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From: Chris Lacy [REDACTED]
Sent: Friday, 1 April 2022 4:12 PM
To: Digital Monitoring
Subject: Mobile competition RE the Digital Platform Services Inquiry

To whom it may concern,

I am the sole Director of an independent Australian software app development company. For 10 years my company has developed and sold software for mobile platforms. I would like to address a few points regarding the Digital Platform Services Inquiry that I feel are lacking from the Interim Reports.

1. No mention of Digital Platform Service operators being required to allow for fair and equal competition in all app categories in which they operate

As an example, my company currently offers mobile software products in two app categories:

- Home screens ("Launcher" in Android parlance) - the app that controls the grid of app icons/folders that displays all users applications and allows the opening of applications.
- Animated wallpapers ("Live wallpapers" in Android parlance) - a dynamic, graphics based application that typically displays a series of photos, images or an animated scene beneath the Home screen icons, on the device lock screen, etc*.

In the case of both these app categories, Google offers its own applications which ship by default, but its Android platform allows users to switch the default application to my applications. However, on iOS, Apple offers its own software, but offers no ability for 3rd party developers to offer competing applications or iOS customers to use non-Apple applications in these categories.

Another example is the "Quick Note" functionality Apple added in iOS 15, where a swipe in the bottom right corner of any app allows users to create a note directly in Apple's Notes app. Developers of other note taking apps are excluded from offering this functionality, and users are unable to change their default note taking app.

Australian consumers and developers would benefit from a mandate that Digital Platform Service operators must allow consumers to change application defaults in all categories offered by the platform holder. It's worth stating that these operators should be required to allow 3rd party developers to offer their applications and their integrations with the system on an equal footing to the system applications, free from bugs/limitations not suffered by default applications.

* To be clear, on iOS Apple does allow a user to pick a custom wallpaper and developers to save video wallpapers to a device, but Apple does not allow developers to create real-time animated wallpapers that displays throughout the system, even though the company offers these applications itself.

2. Insufficient detail regarding in-app payments limiting innovation

Points 5.2.2 and 5.3.4 of the DPSI September 2022 Report both address in-app purchases as they relate to mobile app stores. Discussion points such as the high, competition-less commission rates of platform holders for processing payments are well covered.

What is not addressed is how rules around digital payments by Digital Platform Service operators limits and often prevents innovation from being explored. It's my firm belief that in 2022 we are potentially at the starting point for a new era of the internet with concepts such as digital asset ownership emerging.

Apple co-founder Steve Jobs used to famously say that Apple doesn't do focus testing because a room of consumers 'would never have arrived at the iPhone'. Certainly no one looked at the iPhone and immediately thought of derivative, mobile-native innovations such as ordering an Uber or SnapChat Stories.

IMO it's highly plausible that the rules/limits placed on digital payments by Digital Platform Service operators are preventing similar levels of hard-to-foresee-but-obvious-in-hindsight digital innovation. Consumers should be free to transact with their digital goods from apps on their mobile device without gatekeepers. I encourage this to be reflected in the final report.

3. No mention of Digital Platform Service operators unilateral / unchallengeable approval of developers

As an example, my company attempted to enroll in Apple's iOS Developer Program on November 10, 2021. As I write this, 142 days have passed and this enrollment is still listed as "[being processed](#)" (as it has been for the previous 141 days). Attempts to contact Apple directly to enquire as to whether further information should be provided or get an ETA have proved entirely fruitless.

Literally the only option my company has is to continue to wait for Apple, a company with a market cap of AU\$3.8 trillion, to approve/deny my application. With no competing app stores available on iOS and no further routes for appeal, my company is literally powerless to release native apps on iOS.

4. No mention of "web apps"

Box 1.4 of the Digital Platform Services Inquiry Interim report No. 3 (September 2021) does an admirable job covering the need for competition in the web browser engines. I would like to highlight the need for inclusion of "web apps" in the final report.

In the case of iOS, Apple continually points to the iOS web browser as competition for the App Store. In reality, the iOS Safari browser and its WebKit browser engine are undermaintained, slow to release critical bug fixes and even slower to release new features ([link](#)).

The [UK Competitions & Markets Authority Interim Report](#) makes extensive mention of "web apps", and I encourage the ACCC to include mention of this technology, especially as the only viable software distribution method outside the App Store on iOS.

In Summary

I believe the ACCC has done an admirable job compiling the reports thus far. It's my hope these suggestions can be incorporated to strengthen the report to the benefit of Australian consumers and developers.

If I can provide any further details, testimony or otherwise, please feel free to reach out.

Chris Lacy

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