

To-whom-it-may-concern,

I am writing to you in response to a general call by the Parliamentary Secretary to the Treasurer, David Bradbury's, call for public submissions to the Productivity Commission's investigation into price differentials between Australian and overseas markets, specifically regarding software, consumer electronics and online media. I have been affected by this issue several times. As a rational consumer, I will always search for the lowest available price. This has often meant buying items online, even if it meant ordering from other countries.

The prime example here would be when I had to purchase a memory upgrade to replace some aged parts in my computer, three months ago. The item I wished to buy cost almost \$200 from an Australian online retailer, while the American website Amazon was offering the same equipment for \$100. However, presumably to prevent people from capitalising on this price difference, Amazon refused to ship this particular item to Australia. Not wishing to pay the Australian price, I asked an American friend of mine to order the item and send it to me here in Sydney, and I paid him back, a total cost of item plus shipping of \$120, saving me \$80.

Another large culprit in this field is Apple, arguably a more significant issue. At the time of the Japanese earthquakes earlier this year, a charity album titled "Songs for Japan" was released on Apple's online iTunes Music Store, at an Australian price of \$16.99. At a time when the Australian dollar was significantly higher in value than the American dollar, this same album was retailing on the American iTunes Store for only \$9.99 USD. For an item which is downloaded from a server (i.e. without any shipping or handling costs), I found this price differential astounding and infuriating. The same applied for Apple's latest software offering, Mac OS X Lion, which retailed for \$29.99 as an online download in America, but sold here for \$32.99, again during a time of Australia's currency value being higher than that of the US.

I believe that these enforced price differentials, especially for online downloads, are baseless and exploitative of the average Australian consumer, who will not complain about the price for the sake of convenience and minimal hassle. My parents are good examples of this behaviour.

Furthermore, I fear that these unfair pricing differences, of which many software and media companies are guilty of, may encourage consumers to illegally obtain items such as software, music and television shows, with no scruples.

I hope this submission will be of assistance in compiling your report. Please do not hesitate to contact me should any points require clarification.

Kind regards,

Leon Geisler