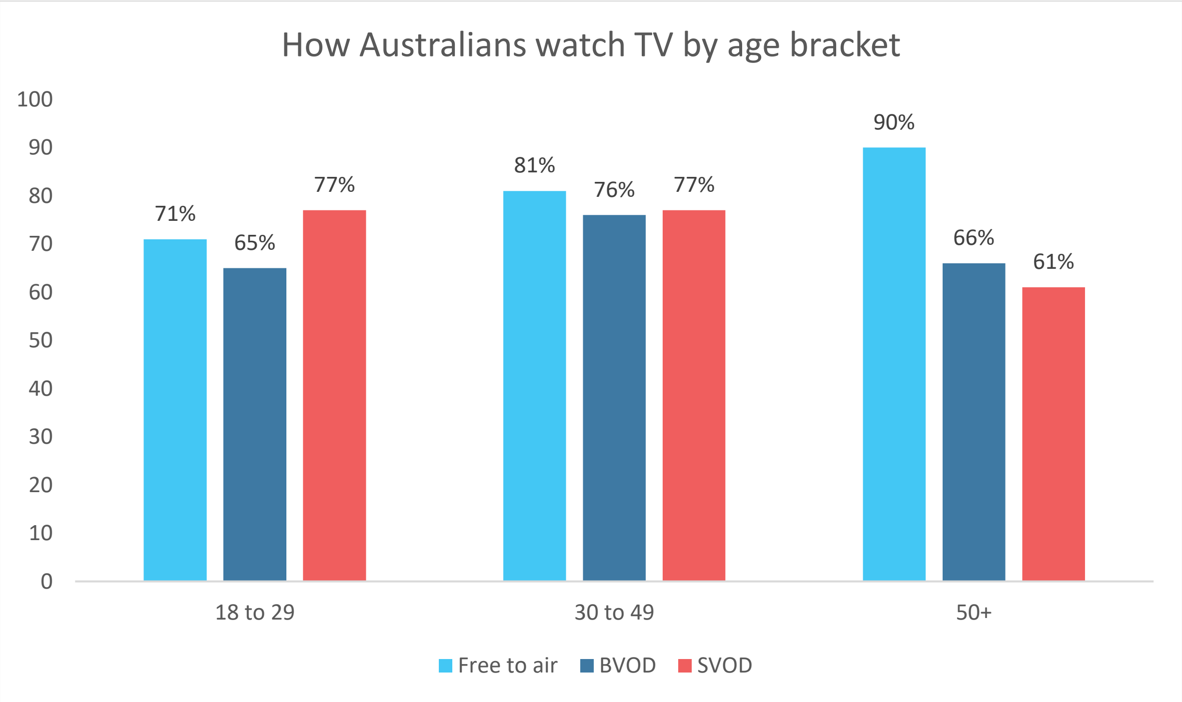

Figure 5. Type of TV service watched, by age group. Source: Ipsos 2022.

Household income also changes how consumers watch TV. While all gross annual household income levels have a high engagement with free-to-air TV, households on a lower income reported watching less broadcast video on demand and streaming video on demand that than those on a higher income. As Figure 6 below demonstrates, free-to-air TV is popular across the income range but there is a significant gap between affluent and less affluent Australians' use of streaming services. As research from the ACMA has found, the cost to subscribe to all subscription video on demand services is "beyond the budget of many"[8] and consumers are adapting by sharing accounts or subscribing for limited periods of time (known as "re-churning").

[7] ACMA 2022 op cit., p5.
[8] Ibid, p11.

