



Committee secretariat,

House standing committee on Infrastructure and Communications

Parliament House

Canberra

Submission to IT pricing enquiry

30<sup>th</sup> June 2012

Terms of Reference

- (a) Whether a difference in prices exists between IT hardware and software products, including computer games and consoles, e-books and music and videos sold in Australia over the internet or in retail outlets as compared to markets in the US, UK and economies in the Asia-Pacific
- (b) Establish what those differences are
- (c) Determine why those differences exist
- (d) Establish what the impacts of these differences might be on Australian businesses, governments and households
- (e) Determine what actions might be taken to help address any differences that operate to the disadvantage to Australian consumers

**SUBMISSION.**

There are many examples of price differences of IT Hardware and software available in different economic markets that are not easy to understand. after 30 years as a professional photographer I have much anecdotal evidence of cameras, computer hardware and software that seems to have no pricing similarity (after currency conversions) with purchasing the same equipment overseas. There are obviously some examples where getting physical support may incur extra costs, but often to nothing like the extent of the price disparity.

For software products particularly, if the service and support was any different, of better quality or easy to obtain then I could understand a price difference, but my personal experience over many years in getting support and backup for professional imaging software related issues is that I'm usually not speaking with someone that's located in Australia anyway.

I will detail a specific product that has very wide use by professional photographers all over the world, and is generally downloaded over the internet – so there's no physical item supplied, would appear to be technically sourced from a server that's not physically located in Australia and the after sales service and telephone support by human voice would appear to be given by people that are not located in Australia

Today sat jun 23rd 2012 – If I log on to the Adobe Australia website and buy a download of Adobe Lightroom 4, I'm quoted a price of \$187 ex GST – this must be accessed from a foreign business anyway as it says I don't have to pay GST. 5 mins later, I then log into the main United States Adobe website and buy a download of Adobe Lightroom 4, I'm quoted a price of \$US 149.00 (on today's exchange rate that equates to \$AU 148.067, so for the sake of ease I'll equate the US dollar to the AU dollar)

The AU price is for no explicable reason 25% higher than the US price for exactly the same product, delivery and after sales service

I will usually try and support local businesses that are selling professional equipment and have it available in stock to "touch and feel" but the price disparity is making this decision harder and harder.

The photographs I produce are used all over the world and I compete with similar photographic businesses from other parts of the world, I'm not sure why my business costs are higher in Australia when the product and service are identical. In the interests of my business remaining competitive and the wholesale businesses I buy from continuing to survive, the Australian Government needs to address this pricing disparity urgently.

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