Overview

Thus summary document presents the findings of a survey of members of the Australian Adult Industry undertaken in the first quarter of 2002.

The aims of the research project were to determine the impact of the Broadcasting Services Amendment (Online Services) Act 1999 on commercial operators of adult services and product sales in Australia.

Overall, while the total response rate to the survey as was low, sixty respondents participated in the research project, comprised of companies from all parts of the Australian Adult Industry. The research found that, in relation to Internet censorship:

* Awareness of the law was reasonably high
* Limited action was taken in response to the law
* The law had limited impact on the industry

In addition, with regards to the use of new media by commercial operators:

* Website growth rates remain steady
* Advertising remains the primary function of adult industry websites
* The ratio of eCommerce providers to non-providers continues to rise
* Continued growth in eCommerce is anticipated

Dr Peter Chen
Centre for Public Policy
Department of Political Science
Faculty of Arts
The University of Melbourne
Melbourne 3010
pche@unimelb.edu.au
(03) 8344 3505
Introduction

This small research project aimed to examine the impacts of the Broadcasting Services Amendment (Online Services) Act 1999 on the adult industry in Australia. These impacts were identified as including:

- Compliance with the law;
- Impacts of the law on the business operations of the industry; and
- Changes to the adult industry’s online presence during the implementation of the new regulatory regime.

The research focused on the impacts of this section of the Australian economy for three reasons:

- The regulation of adult (erotic and pornographic) content was the core aim of the enacted legislation;
- The impact of the legislation (regulatory compliance) on other primarily affected industry segments (Internet Service Providers) has already been assessed by other researchers and through periodic reporting by the Internet Industry Association; and
- Given the global nature of the Internet as the regulated medium, compliance among content generators and distributors (as opposed to service and infrastructure providers) can be seen as a key measure of the success or failure of the regulatory regime.

While just over six hundred requests for participation were issued, the response rate of the survey was just under ten percent (sixty respondents in total answered the survey). Given this low response rate, it should be considered that:

- The salience of the issue was low; and
- The results of the research are likely to be unrepresentative to some degree.

Research Findings

Awareness of the Law was High

Figure 1 (page over) shows the awareness of respondents to the Broadcasting Services Amendment (Online Services) Act 1999. Overall, more than half of the surveyed industry members reported themselves as being “reasonably sure” or “very sure” of the requirements of the law, with

---

1 Carolyn Penfold of the University of New South Wales has undertaken a survey of ISPs in Australia with reference to the impact and compliance of the Act on these service providers (forthcoming).

2 The Internet Industry Association (IIA) undertakes periodic surveys of regulatory compliance among member companies. This material has been tabled before the Parliament of Australia by the Minister for Communications, Information Technology, and the Arts.
approximately twenty percent reporting themselves as “uncertain of their legal requirements”. A small proportion of the respondents reported that they were either unaware of the existence of the legislation, or had little understanding of its requirements. Overall, awareness of the new regulations appears high among adult industry members in Australia.

Figure 1: Awareness of the Law

Limited action was taken in response to the law
Given the reasonable high awareness of the legislation, figure 2 (page over) indicates the actions taken by industry to comply with their legal requirements. Overall, most respondents felt that they needed to take no compliance action, possibly because their existing web sites contained no material that would be classified X, R, or RC under the OFLC guidelines.

The second most common action taken by industry members was the removal of their websites from Internet servers located in Australia, while a small proportion of respondents elected to remove or modify online content, introduce new warnings about the content of their website, or introduce an age verification system to prevent minors accessing their content online. What this findings shows is that, with the exception of those sites that lack content which would be restricted under the act, the majority of adult industry website operators opted to avoid regulation through off-shore hosting, rather than undertaken actions to comply with the intent of the Online Services Act.
The law had limited impact on the industry
Possibly because of the findings illustrated in Figure 2, the reported impact on business operations of the Broadcasting Services Amendment (Online Services) Act is predominantly reported as none, or very minor (figure 3). Very few respondents reported significant impacts on their business operations in compliance (or avoidance) with the online classification law.

Figure 3: Impact on Business Operations
Website growth rates remain steady

Figure 4 (below), shows that, in the two years of the operations of the legislation, the growth in website operation by members of the adult industry in Australia continues to rise.

Figure 4: Adult Industry Websites – 2002 and 1999

In 2002, the primary function of these sites remains advertising of commercial services and products and online sales of goods and services (figure 5).

Figure 5: Adult Industry Websites – Functions
**Ratio of eCommerce providers continues to rise**

Overall, in the two years from 1999 to 2002, the ratio of sites containing online sales capabilities compared to those that do not has risen over the last two years, as indicated in figure 6, reflecting trends outside of the adult industry that indicate online shopping has continued to increase in recent years.

**Figure 6: Adult Industry eCommerce – 2002 and 1999**

As an adjunct to the findings of figure 6, the intention of members of the adult industry with regards to online sales continues to be bullish, with the majority of those maintaining eCommerce facilities to continue these operations, and a high percentage of those operators without eCommerce capabilities electing to introduce these services in the year 2002-2003 (figure 7, page over). Only two respondents reported that they intend to cease online sales in the coming twelve months.
Conclusion
While the response rate to the adult industry survey was low, the findings collected in the first quarter of 2002 indicate that, among members of Australia’s adult industry, the impact of the Broadcasting Services Amendment (Online Services) Act 1999 has been very low. While some avoidance of the law was undertaken, mainly through removal of content in Australia to international servers, the majority of respondents report little impact from the law on their business operations and required no action to comply with the new legislation.

As illustrated in the continued growth of online content and eCommerce in the sector, the Internet censorship legislation appears to have had a limited negative impact on commercial operations in this industry segment.

