



Submission to the Inquiry into IT Pricing - July 2012

Why do prices differ for training delivered via technology?

This submission relates to the purchase of (the use of) technology for training purposes.

As an alternative to classroom-based training, many training courses can be purchased online, including training provided by companies for their own software products.

I have found examples of public courses where the Australian price is higher than the US price by between 27% and 50%.

In these examples, the courses appear to be the same delivery format, topics and duration, but are displayed on "Country" specific web pages with differences in:

- the course code (where the Australia course code has the suffix "AU"); and
- Pricing.

Further details are provided below.

Example 1: Cognos Report Studio: Introduction (V10.1) - eLearning^{1 2}

"..This eLearning offering is a Web-based Training (WBT)... interactive multimedia modules that are intuitive and instructionally sound. Through visual content, product demonstrations, hands-on learning activities, and assessment quizzes..."

¹ http://www-304.ibm.com/jct03001c/services/learning/ites.wss/au/en?pageType=course_description&courseCode=B2425AU

² https://www-304.ibm.com/jct03001c/services/learning/ites.wss/us/en?pageType=course_description&courseCode=B2425

50% price difference

A 50% discrepancy exists between the US price and the Australia price as illustrated in the table below.

Table 1: Course Codes and Pricing – Web-Based Training

Course Code	Price
B2425AU (See Footnote 1)	AUD \$300.00 ex GST AUD \$330.00 inc GST
B2425 (See Footnote 2)	USD \$199.00 plus tax

Example 2: Self-Paced Virtual Courses - Cognos Report Studio: Author

Professional Reports Fundamentals (V10.1) SPVC^{3 4}

“...After you receive confirmation that you are enrolled, you will be sent further instructions to access your course material and remote labs. You will then have a 30 day window in which to complete your course. Within this 30 days, you will have 336 hours of elab time. The self-paced format gives you the opportunity to complete the course at your convenience, at any location, and at your own pace. .. When you are not using the elab system, ensure that you suspend your elab to maximize your hours available to use the elab

³ http://www-304.ibm.com/jct03001c/services/learning/ites.wss/au/en?pageType=course_description&courseCode=J2158AU

⁴ https://www-304.ibm.com/jct03001c/services/learning/ites.wss/us/en?pageType=course_description&courseCode=J2158

system. Once you have accessed the course, help is available Monday through Friday; questions will be responded to within 24 hours.”

NO EXTENSIONS FOR THIS COURSE WILL BE GRANTED

This is the self paced training version of classroom course ...”

27% price difference

A 27% discrepancy exists between the US price and the Australia price as illustrated in the table below.

Table 2: Course Codes and Pricing – Self-Paced Virtual Courses

Course Code	Price
J2158AU (See Footnote 3)	AUD \$2,349.60 inc GST AUD \$2,136.00 ex GST
J2158 (See Footnote 4)	USD \$1,680.00 plus tax

While I haven’t reviewed other vendor sites, I suspect that similar “Country” pricing disparities exist for their offers.

Why is there higher pricing for Australian-based consumers to develop skills in contemporary software?