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Dear Committee

I am writing this letter in regards to the price of Video Games and IT products in Australia. Current situation in Australia gone unnoticed by the wider community for a long time now, but in light of recent events certain facts have come to light. Lately there has been a large increase in the amount of Australian consumers buying their games online and over last month video game retailer **GAME** has gone into voluntary administration, while **JB Hi-Fi** has resorted to importing games from overseas and selling them here at a discounted price.

The price of games in Australia has long been attributed to the weaker Australian dollar (obviously now a non factor) and the higher cost of shipping to Australia. While these have been reasonable arguments, it does not sit well with many Australian consumers who have resorted to purchasing their games overseas and waiting the mailing period. Sites like Amazon and Ozgameshop.com, as well as the ever-prevalent eBay all offer Australians a place to purchase their games and IT products at (often less than) half the price, offered by Australian video game retailers.

Australia's second largest dedicated Video Game retailer GAME went into voluntary administration earlier this month [source <http://www.kotaku.com.au/2012/05/game-australia-has-gone-into-administration/>]. Only 3 days ago, tech retailer JB Hi-Fi openly admitted to importing video games from overseas (UK) and selling them at a discounted rate in stores advertising them as "import games" at "great prices." [source <http://www.kotaku.com.au/2012/05/jb-hifi-now-selling-parallel-imports-in-store/>] Both of these events are industry reactions to more and more Australian consumers purchasing their video games over the Internet. But who could blame them? *Max Payne 3* was released last week, EB Games have the game listed at \$98.00 (Xbox 360), yet United Kingdom based site ozgameshop.com (a website aimed at Australians to sell games at a discounted rate) offer the same game, for the same platform for \$56.99.

When consumers have that option to pay almost 50% less than what an Australian retailer how can they be expected to do anything else? Australian consumers have been driven to this point by the industry; something drastic is going to have to change before they are going to come back.

Sincerely

Isaac Hendry

