



27 February 2013

House of Representatives Inquiry into IT Pricing

Dear Sir/Madam,

I am writing to you to provide evidence for your Inquiry into IT Pricing in Australia. As a small video game developer based in Sydney we use many IT products both for the creation of our games as well as for research purposes.

**Summary:**

1. Autodesk Maya 2013 is 1.44 times as expensive in Australia as it is in the USA. The market is controlled by Autodesk preventing Australians from obtaining or using licenses purchased abroad.
2. Adobe CS6 products are 1.55 times as expensive in Australia as they are in the USA. The market is controlled by Adobe preventing Australians from purchasing or downloading the software outside of Australia.
3. Of note is the fact that Google's online store Google Play has one US\$ price around the world (or at least in Australia) meaning that everyone is treated fairly. You buy at the US\$ price converted at the current exchange rates. It shows that it is possible for a company to create a system where everyone is treated the same and regional price controlling is not in effect.

## **1 Autodesk Maya:**

Autodesk specialise in 3d visualisation software and have packages which cover architecture, engineering, visual effects and general 3d visualisation. They have in the last 7 years purchased the three main 3d visualisation packages used for making films, tv and video games, these being Maya, 3DS Max and Softimage (3DS Max was always owned by Autodesk, they purchased Maya in 2005 and Softimage in 2008). As a games developer for PlayStation (Sony), Wii U (Nintendo) and Nintendo 3DS we have to use one of these packages to be able to create and export our 3d artwork into our games.

In addition to having a virtual monopoly in the 3d visualisation space Autodesk have also created a complex licensing and reselling system which prevents users from one region purchasing software from another. Firstly they will not sell you digitally, or via a reseller, a copy of one of their products from outside of your region. In our research no reseller would risk their license and sell us a US copy of the software. Secondly you have to call them up to obtain your license key to use the software. When you do if you are not in the region your serial number (on the DVD) is from they will not provide the license. Digital copies from their stores can only be purchased with a valid credit card and address for the region you are attempting to buy from and again you cannot use them unless you get a valid license which they wouldn't provide if you bought out of region.

The net result of this is that we have to buy the software from Australia and they control the pricing. We cannot buy a competing product as in our industry they own the major ones.

The price of Autodesk Maya 2013 is as follows:

### **Autodesk Maya 2013**

US Digital Download	US\$	3675	AUS\$	3595	
AUS Digital Download	US\$	5288	AUS\$	5175	
<b>Difference</b>	<b>US\$</b>	<b>1613</b>	<b>AUS\$</b>	<b>1580</b>	=1.44 times more expensive

As you can see the price of Maya 2013 in Australia is AUS\$1580 more expensive than the US version which equates to approx 1.44 increase in price over the US version.

### **What are reasons for these differences:**

As far as I can tell the only reason for these differences is to control pricing in each region. Historically these products were sold in boxes and only from licensed resellers. The resellers are required by Autodesk to offer training and other services which in Australia may be more expensive per unit due to the smaller market. As Autodesk is now selling the software digitally they clearly do not need the resellers anymore but are not changing pricing which reflects this nor are they (or have they ever) allowed users to decide if they want to pay the extra for the 'benefit' of the reseller system; it is just assumed. For perspective, in 15 years of working in the video game industry, I have never needed to call a reseller for training or other services in respect to Maya.

### **What are the impacts on Australian Business and Consumers:**


Australian business in the film, tv and video games business are being unfairly financially penalised in comparison with their American counterparts. This makes it more expensive to do business in Australia and makes it hard to compete on a global stage.

### **What actions could be taken:**

As these are both downloadable products and downloaded from the same server, have the same code and are to all intents and purposes identical there is no reason they should be that large a disparity. Autodesk should be made to:

1. Change their pricing system to reflect one price for the world and not regionalised;
2. Change their licensing system to allow users from one country to purchase from other countries allowing price competition;
3. Investigated for creating and controlling a monopoly in their sector of the market;

4. Investigated for creating a business structure and license system designed to control pricing and prevent users from choice.



### Autodesk Maya 2013

3D animation software that delivers a comprehensive creative feature set with tools for animation, modeling, simulation, rendering, and compositing on a highly extensible production platform.

**Choose your product configuration:** [Click to reset your product configuration](#)

- New Stand-Alone License
- without Subscription
- Windows
- Electronic Download

\$3,675.00


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**Recommended for You**

- Autodesk Maya Entertainment Creation Suite Premium 2013
- Autodesk 3ds Max Design 2013
- Autodesk Mudbox 2013

Buy new from: **\$3,675.**  
Or upgrade from \$2,575.  
[Shipping information](#)

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### Autodesk Maya 2013

Create breath-taking 3D animation with software that delivers a comprehensive set of creative tools. Autodesk® Maya® 2013 3D animation software includes tools for animation, modelling, simulation, rendering, and compositing on a highly extensible production platform.

**Choose Your Product Configuration:** [Click to reset your product configuration](#)

- New Stand-Alone License
- Windows XP/Vista/Windows 7 Compatible
- Electronic Download

**AUD 5,175.00**

**Popular Add-on:**

- Autodesk Maya Subscription (1 year) (Add AUD 880.00)**  
Autodesk 360 cloud capabilities can help you increase mobility, improve collaboration, and optimize your designs.

