



**Parliamentary Joint Committee on Corporations and Financial Services -
Questions on notice relating to Mobile payment and digital wallet financial
services inquiry**

Apple Pty Limited

QoN001-03

Given that Apple controls access to its mobile app store while also competing with third parties to provide apps through this platform, as described in submission 11, what protections are in place to avoid self-preferencing and ensure an even playing field for iOS developers?

Apple response: Apple created the App Store to enhance, not harm, competition. By lowering the barriers to entry for new developers with innovative ideas, the App Store has both dramatically expanded the offerings of apps available to Apple users and increased competition. An entire industry has been built around app design and development—creating competition and economic opportunity.

A key motivation for Apple's decision to create its own apps and services is to provide an even broader (and better) range of options to enhance the desirability of its devices and differentiate itself in an increasingly commoditised landscape – it is not to replace other apps. Rather, Apple's proprietary apps and services are designed to further enhance the attractiveness of Apple's devices to consumers. Indeed, the first iPhone did not have an App Store, and only came with a small number of pre-installed Apple apps. Only later did Apple introduce the App Store and open the iPhone to third-party development and build a technology platform that enabled developers to create native applications, Apple made a conscious decision to give consumers greater options and to enable greater competition—including with third-party apps that compete against Apple's own apps. Apple has provided an ever-growing number of tools and resources for developers to create amazing applications on iOS. The evidence shows that Apple does not engage in conduct to give its applications an unfair advantage. To the contrary: in most cases third-party apps have a greater market share than Apple's own apps. Today, there are now almost two million apps on the App Store, fewer than 50 of which were developed by Apple over the last ten years. As Steve

Jobs said when announcing the App Store in 2008: “The developer and us have the same exact interest, which is to get as many apps out in front of as many iPhone users as possible.”