

# Apple, Microsoft defend Australian pricing at inquiry

March 22 2013

---



Apple's iPhone 5 is shown outside the US company's flagship store in Sydney, September 21, 2012. Technology giants including Apple and Microsoft on Friday defended their pricing policy in Australia at an official inquiry launched over concerns that they were overcharging customers.

Technology giants including Apple and Microsoft on Friday defended their pricing policy in Australia at an official inquiry launched over concerns that they were overcharging customers.

Australians, on average, are forking out 34 percent more for software, 52 percent more for iTunes music, 88 percent more for [Wii](#) games and 41 percent more for hardware than US consumers, according to consumer lobby group Choice.

Apple, along with fellow tech titans Microsoft and Adobe, was called before a parliamentary inquiry examining the pricing disparity.

In their testimony the firms blamed content providers and costs including packaging, shipping and labour for steeper prices of their products despite the Australian dollar sitting on historic highs which should make imports cheaper.

Tony King, vice president for Apple Australia, New Zealand and [South Asia](#), said the iconic US company sought to adopt a uniform pricing policy around the world.

He said in relation to the purchase of music, movies and TV shows on iTunes, higher copyright fees demanded by [music labels](#) and movie studios for products sold in Australia meant that downloads could be more expensive.

"The cards, so to speak, are in the hands of the folks who own the content," King said. "We would urge the committee to talk to the content owners to understand why there may be differential pricing."

Apple and Microsoft had earlier 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 [technology firms](#) including Adobe, has told the committee that the "costs

of doing business in Australia are higher than in many other countries".

Microsoft Australia's managing director Pip Marlow told the inquiry Friday the company took into account labour and compliance costs when setting prices for each country.

"We don't believe that every market is the same," she said.

If Microsoft products were too expensive, shoppers would simply "vote with their wallets" and buy alternative products, she added.

Managing director of Adobe Australia and New Zealand, Paul Robson, said Australian prices took into consideration costs such as packaging, shipping and giving customers a personalised service with a local website.

(c) 2013 AFP

Citation: Apple, Microsoft defend Australian pricing at inquiry (2013, March 22) retrieved 1 July 2024 from <https://phys.org/news/2013-03-apple-microsoft-defend-australian-pricing.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.