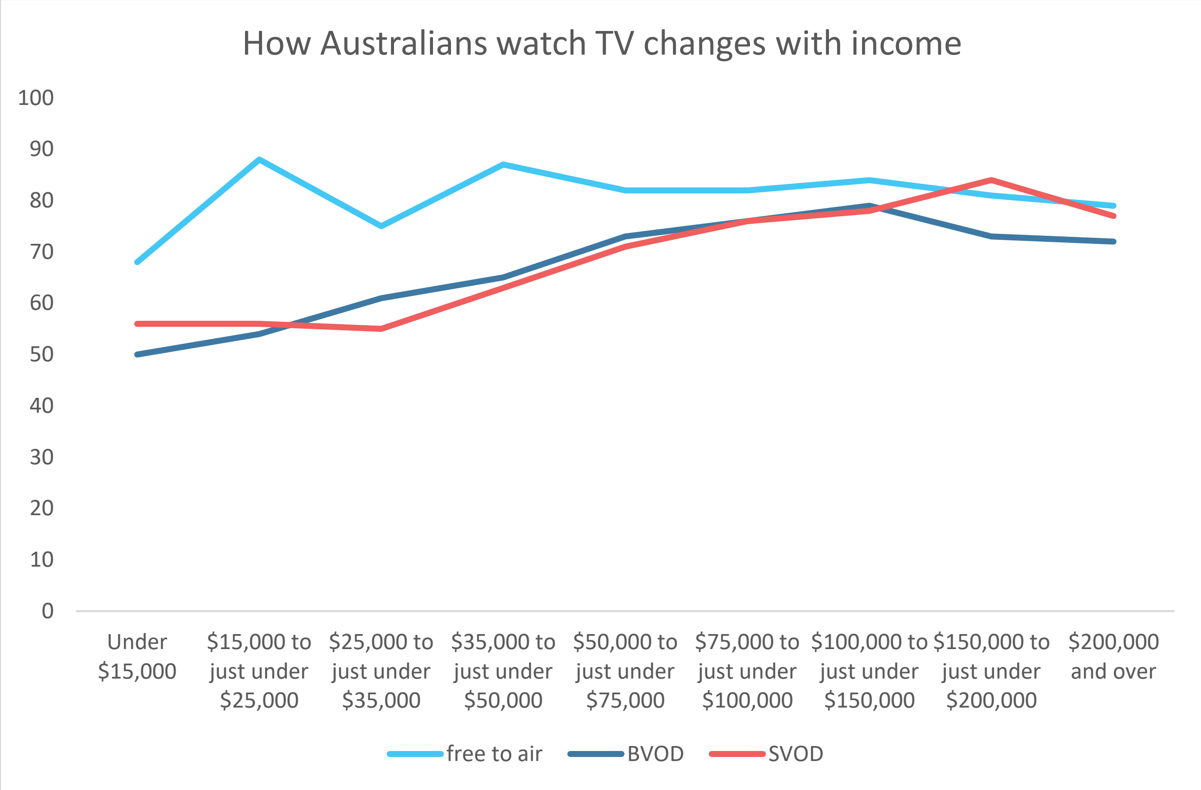

Figure 6. While all income levels have a high engagement with free-to-air TV, participants with a lower income reported watching less BVOD and SVOD services than those with a higher income. Source: Ipsos 2022.

Part of this gap may stem from smart TV ownership. Our research found that lower income consumers were far less likely to own a smart TV. As Figure 7 below illustrates, 39% of respondents with a household income below $15,000 responded yes to owning a smart TV, compared to the average of 66% of respondents. Our research shows that as household income grows, so does the likelihood of owning a smart TV, and therefore the ability to access streaming services.

