



My name is Alex Talbot, and I'm an Australian citizen and consumer. I have been aware of the differences in regional pricing for many years now, and I'm glad to see that it's finally being addressed.

Most of my personal experience comes from computer gaming. I've been using digital distribution a lot more in the past few years (The digital distribution platform *Steam* in particular – <http://store.steampowered.com/> ) and I have put up with the inflated prices because of a perceived inability to change the system.

Regional pricing *may* have been relevant a decade ago when the Australian dollar was worth about 0.50USD and shipping costs were higher, but these days it's simply unacceptable. Our currency is close enough to even for these price differences to simply become a massive cash cow, with companies exploiting us as much as they can.

Now, however, I look forward to debate and change being introduced to equalise the playing field.

There is plenty of evidence to show that Australians are unfairly charged more for games and IT products from gaming prices on digital distribution<sup>I</sup> to computer hardware<sup>II</sup> and even operating systems.<sup>III</sup> Some businesses, like JB Hi-Fi have even begun "parallel importing", buying games from overseas and reselling them inside the country to take advantage of reduced prices.<sup>IV</sup>

The fact that this artificial inflation is happening across almost all digital distribution systems and IT companies suggests that Australians could be facing an "IT Cartel",<sup>V</sup> which will require the assistance of the government to bring to an end. It's important to distinguish that in most cases these price fixes aren't being applied by retailers, whether digital or physical, but by the publishers that distribute to Australia.<sup>VI</sup>

Another important element to consider is that all of the profit made from these artificially inflated prices goes straight to offshore companies – none of that profit is reflected in our businesses here at home. And with more and more people moving to parallel importing and online purchases, *all* of the profit goes straight into foreign businesses. If prices were brought down to a competitive level, more people would shop at local businesses. Those businesses would still be making the same amount of profit, and the increased sales would generate more revenue for the government through GST, payroll taxes and employees

spending their wages in their own communities. This is a clear, strong financial incentive to make sure this price fixing comes to an end.

I have faith that based on this evidence that the Australian government will be able to come to a conclusive decision about the price fixing Australians have been enduring for years.

Thank you.

Alex Talbot

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<sup>i</sup> <http://www.steamprices.com/au/topripoffs> - note that the UK region's pricing is generally the same as the US listed price, indicating that while there is some disparity between the British pound and USD, this issue is especially targeting Australian markets.

<sup>ii</sup> US graphics card: <http://www.newegg.com/Product/Product.aspx?Item=N82E16814121636>  
AU graphics card: (approx. 50% markup)  
[http://www.pccasegear.com/index.php?main\\_page=product\\_info&cPath=193\\_1385&products\\_id=20216](http://www.pccasegear.com/index.php?main_page=product_info&cPath=193_1385&products_id=20216)

<sup>iii</sup> US pricing: <http://windows.microsoft.com/en-US/windows/shop>  
AU pricing (Approx. 100% markup): <http://www.microsoftstore.com.au/shop/en-AU/Microsoft/Windows/Windows-7>

<sup>iv</sup> <http://www.kotaku.com.au/2012/05/jb-hifi-now-selling-parallel-imports-in-store/>  
<http://www.kotaku.com.au/2012/05/jb-hi-fi-comments-on-its-decision-to-sell-parallel-imported-video-games-in-store/>

<sup>v</sup> [http://games.on.net/article/14091/Are\\_Australian\\_Gamers\\_Being\\_Robbed\\_by\\_a\\_Cartel](http://games.on.net/article/14091/Are_Australian_Gamers_Being_Robbed_by_a_Cartel)

<sup>vi</sup> Manufacturer: <http://www.evga.com/products/moreInfo.asp?pn=04G-P4-2690-KR&family=GeForce%20600%20Series%20Family&sw=>  
US store (no markup): <http://www.newegg.com/Product/Product.aspx?Item=N82E16814130781>  
AU store (Approx. 70% markup): <http://www.scorpTec.com.au/computer/45930-04g-p4-2690-kr>