

# Customers told to vote with their wallets

IT giants defend higher prices for Australians.



**PRICE ATTACK:** Companies respond to criticisms over high IT costs

**A**pple, Adobe and Microsoft have defended the prices they charge for products sold in Australia, saying customers have the choice not to buy from them if they think they are being ripped off.

Australian representatives for the three IT giants made the comments at a recent public hearing for the inquiry into IT pricing in Australia being conducted by the House of Representatives Communications Committee.

The inquiry is questioning why identical IT hardware and digital products cost more in Australia compared to markets in the United States, United Kingdom and the Asia-Pacific and what can be done to address any disadvantage to Australian consumers.

Apple Australia vice president Tony King said Australian prices for Apple hardware products like the iPad were similar to those charged overseas, but blamed higher prices for digital downloads on music wholesalers.

“The pricing of this digital content is based on the wholesale prices which are set through negotiated contracts with the record labels, movie studios and TV networks,” Mr King said.

“In Australia, they have often set a higher wholesale price than the price of similar content in the United States.”

Adobe’s managing director Paul Robson named the higher cost of doing business in Australia as one reason for often large price discrepancies between regions for the company’s identical, digitally delivered products.

He also said Adobe geo-blocked Australian customers from accessing its US website, which offers much cheaper product prices, because the company wanted consumers to benefit from a local “personalised experience”.

“When customers access the Adobe.com website they can choose to see whichever website they wish to see,” Mr Robson said.

“We automatically try to get them to look at the Australian site, for a number of different reasons.

“There is information that is relevant to the local market in relation

## LATEST

### TAFE REVIEW LAUNCHED

The role of Australia’s Technical and Further Education (TAFE) system in developing skills for the Australian economy will be examined in a new parliamentary inquiry launched by the House of Representatives Education and Employment Committee.

The impact of recent funding cuts to TAFE by some states will also be reviewed, along with the ability of TAFE to create opportunities for Australians to better themselves and their life and employment prospects.

The committee will look at TAFE’s effectiveness in delivering employment opportunities to support regions, communities and disadvantaged individuals through its skills and training programs.

The inquiry will also investigate TAFE’s operation in a competitive training market.

The terms of reference for the inquiry say the TAFE system has played a crucial role in the training and development of thousands of Australians.

“TAFEs provide a critical pathway to training and skills which are increasingly needed to access employment,” the terms of reference state. “They also play a critical role in regions and in providing access for disadvantaged groups.” •

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