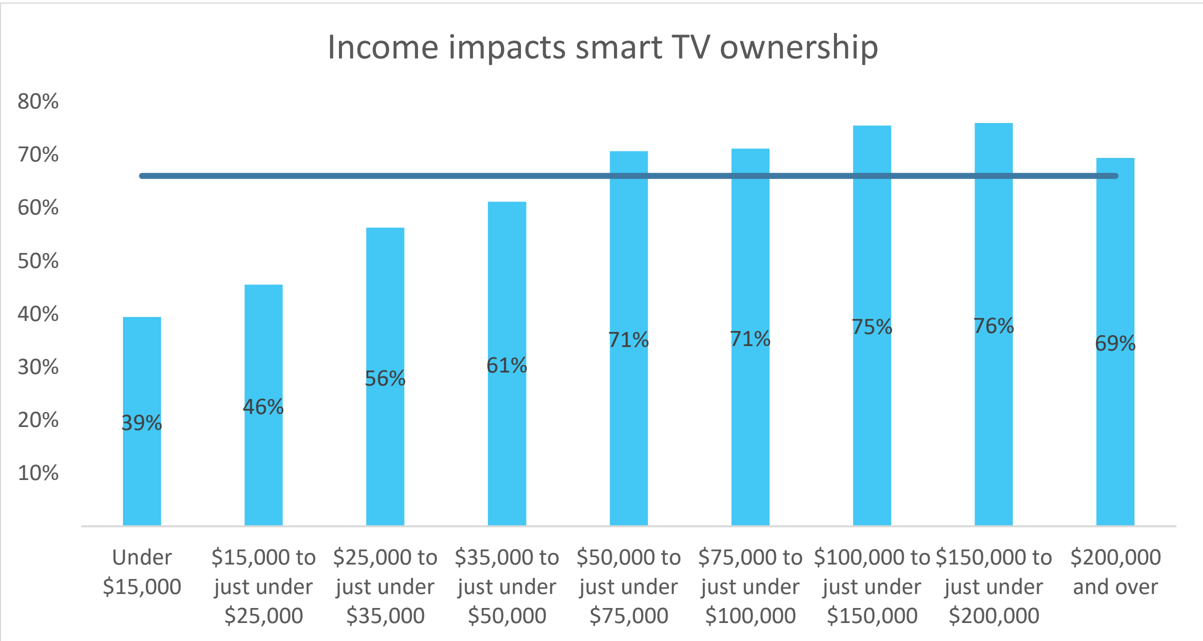

Figure 7. Graph showing that lower income consumers were far less likely to own a smart TV. The dark blue line represents the average of 66% across the income groups. Source: Ipsos 2022.

Our research also found that geography is an important factor in predicting whether someone owns a smart TV and pays for a streaming service. As Figure 8 below shows, the further someone lives from a capital city, the lower the chance they have a smart TV. People living in capital cities (68%) were more likely than average (of 66%, represented by the line) to have a smart TV, while only 42% of people living more than 5km from the nearest town reported owning a smart TV. We also noted that a greater proportion of respondents in the country were less sure about whether they had a smart TV or not. 14% of respondents who said they lived more than 5km from the nearest town were unsure whether they owned a smart TV or not, compared to the average of 7%. The high proportion of respondents who were unsure whether they owned a smart TV or not could indicate that more needs to be done to provide people with digital skills.