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**Benefits of Autodesk Subscription and Autodesk 360**

Buy an Autodesk® Maya® 3D animation software licence online with Autodesk® Subscription and get convenient access to the following benefits:

- Software upgrades**  
Stay current with the latest releases and product enhancements.
- Flexible licensing**  
Work with previous versions of your software. Use it at home or in multiple locations.
- Technical support**  
Resolve issues and get back to work with online help from product support specialists.

[More about Autodesk Subscription](#)

Priced from: **AUD 5,175.00**  
[Shipping information](#)

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**2 Adobe Creative Suite CS6:**

Adobe, like Autodesk, create and own the professional software for creating and editing images and vector graphics used by the industry. Like Autodesk there are no serious competitors and so for making textures (images to put onto a 3D model) for use in games we are required to use their products so that we can use various exporters, plugins and tools provided by Sony, Microsoft and Nintendo.

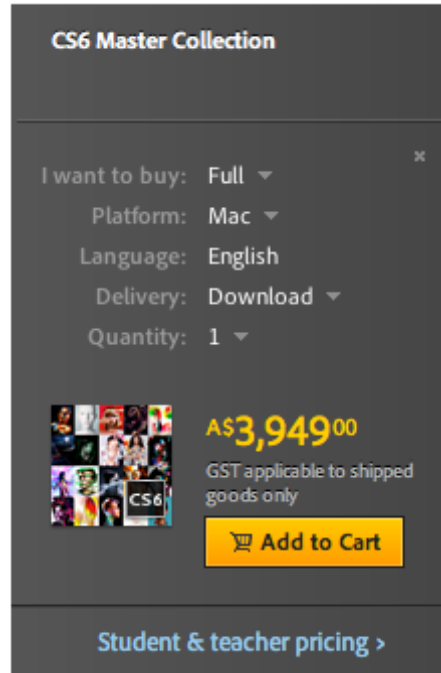
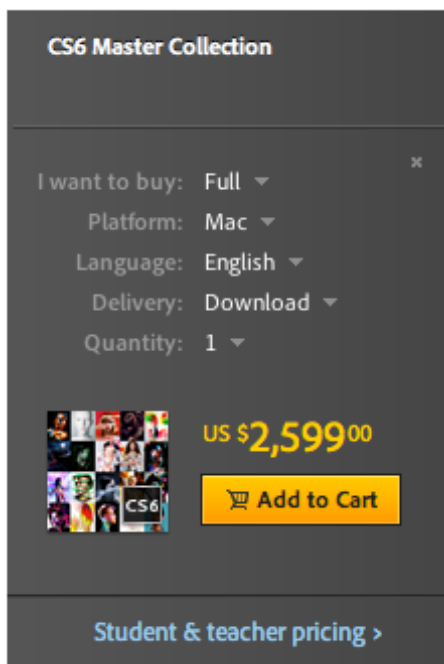
We make use of Adobe Creative Suite as it represents some of the best 'value' for purchasing all the different products Adobe offer. There are 3 'flavours' of Creative Suite: Master Collection (which is the most complete version), Design & Web (which is aimed at web and paper graphic designers) and Design Standard (which has the fewest applications bundled with it).

Adobe have a more open licensing policy in that it is theoretically possible to use a US copy in Australia as all you need is the serial number provided in the box or digital download. However few if any retailers outside of Australia will ship Adobe products here suggesting that like Autodesk, Adobe, has put the squeeze on them to control pricing. Digital copies from their stores can only be purchased with a valid credit card and address for the region you are attempting to buy from.

The price difference for Adobe Creative Suites is as follows:

**Adobe Creative Suite CS6 Master Collection**

US Digital Download	US\$	2599	AUS\$	2543	
AUS Digital Download	US\$	4035	AUS\$	3949	
<b>Difference</b>	<b>US\$</b>	<b>1436</b>	<b>AUS\$</b>	<b>1406</b>	=1.55 x as expensive



**Adobe Creative Suite CS6 Design & Web**

US Digital Download	US\$	1899	AUS\$	1858	
AUS Digital Download	US\$	2940	AUS\$	2877	
<b>Difference</b>	<b>US\$</b>	<b>1041</b>	<b>AUS\$</b>	<b>1019</b>	=1.55 x as expensive

**CS6 Design & Web Premium**


I want to buy: Full ▾

Platform: Mac ▾

Language: English ▾

Delivery: Download ▾

Quantity: 1 ▾



**US \$1,899<sup>00</sup>**

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**CS6 Design & Web Premium**


I want to buy: Full ▾

Platform: Mac ▾

Language: English

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**A\$2,887<sup>00</sup>**

GST applicable to shipped goods only

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**Adobe Creative Suite CS6 Design Standard**

US Digital Download	US\$	1299	AUS\$	1271	
AUS Digital Download	US\$	2017	AUS\$	1974	
<b>Difference</b>	<b>US\$</b>	<b>718</b>	<b>AUS\$</b>	<b>703</b>	=1.55 x as expensive

**CS6 Design Standard**

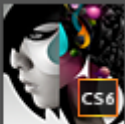
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**US \$1,299<sup>00</sup>**

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**CS6 Design Standard**

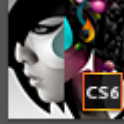
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**A\$1,974<sup>00</sup>**

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**Notes:**

The exchange rate used for calculations was correct as of February 27th 2013.  
The exchange rate used was AUS\$1 = US\$1.022

Thanks for your time.

Yours,

Nic Watt  
Creative Director