Research Methodology
The population universe for the research was all commercial providers of adult services and products operating within Australia. This population included domestic and multinational organisations, and included:

- Independent sex workers, erotic dancers, strippers, and performers;
- Erotic and pornographic photographers, artists, and film makers;
- Adult publishers, duplicators, and industry representatives; and
- Wholesale and retail sellers of adult goods and services.
The population universe consisted of organisations and individuals. However, given the nature of the industry, it must be noted that:

- A population sample was not possible to identify because of the fragmented nature of the industry, with many specialised service providers not readily identifiable from existing published sources (mailing lists, advertising, online references).
- A section of the industry (the size of which is difficult to fully estimate) do not operate legal businesses (for elements of the pornographic video distribution segment this consists of illegal distributors operating in most, if not all, states and territories, for providers of sexual services, this includes unlicensed brothels, sex workers, and erotic performers).
- However, it should be noted that, given the research was concerned with those members of the industry who have established an online presence (or were considering doing so), the limitations of unlawful or underground operators is limited in the research results.

Sample

Based on this assessment of the population universe, a sampling frame was developed using the assistance of the Eros Foundation who provided extracts from their membership list as the first point of contact with industry members via personalised emails requesting participation. The Eros foundation is the peak industry association for the adult industry in Australia. In addition to this primary sampling method, the Eros membership list was increased using existing published sources to locate adult industry members, including:

- The Yellow Pages,
- Online adult business directories, and
- Those organizations and individuals involved in the adult industry identified through an online search (using the Google search engine).

This approach was included to increase the sampling rate and include organisations and individuals who may not have elected to join the Eros Foundation as the industry peak body. In addition, an advertisement was placed in the aussex newsgroup for participation from industry members. The total sample size was nearly seven hundred individuals and companies.

The response rate for the research project was just under ten percent. A break down of response types and business types of the respondents are provided in Table 1 and Figures 8 and 9.
Australian Adult Industry Censorship Survey 2002

Summary of Findings

Table 1: Response Rates

<table>
<thead>
<tr>
<th></th>
<th>Issued</th>
<th>Returned to Sender</th>
<th>Responded Online</th>
<th>Responded by Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>323</td>
<td>59</td>
<td>46</td>
<td>1</td>
</tr>
<tr>
<td>Mail</td>
<td>362</td>
<td>21</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Fax</td>
<td>14</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>699</td>
<td>87</td>
<td>48</td>
<td>12</td>
</tr>
<tr>
<td>Total Sample</td>
<td>612</td>
<td>Total Response</td>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

Figure 8: Respondents by Business Type

- Adult Shop Operator: 22%
- Adult Website, Phone Service, or Movie House Operator: 24%
- Brothel Owner or Operator: 7%
- Independent Sex Worker: 14%
- Stripper or Erotic Dancer: 7%
- Other: 21%
- Publisher, Film Maker, Photographer, Artist or Video Duplicator: 5%
- Other: 21%

Figure 9: Survey Respondents – Earnings

Respondent Earnings ($AU) in financial year 2000-1

- Loss/Nil: 9
- $1 to $9,999: 6
- $10,000 to $14,999: 4
- $15,000 to $19,999: 1
- $20,000 to $24,999: 6
- $25,000 to $29,999: 6
- $30,000 to $34,999: 1
- $35,000 to $39,999: 4
- $40,000 to $44,999: 1
- $45,000 to $49,999: 4
- $50,000 to $54,999: 1
- $55,000 to $59,999: 4
- $60,000 to $64,999: 1
- $65,000 to $69,999: 4
- $70,000 to $74,999: 1
- $75,000 to $79,999: 4
- $80,000 to $84,999: 1
- $85,000 to $89,999: 4
- $90,000 to $94,999: 1
- $95,000 to $99,999: 4
- $100,000 to $149,999: 1
- $150,000 to $199,999: 4
- $200,000 to $249,999: 1
- $250,000 to $299,999: 4
- $300,000 to $349,999: 1
- $350,000 to $399,999: 4
- $400,000 to $449,999: 1
- $450,000 to $499,999: 4
- $500,000 to $999,999: 1
- $1,000,000 to $4,999,999: 4
- $5,000,000 to $9,999,999: 1
- $10,000,000 to $49,999,999: 4

3 It is likely that the email failure rate reflects the transient nature of some sections of the industry.
Instruments
The industry survey took the form of an online survey using basic HTML form construction and Common Gateway Interface (CGI) scripting to record information for analysis. Information was recorded to a standard log file (CSV format) for analysis via a standard statistical analysis package.

The online survey has limitations associated with the limited uptake of the medium used to distribute the survey. The impact of this limitation was mitigated by the nature of the survey content, concerned with accessing industry perspectives on the impacts of the legislation on their current and past web strategies and commercial directions, thus exclusion of those organisations and individuals who were unable to access the Internet was less likely to have a statistical impact. In addition, organisations and individuals without an email address were mailed a paper version of the online survey, providing the option for these respondents to respond online or via mail.
Minerva Access is the Institutional Repository of The University of Melbourne

Author/s:
CHEN, PETER

Title:
Australian Adult Industry Censorship Survey 2002 Summary of Findings

Date:
2002-02

Citation:

Publication Status:
Unpublished

Persistent Link:
http://hdl.handle.net/11343/33704

File Description:
Australian Adult Industry Censorship Survey 2002 Summary of Findings

Terms and Conditions:
Terms and Conditions: Copyright in works deposited in Minerva Access is retained by the copyright owner. The work may not be altered without permission from the copyright owner. Readers may only download, print and save electronic copies of whole works for their own personal non-commercial use. Any use that exceeds these limits requires permission from the copyright owner. Attribution is essential when quoting or paraphrasing from these works.