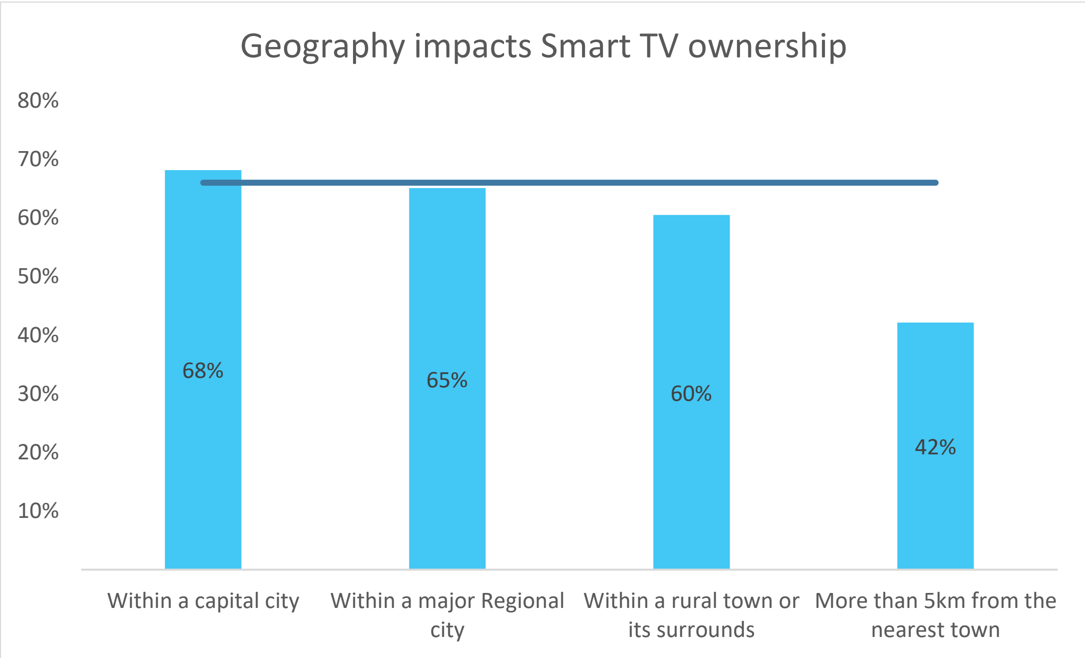

Figure 8. Graph showing that the further someone lives from a capital city, the lower the chance they have a smart TV. The average of 66% is represented by a dark blue line. Source: Ipsos 2022.

Given that where people live impacts smart TV ownership, it is perhaps unsurprising that our research found that geography impacts on whether people pay for streaming services. As Figure 9 below shows, the further from a capital city someone is, the less likely they are to pay for a streaming service. Across the four geographic areas an average of 56% of respondents paid for one or more streaming services. 58% of respondents in capital cities said they paid for at least one streaming service. Only 32% of people who lived more than 5km from the nearest town said that they paid for one or more streaming services. That is a gap of 26% between capital cities and the country.

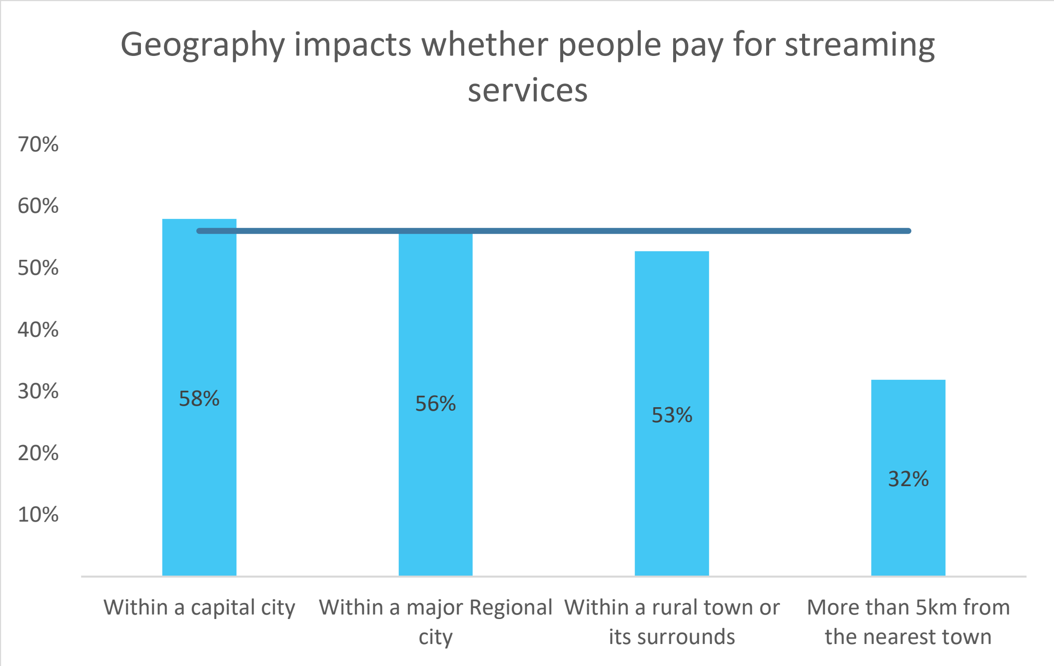

Figure 9. Graph showing that the further from a capital city someone is the less likely they are to pay for a streaming service. The average of 56% is represented by the dark blue line. Source: Ipsos 2022.

