

FRAN KELLY: Well every few years there seems to be a new form of media that's set to revolutionise the way we get our information, the way we watch TV or movies. First it was video kills the radio star, but I remain here as living proof that that didn't work. Now it might be downloads that kill the video store. Yesterday Telstra launched movies and TV shows on demand. That means we can download the content and watch it on our home computers. It's a system that's been available overseas for months, but it's a first here in Australia as Madeline Jenner reports...

MADELINE JENNER: It's said you can't have a media launch without a big star and yesterday was no different.

TONI COLLETTE: I'm Toni and amongst other things I am an actor. Um, I have worked in theatre and film, but predominantly the latter, and that's because I love films, I love making films. But in order to get into films I did have to love them and I have from a very early age.

MJ: That's Toni Collette at the launch of Telstra's new download service. She strutted her stuff on the red carpet and talked about the wonders of legal downloads, but politely refused to be photographed with BigPond popcorn in her hand. In a first for Australia, BigPond are now offering movies and television on demand on a PC. It works just like a video store; you can rent new releases for 24 hours or other films for a week. The file is downloaded onto your PC and when it expires you simply no longer have access to the film. The pricing isn't different from your local video shop either: \$6 for new releases and \$2 for a shorter TV program. Justin Milne is managing director of BigPond and he says there are lots of reasons people will be happy to move away from illegally downloading TV, films and music.

JUSTIN MILNE: It's bad karma to steal. Number two is if you, if you, if you steal songs via a file sharing service, you might get caught. And lots of people (are) getting much more sophisticated at catching you. But number three, and most of all, you're pretty well certain at some stage to pick up a, you know, a deadly virus on your machine or blow your download limit. But I'm fairly certain that that will fade away as we go forward because, at the end of the day, people don't like to break the law. I think that one of the reasons that file sharing – illegal file sharing – has been prevalent is because there hasn't been services like this – there hasn't been a legal alternative. Now there's a legal alternative and it's good and it's easy to use and it works great.

MJ: Australia already downloads a phenomenal amount of TV and film. At this stage it's all done illegally. New research from Britain suggests that Australians account for 15% of illegal TV downloads globally. Among the most popular downloads are cult shows that viewers claim aren't aired regularly by the commercial networks. Alex Malick is a copyright lawyer. Over the last year he's been looking closely at the Kazaar court case regarding illegal music downloads. He says that the creation of a legal download system is a good thing but that people turn to illegal downloads when they simply can't find what they're looking for.

ALEX MALICK: People are starting to use the authorised services that are out there. They're starting with the songs that they like. They can't find the songs that they like so then they go out and they look for illegal sources. And they're not so concerned with the legality of it or otherwise; they're just concerned with wanting to get their music and get it now.

MJ: But he says that often TV and film companies are too scared to make their products available on the internet. If you give BigPond content they're going to make it available to consumers. So really it's up to the television, film and music industries. What are they going to do? Are they going to fight the internet or are they going to embrace the internet and use it as an opportunity to make music and make other content available? The launch has been a fantastic thing; it's highlighted the availability of the service. Now the ball's in the court of the record companies to make all of their music available. The ball's in the court for the film companies to give them exclusives and give them a chance to do what they want to do.

MJ: So is the video rental industry concerned? Keran Wicks is the managing director of Network Video with more than 400 stores throughout the country. She says there's no reason for concern.

KERAN WICKS: I've been in the industry 25 years, as have many people, and the industry is as healthy now as it's ever been. Every one or two years there's another reason that somebody extols the death of rental. It's obviously an extremely popular pastime with Australian consumers. You may be able to download movies, but you've got to be happy to watch them on your laptop or on your PC. Who wants to watch a movie on a 17 inch screen when we're just seeing a massive trend to home theatre and surround sound systems. Watching a movie on a computer or a television episode on a mobile phone is kind of regressing us really. We heard exactly the same type of hype when PayTV launched in Australia and PayTV penetration is nowhere near what they expected it to be and we've still got PayTV operators losing money by the bucketload. So it's certainly not the threat to rental stores that people would like us to think.

MJ: She says that Australians that do download are probably still likely to keep going to their local video store as well. Films will hit the video store ninety days before they're available for download. And there simply aren't that many films available. At this stage BigPond have only a thousand titles. They say this will increase to seven and a half thousand shortly, but right now the titles available are pretty limited. Most of the films available are made by Sony and when it comes to television, there are only a few options – The Shield, Rescue Me and Stargate to name a few.

KW: There's only one studio's product available currently on the VOD service, and that's Sony, so you won't be able to see Wedding Crashers or The Chronicles of Narnia or King Kong or a myriad of other great product. You'll only be able to watch Sony's product. The other problem with that is the Sony catalogue is some seven and a half thousand titles; there's only a thousand available on this VOD service. That's only 13% of the Sony catalogue you'll be able to see, when you can go to a video store and watch many thousands of them.

FK: Only a thousand available. I'll have trouble working my way through that lot. That's Keran Wicks, managing director of Network Video ending that report form Madeline Jenner.