



Friday, 6 July 2012

Committee Secretariat
House Standing Committee on Infrastructure and Communications
House of Representatives, Parliament of Australia,

Dear Sir/Madam,

I am writing in response to the House Standing Committee on Infrastructure and Communications Inquiry into IT Pricing, specifically point (a) of the terms of reference.

I have experienced considerable differences in pricing from children's software (and hardware) vendor Leapfrog. Leapfrog sells portable gaming devices in Australia and the United States (as well as other locations) as well as selling downloadable applications (apps) through a proprietary software program called Leapfrog Connect. I recently purchased an app called 'Explorer™ Game App: Globe: Earth Adventures' for \$45, by nominating Australia as my country during the checkout procedure. A quick internet search for the same app shows it is \$25 in the United States. I expect that regardless of which country I had selected at the checkout, I would have still been downloading the app from the same location. Further to this, my credit card was charged an overseas transaction fee which I wasn't advised during the checkout process, which adds further weight to the notion that the app is supplied from the one global site.

This issue caused me to query the company as to why there was a price difference. The response I got from a company called Funtastic (presumably the Australian representative for Leapfrog) read as follows;

'Each market place has their own price based on the volume of consumers who buy the products. For example; United States has a larger volume of consumers who purchase Leapfrog products, therefore they have the capacity to lower their prices for the consumers. Also if a consumer purchases a LeapFrog product online using an overseas online site, unfortunately the warranty will not be valid within Australia. You will need to contact the place of purchase for any warranty issues.'

I can understand that physical products such as a game cartridge could attract a higher price when sold in Australia due to smaller volumes, shipping costs etc, however I struggle to understand how a downloadable app can cost 80% more when purchased online in Australia.

Thank you

Kind Regards,

Greg Bell