



This submission to the inquiry relates to the price discrepancy of computer software sold in Australia when compared to the US or UK. Specifically, this submission relates to the regional pricing of the digital store 'Origin', owned by Electronic Arts (EA).

In summary:

- The price of a digital download of the game 'SimCity' is priced at \$US59.95 on the US Origin site, compared with \$AU79.95 on the Australian Origin site.
- It is not possible to purchase from the US Origin site from Australia, both from the perspective of 'Geo-IP' blocking, and the requirement to be purchased using a US credit card.
- The same game can be purchased in physical form (which also allows a digital download of the same title) from the UK, from a third party supplier (as opposed to the distributor-owned Origin store) for \$AU56.99 inclusive of shipping and taxes.
- Contacting EA on the issue and asking for a \$AU20 discount on the Australian Origin price resulted in (across six emails and four representatives) generalised dismissal of the issue, non-answers, and ultimately a direct refusal of my request.
- EA refused to equalise the digital price despite being informed that this would result in the most profit for them, as opposed to purchasing the game from the UK in physical form if the discount (equality) was not provided.

The game 'SimCity' will be released in March 2013, and has been available for pre-order since 2012. The price for digital download of this game from the EA-owned 'Origin' store is \$US59.95 on the US Origin site, compared with \$AU79.95 on the Australian Origin site (this is for the 'Limited Edition'; a 'Digital Deluxe Edition' is also available for \$20 more on both sites). A third party supplier from the UK retails a physical copy of the game (the Limited Edition) for \$AU56.99 inclusive of shipping and taxes. The physical copy of the game also entitles the purchaser to download the title from the Origin store. It is not possible to purchase from the US Origin store from Australia, or without a US credit card.

I wrote to EA to ask for a discount of \$20 to allow me to purchase the game (the Digital Deluxe Edition) for the same price as is available in the US, as it was unfair that I be charged more for the same product simply because of where I reside. I also explained that should EA not offer price equality, I would purchase the physical copy from the UK-based third party retailer. The proposition was that by providing me with a \$20 discount they would sell a product for \$80 (of which almost all would be profit due the digital nature of the product and the lack of a third party distributor), as opposed to a third party retailer selling me their product for \$56.99 (thus resulting in a substantially reduced profit of perhaps \$30-40).

Over a period of approximately four weeks, I had several email communications with four different representatives from EA. Their responses included:

- Claiming that although EA wanted to have price standardisation across regions, they were unable to do so due to "currency conversion rate(s), taxes and marketing initiatives".
- Claiming that prices were determined by "higher authorities".

- Offering me a 15% discount code, which could not be used on pre-orders or new release games.
- Noting that I had questions regarding regional pricing for 'The Sims 3' – an entirely different game which I had not raised.
- Stating that although the Origin store was owned by EA, EA “did not make the currency laws”.
- Explaining that games come out later in different regions due to EA having to “work around some regional laws”, when I never asked anything about the release schedule or timing differences.
- Finally, informing me that I would have to purchase the version of the game that is available in my region, and that I would not be provided with any form of discount or access to any other Origin store.

This is just one example of the price discrepancy employed by EA, as there is considerable online discussion surrounding their Origin store pricing in Australia.

In summary, EA appears to be unfairly inflating the prices of their software via digital download (and perhaps other platforms) for Australian residents. Even when it is demonstrated that they would achieve a higher profit by providing the digital download at the same price as is available to US residents, they refuse and respond with a mixture of dismissal and contempt to communications.

A recommended solution to the issue would be to require EA to make the US Origin store available to Australian residents without penalty. This would immediately eliminate the issues.

Kind regards,

David Bannister