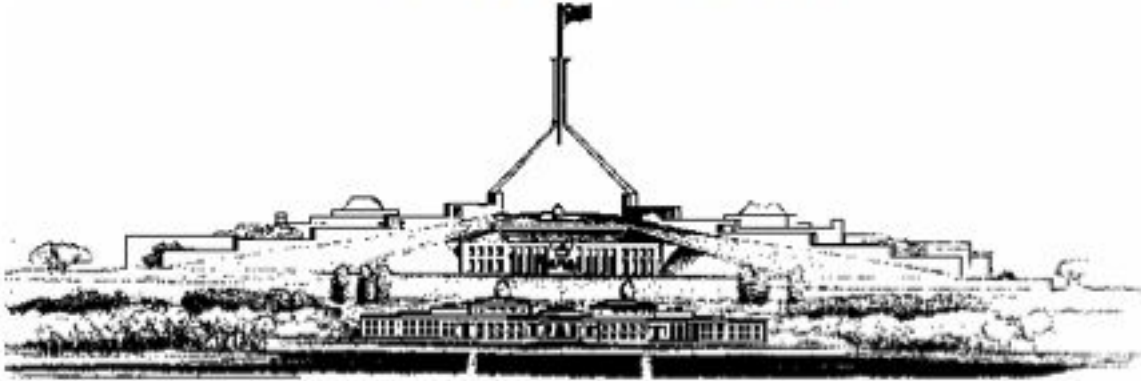




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**COMMITTEES**

**Infrastructure and Communications Committee**

**SPEECH**

**Monday, 29 October 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Monday, 29 October 2012  
**Page** 12170  
**Questioner**  
**Speaker** Champion, Nick, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr CHAMPION** (Wakefield) (10:27): On behalf of the Standing Committee on Infrastructure and Communications I wish to make a statement concerning the committee's inquiry into IT pricing in Australia in order to update the House on the progress of the inquiry. Clearly the complicated issue of IT pricing in Australia balances consumers, industry, copyright holders and the good of the general economy. So far we have had 93 submissions and four supplementary submissions. In particular, there has been strong interest from consumer groups—both individuals and business—and this interest is behind the large number of submissions. Choice and Australian Communications Consumer Action Network have made strong submissions on behalf of consumers.

I had expected there to be strong interest from industry as well, and we do need evidence on the public record because it is vital for the committee to be able to form accurate conclusions, but to date the committee has received only qualified and sporadic cooperation from industry groups and major IT companies. ARIA initially declined to appear before the committee but, after requests, finally did appear on 5 October. The AIIA, which is the industry association representing IT companies, provided a submission and appeared but was unable to provide specific information on behalf of its individual members. Once it became apparent to the committee that major companies did not intend to appear before the committee and give public evidence, we did ask the AIIA to reappear on behalf of the industry; but this request was refused.

Apple made a confidential submission and provided a confidential briefing to members of the committee but have refused repeated written requests to make a public submission or to appear before the committee to give evidence. Adobe initially informed us that they would be represented through the AIIA, but, given that the AIIA's inability to provide detailed answers to the committee's satisfaction, we then sought further information and submissions from Adobe, which they provided on a confidential basis. They have offered to appear—but only if other companies in the sector appeared at the same time. Microsoft, to their credit, made a submission and some further supplementary submissions to the inquiry but have been unwilling to appear before the committee and have proposed alternative contributions instead.

So, to one degree or another, there has been a real unwillingness to submit evidence in public or to appear before the committee on the part of both industry associations and major companies in the area of IT. The committee detects a deep reluctance and resistance on the part of the relevant companies to discuss in public the issues that the committee is considering or to publicly defend their business models and pricing structures. The committee would, of course, be willing to hear in camera matters that were commercially sensitive—which is a common practice amongst committees—but the committee's offer to do so has not been taken up. Rather, the industry seems to employ the tactic of giving either little or limited cooperation to the committee, particularly in public testimony. This stands in stark contrast to what has happened in other inquiries which have investigated areas of commercial sensitivity in that these inquiries received cooperation and information from industry participants. An example would be the joint select committee into the retail sector in 1999, where Woolworths appeared twice and included their CEO Roger Corbett and five other senior managers of the business. If it is good enough for an Australian company such as Woolworths to give public evidence on matters of commercial interest to them, it should be good enough for Apple and others to appear and do the same.

It is not good enough for the industry to simply stonewall the inquiry—or, for that matter, to ignore interested consumers who have a legitimate public interest in IT pricing. It would be far better for companies to defend their business model and their pricing structure in public before the committee. The committee has offered these companies more than once the chance to appear. We would give them a fair hearing; they have my public commitment on it. The companies' failure to appear leaves the committee with an unenviable choice between compelling the attendance of individuals to give evidence and reporting without hearing in detail from industry. The choice between one or other of these alternatives can only be averted by the IT industry's following the first rule of good public relations: always turn up and put your case.