



## HOUSE OF REPRESENTATIVES COMMITTEE: Inquiry Into IT Pricing

Submission Dated 25 May 2012

I wish to draw the committee's attention to significant price discrepancies between the Apple iPhone, the Apple iTunes Store and products released by Adobe Systems Inc. whereby Australian consumers are slugged significantly more than their North American counterparts.

### Apple iPhone 4S

*N.B:* In the United States, Apple iPhones are sold locked to contracts with subsidised handsets. To ensure a fair comparison the following table draws upon the Canadian equivalent. The Apple iPhone 4S is identical in every aspect of its specification, manufactured in the same factories and sold direct from Apple Inc.

|                    | Australian Apple Store<br>(AUD) | Canadian Apple Store<br>(CAD)<br>1.00AUD = 1.01CAD |  |
|--------------------|---------------------------------|--|--|
| iPhone 4S:<br>16GB | <b>\$799</b>                    | <b>\$649</b><br>A\$643                             | Australians pay <b>A\$156</b> (24%) more |
| iPhone 4S:<br>32GB | <b>\$899</b>                    | <b>\$749</b><br>A\$742                             | Australians pay <b>A\$157</b> (21%) more |
| iPhone 4S:<br>64GB | <b>\$999</b>                    | <b>\$849</b><br>A\$841                             | Australians pay <b>A\$158</b> (19%) more |

Data correct as of 25 May 2012

### Apple iTunes Store

Historically, Apple Inc. have charged \$0.99USD (**A\$1.01**) per song purchase on their iTunes platform to United States customers yet charged Australians **A\$1.69** per song purchase for the same digital content (64% more). These prices remain unchanged despite the Australian Dollar being above or near parity for several years.

### Adobe Creative Suite 6 (CS6)

Adobe Systems Inc. charge Australians significantly more for their software than charged elsewhere. For example, Adobe Photoshop CS6 is charged at \$699USD (**A\$714**) in the United States for the full version (download from Adobe site) versus **A\$1,168** to download the same software in Australia (64% more).

There is no logical way to justify these significant price increases faced by Australian consumers; especially with the high value of the Australian dollar and many of these transactions taking place electronically where no postage is required. With hope the inquiry into IT pricing will find reasonable cause for the discrepancies and provide recommendations to ease the unjust burden placed on Australians for no substantive reason.