This research indicates that on average more than half of Australians own a smart TV or pay for a streaming service but that this is lower for older, lower income, and more remote consumers.

These gaps will require careful attention as media policy develops.

What is ACCAN doing about it?

As mentioned in the previous section, ACCAN is working to ensure that the consumer voice is heard in the growing streaming sector. As streaming continues to expand and the media model shifts, ACCAN aims to ensure that all consumers have more equitable access to media.

Many people use accessibility features like captions and audio description to watch TV, especially young people

Accessibility features such as closed captions and audio description are important to many Australians. Professor Katie Ellis and researchers at Curtin University in Western Australia recently found that the "use of accessibility features [on streaming services] does not necessarily relate to the presence of disability – people with and without disabilities are using accessibility features".[9] Their report found that consumers expect video streaming services to offer accessibility features like captions and audio description. The researchers at Curtin University found that consumers "hold the broadcasters and providers responsible for the provision of accessibility features". These finding are echoed by a survey

[9] Ellis, K., Locke, K., Peaty, G., Hersinta & Kao, K. 2021, *Access on Demand: An analysis of the accessibility options on streaming television*, Australian Communications Consumer Action Network, Sydney. Available: https://accan.org.au/grants/grants-projects/1778-access-on-demand-an-analysis-of-the-accessibility-options-on-streaming-television

in the United States that found that captions are important to consumers and that 92% of respondents view videos with the sound off on mobile.[10]

Our research found that captions and audio description features were popular with a large percentage of the population. 25% said they used captions on free-to-air TV, 31% for subscription video on demand and 28% for broadcast video on demand. Audio description was also popular, with 17% reporting their use on free-to-air TV, 17% for subscription video on demand and 16% for broadcast video on demand.

