

Government too high-minded on HDTV

Imagine if the Government decided to build a freeway system designed for Rolls-Royces only! To drive on the freeway you would need to buy a car at least 10 times more expensive than your current car.

This is what the Federal Government's approach to mandating a standard for the introduction of high-definition television (HDTV) will mean. If you think this is a fanciful comparison, bear in mind that there is a much higher ratio between HDTV sets and normal TV sets than between Rolls-Royces and normal cars.

The productivity commission's recently released draft report on the broadcasting industry recommends "readily available and affordable standard definition" (SDTV) and "high-definition transmission should be permitted but no longer mandated". I agree.

This core recommendation for SDTV, along with others suggesting a more liberal definition of datacasting and permission for multi-channel broadcasting by commercial networks, is directly opposed to the recent legislation on digital broadcasting. A huge groundswell of opposition to mandated HDTV broadcasts has developed, citing the extreme cost of HDTV receivers as the reason HDTV will be a flop in Australia, as it was in the USA.

Alex Encil on the dangers of Rolls-Royce television.

No other country in the world has adopted our "orphan" system. The result will be that TV manufacturers will not make a reasonable variety of receivers only for our tiny market. European countries have all chosen SDTV. The reason for this is not hard to determine — for example, UK viewers can get the benefits of SDTV simply by subscribing to pay-TV services, with the required set-top decoders often supplied free.

In the USA, so-called "budget" HDTV receivers are quoted from \$US7,000 and beyond (which, in the Australian market, could translate to as much as \$14,000). Only 25,000 HDTV receivers were sold in the first six months of digital broadcasting, out of a total annual market of tens of millions of sets. HDTV in the USA is increasingly considered a failure, due to the incredibly high costs involved. How could Australia, with a market 20 times smaller than the USA and with much lower sales of expensive large-screen televisions, make a success of it?

Rapid price drops in new technologies come with huge markets and the cost efficiencies they bring.

Many proponents of HDTV have argued that it should be adopted simply because it represents the best

possible technology. A current example is Super-VHS VCRs, introduced almost 10 years ago and still available. Very few people, however, pay the slightly higher price for these units offering better picture quality.

Mr Harryuki Machida of Sony Australia thinks that the Federal Government must mandate HDTV as our broadcast system "simply because it is a better technology". ("Howard must embrace HDTV", *AFR* Opinion, November 10). Mr Machida should examine the history of previous product failures Sony has been associated with, such as Beta, as well as Elcaset and DAT, all of which offered significantly better performance than existing formats.

They failed due to their pricing and confusion among buyers about competing formats. Their better technology did not guarantee acceptance by the market, and examples of these failed formats now create much amusement.

Having a unique Australian HDTV standard raises the spectre of other "Australian-only" technologies that have not fared well, and that have cost well above initial expectations. Do we really need a Collins Class submarine or Jindalee Radar situation in our living rooms? SDTV does not represent outdated technology, as claimed by some HDTV lobbyists. The proposed HDTV standard is based on

the same DVB-T platform as SDTV would use, and while HDTV would offer better picture quality for screen sizes rarely purchased in Australia (at an extraordinarily high premium), it would actually offer less in the way of interactive services such as multi-channeling and datacasting due to its bandwidth requirements.

SDTV offers better results than our current analog broadcasts, the potential for multi-channel broadcasts by single stations, the ability to datacast information such as a selection of websites, home shopping and banking services, educational and gaming providers, and more.

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Adopting SDTV on the DVB-T platform would, in fact, bring Australia into line with an ever-increasing list of developed countries worldwide.

Most Australians spend well under \$1,000 for their television, and don't consider it worthwhile to spend more. My company regularly has high-income clients with expensive cars who do not find similar prestige value in even a \$2,000 television.

I have had over 10 years of successful importation and sales of high-end televisions, including sales direct to retail customers, which puts me in a unique position in Australia. Nearly all the official ideas of what the public wants come from theory. I can speak from hundreds of shop-floor discussions where I hear real questions from real people about what they expect from a television.

My question is: why were the HDTV sets used at the "HDTV roadshows" in Canberra and elsewhere of a size that most Australians have never seen, let alone considered buying, and why don't US manufacturers make HDTV sets in the screen sizes normally used here? There is a simple answer: at normal screen sizes the performance difference is so small and the price difference so great that there would be no interest.

I will let Mrs Janette Howard, who attended an HDTV roadshow, have the last word. Mrs Howard mused afterwards that she wasn't sure she wanted one of those big screens in her living room, and joked that she didn't think her husband would be "getting one any time soon".

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