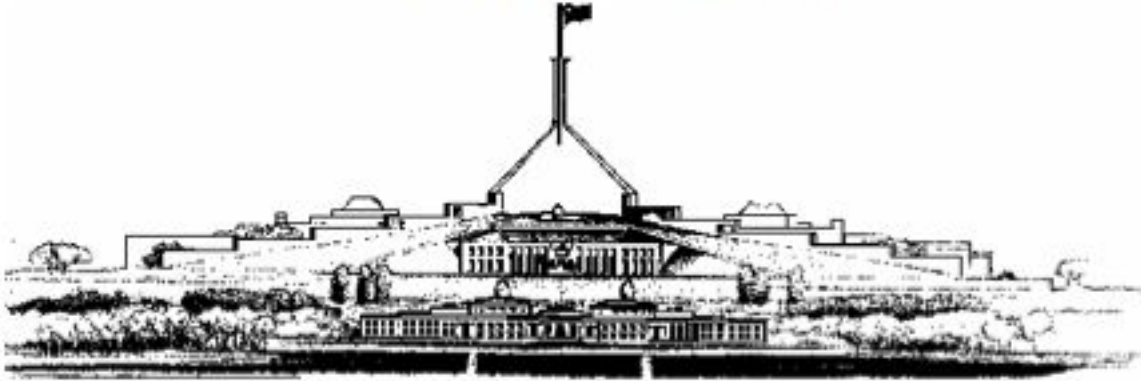




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

COMMITTEES

Infrastructure and Communications Committee

SPEECH

Monday, 29 October 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Monday, 29 October 2012
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Questioner
Speaker Neville, Paul, MP

Source House
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Responder
Question No.

Mr NEVILLE (Hinkler — The Nationals Deputy Whip) (10:33): I rise to support the chair of the committee as his deputy. I take us back to the referral from Senator Conroy on 18 May where he said, in the terms of reference for this committee on IT hardware and software pricing, that he wanted us to investigate:

... differences in prices of products sold in Australia compared with other markets (US, UK and Asia-Pacific) ...

He also pointed out to us that some products have been costing up to 90 per cent more in Australia than have similar products sold in the US. We were then told by Choice that they could identify a range of products for which prices were approximately 50 per cent higher in Australia than they were elsewhere. The Productivity Commission also identified that very high prices are being paid in Australia in comparison with the prices being paid in other regions.

It is obvious from the evidence we received from members of the public and people on the consumer side of this agenda that the public has had enough of this pricing, which puts Australia at a disadvantage in a whole range of areas, such as IT hardware and software and things that spin off them—music downloads and engineering, medical and educational software.

We have been told traditionally that things have to be a bit dearer in Australia because of our geographic isolation, the historically weak Australian dollar and our comparatively small population. Australia is not that geographically remote in this era of the internet and fast international aviation and communications. We certainly do not have the historically low dollar at present and our comparatively small population is one of the most IT-literate in the world.

To maintain this unfair advantage, we are told, a number of companies have played the game of selective encryption, geoblocking and geofencing to ensure that people cannot buy certain goods online and use them in Australia. That is simply unacceptable. We have been told by both sides of politics over the years that we have to accept the international price of petrol and the international price of gas and so on, and, as an obedient population, we say, 'Fair enough—that's the way business is done in the world.' But when it comes to this IT market equally we should not be put

at a disadvantage. It falls to our government and the opposition to stand up against this and take a very firm stand on it.

The committee sought constructive, candid involvement from various large companies. But they have been difficult, as the chairman just pointed out. There seemed to be a reluctance from some international corporations to get involved in the inquiry, even after a number of direct requests. We feel that we have come to a point where there is obstruction, avoidance and evasion. One of the silliest ones is that, on the one hand, the industry body says they are there to represent the industry, but, when we ask them a specific question, they say they cannot possibly talk for individual members. So we have this catch 22 going on.

The ultimate sanction for this sort of thing is to invoke the committee's powers to subpoena people. I am always reluctant to do that, but I think a time comes when we should consider the sanctity of the parliament and what it is here to do. When the minister asks us to look into something and report back to this parliament and we are deliberately frustrated, I think we need to send out a signal that we are not going to accept that and that we expect a better level of conduct from the industry.