

Tech giants summoned by Australia pricing inquiry

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This file photo shows customers surfing the Internet at a cafe in Sydney, on April 7, 2009. Global technology giants Microsoft, Apple and Adobe have been ordered to appear before a pricing inquiry examining the often-higher cost of tech goods in Australia compared with other economies.

Global technology giants Microsoft, Apple and Adobe were Monday ordered to appear before a pricing inquiry examining the often-higher cost of tech goods in Australia compared with other economies.

The lower [house committee](#) holding the probe, which was launched last

May, said it had summoned the trio to appear at a public hearing next month to explain why Australian customers paid more for the same products.

"The [committee](#) is looking at the impacts of prices charged to Australian consumers for IT products," it said in a statement.

"Australian consumers often pay much higher prices for hardware and software than people in other countries."

The inquiry was set up to examine claims by consumer advocacy groups of price discrimination for Australians on technology, with music, games, software, and gaming and computer hardware costing substantially more than elsewhere.

According to consumer lobby group Choice, [Australians](#) pay on average 73 percent more on iTunes downloads than the United States, 69 percent more on [computer products](#) and a staggering 232 percent more on PC game downloads.

[Office software](#) was on average 34 percent more expensive in Australia when compared with the United States, Choice said in its submission to the inquiry, with hardware coming in at 41 percent more expensive.

One [software package](#) was Aus\$8,665 (US\$8,939) more expensive to buy in Australia than the United States—a gap that Choice described as "particularly unreasonable".

"For this amount, it would be cheaper to employ someone for 46 hours at the price of \$21.30 per hour and fly them to the US and back at your expense—twice," Choice said.



This file photo shows iPad tablets displayed at an Apple store in Sydney, on March 16, 2012. According to consumer lobby group Choice, Australians pay on average 73 percent more on iTunes downloads than the United States, 69 percent more on computer products and a staggering 232 percent more on PC game downloads.

Choice only did comparisons to the [United States](#) and Britain; the inquiry is examining discrepancies with these countries as well as with Asia-Pacific economies.

Apple and Microsoft have both made their own submissions to the committee, arguing that prices differed across jurisdictions due to a

range of factors including freight, local taxes and duties and foreign exchange rates.

The Australian Information Industry Association, which represents Adobe and other major ICT firms, has submitted to the committee that the "costs of doing business in Australia are higher than in many other countries".

It pointed to retail rent costs and high wages as some of the main factors behind business costs in Australia being "5-10 percent higher than any other country... and these costs are passed onto consumers".

Apple and Microsoft both declined to comment when contacted by AFP while Adobe said it would "cooperate with the committee as we have done since the inquiry began".

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