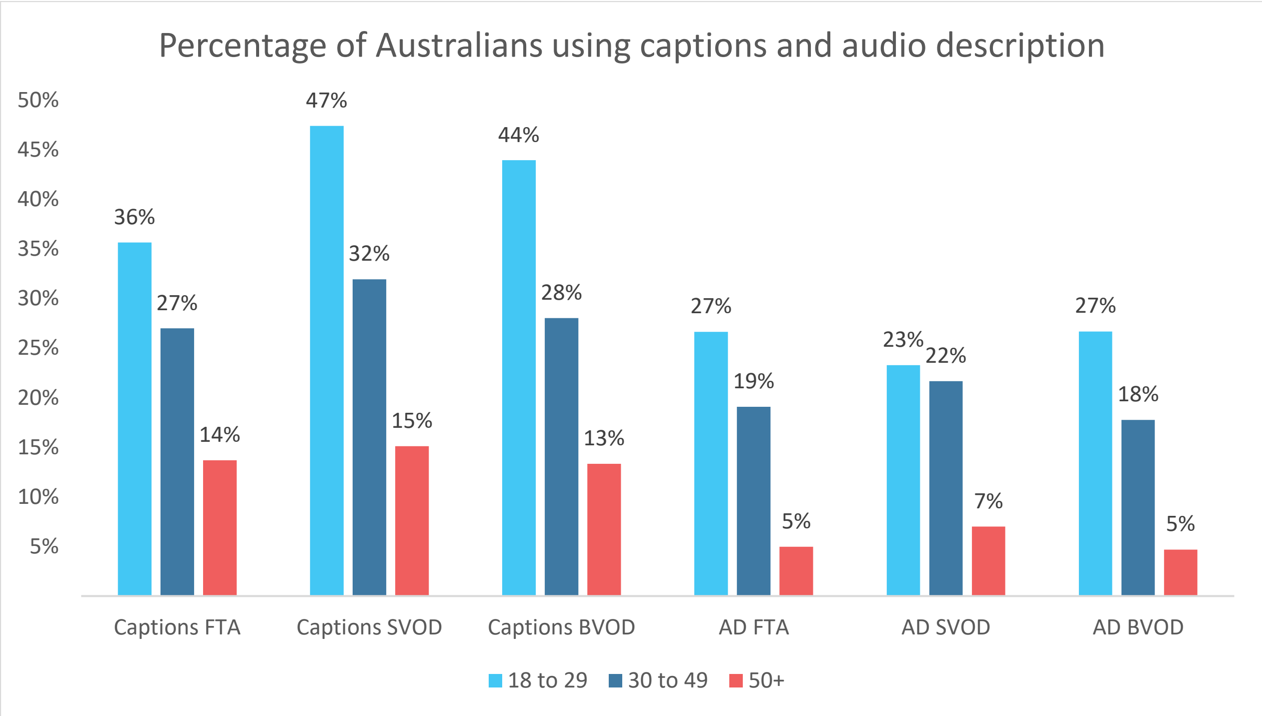

Figure 10. Accessibility features including Captions and Audio Description (AD) were popular across free-to-air TV, Streaming Video On Demand and Broadcast Video On Demand. Source: Ipsos 2022.

We noted that more young people aged 18 to 29 used every type of accessibility feature compared to other age groups. We hypothesise that this is due to young people's higher average digital literacy. As the Curtin University researchers found,[11] people use accessibility features for myriad reasons including being able to multitask or assisting when other languages are spoken at home. Reflecting on the low proportion of older people who reported using accessibility features and previous research noting that more needs to be done to promote accessibility features,[12] it appears that more needs to be done to ensure that older Australians are aware of accessibility features and can use them. The overall popularity of accessibility features should also indicate to broadcasters and streaming services that they should invest more into these features.

[10] Lafayette, J. 2019, *Mobile Videos Often Watched Without Audio, Study Finds,* Next TV, available: https://www.nexttv.com/news/mobile-videos-often-watched-without-audio-study-finds

[11] Ellis, K., Locke, K., Peaty, G., Hersinta & Kao, K. 2021 op cit.

[12] Ibid.

What is ACCAN doing about it?

ACCAN continues to advocate for more accessibility features for all media consumers to enjoy across broadcasting and streaming. ACCAN recently made a submission to the Department of Infrastructure, Transport, Regional Development and Communications' Streaming Services Reporting and Investment Scheme Discussion Paper.[13] ACCAN advocated for greater investment in high quality accessibility features such as captions and audio description. ACCAN has also funded research into accessibility features on streaming services through our Independent Grants Program.[14]

Conclusion

ACCAN's research found that although the way that consumers watch TV is changing, free-to-air broadcast TV is still important. As streaming, both broadcast video on demand and subscription video on demand, grows we need to ensure that we prioritise access and affordability so that Australians are not excluded. The high demand for accessibility features demonstrates how important these features are to Australians, not just for those relying on them to access media. More work needs to be done to ensure that Australians with lower incomes, Australians living in rural areas and older Australians can equitably access the media they need to participate in our national culture and stay informed with news and current events. ACCAN will continue to engage with media policies and ensure that a consumer voice is heard in the emerging media landscape.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

[13] ACCAN 2022, *Streaming Services Reporting and Investment Scheme submission*, available: https://accan.org.au/accans-work/submissions/1983-streaming-services-reporting-and-investment-scheme

[14] Ellis, K., Locke, K., Peaty, G., Hersinta & Kao, K. 2021 op cit.