

CCMA Submission in Response to the

Keeping Jobs from Going Offshore (Protection of Personal Information) Act 2009

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Submitted on: 10 June 2010

Response Summary

In its current form, The CCMA stands in opposition to the proposed Keeping Jobs from Going Offshore (*Protection of Personal Information*) Act 2009 on the basis that the legislation if enacted in its current form, will limit the growth of the Australian Contact Centre Industry and the opportunity to position Australia as the centre of Contact Centre Excellence through technology and skills deployment, in other global markets such as the UK and USA.

If passed in its current form, the more immediate effects on this industry would be negative in terms of employment opportunities also resulting in a reduction of services to this industry from other peripheral supporting sectors (i.e. Education, Training, Recruitment, Telecommunications). These factors combined with the general de-positioning of the industry and profile of Australia on the global front, would all contribute to a negative effect on Australia's general GDP.

Other social impacts relate to international working relationships and at a local level back to work employment, lifestyle and employment flexibility this industry is known to provide to support the varied social structures in-place.

It is the CCMA's position that the Keeping Jobs from Going Offshore (Protection of Personal Information) Act 2009 and associated legislation raises some important issues relating to the Contact Centre Industry, and would benefit from modification as a result of discussions between the CCMA as the industry body representing the Contact Centre Industry and Senator Fielding's Office, to offer a collaboration of views on these issues back to the Australian Community at large.

NOTE: reference is only made to the Call Centre Industry, implying relevance only to voice calls and not to contacts made by email, web chat, collaboration, co-browsing, fax, letter or SMS. For the purposes of this submission the industry will be referred to as the Contact Centre Industry on the assumption the discussion includes all contacts made to/from a Contact Centre.

About the CCMA

The CCMA provides a forum where Customer Contact Centre Industry organisations and individual professionals across all sectors can interact having a common goal of service excellence, industry improvement, commercial growth and professional development. Committed to continual improvement to enhance industry outcomes, the CCMA strives for best practise through a nationally accredited Education Program and provides opportunities for peers to convene at Industry Forums, Education Sessions, international and local industry workshops and networking events at a local, national or part of an international network of like-minded participants.

The CCMA have also established relationships throughout Asia Pacific as founding member of APCCAL (Asia Pacific Contact Centre Association Leaders). Established in 2008 to share information and best practice within the region, APCCAL aims to represent the combined interests of the Asia Pacific Contact Centre Industry internationally by attracting investment to Asia-Pacific, particularly Australia, and counteract the current interest from countries and companies looking to invest into the UAE, European, African and other regions of interest.

The Australian Contact Centre Industry

To better facilitate this response the following statistics sourced from industry discussion and various industry benchmarking organisations i.e. CallCentres.net and Vivaz, are offered to provide a snapshot (only) of the current Contact Centre Industry in Australia to provide some context;

- No of Contact Centres – approx 3,925
- Primary Locations – Eastern Seaboard: Gold Coast, Brisbane, Sydney, Melbourne
- No of Outsourced Contact Centres – approx 475
- No of Offshore Contact Centres – approx 100 (of 475)
- No of Contact Centre Seats - approx 205,000 seats (workstations)
- Total Industry Employment – 260,000 people (in and associated with the industry)
- Specific Industry Employment – 212,000 people (agents frontline)
- Industry Growth (seats) – 2010 expected 6%, 2009 1% (GFC affect), 2008 8%
- Calls per day – approx 16 million
- Calls/interactions handled by the Contact Centre – approx 80%
- Revenue Generation – 2010 6% expected increase on 2009, 2009 AU\$49b (7% increase on 2008) as a result of inbound and outbound telephony calls

Response to Information Privacy

4 Interpretation of this Act , (2) *Personal information*

The information as listed as personal identifiers and secondary identifiers is information that many companies use to identify their clients/customers. This same information is also kept in an individual's wallet or purse and in many cases (i.e. name, address, telephone number, email address and usually more) is readily available via the internet and can be accessed right now, anywhere in the world. In the situation where a wallet or purse is lost, this information has effectively been given up in one hit, creating the same consequences should that information land in the 'wrong' hands.

Individuals also readily give up this same information via the internet, phone or in writing when accessing bank accounts using a password, to verify information and/or access to accounts, and when entering competitions, filling in forms, answering surveys and applying for services and utilities etc.

We are now living in a world completely proliferated by social media and it is not uncommon to see this personal information freely available along with life stories and personal photographs posted on social networking pages, with open access for everybody with an internet connection to see.

Certainly CCMA are in support of protection of personal information and would suggest that it is incumbent on companies to identify their customers, using additional and/or other means available such as the technologies developed that can dramatically reduce the chance of fraud and employ better security measures, i.e. voice biometrics, electronic finger printing and various other options. Used in addition to traditional identification data would dramatically reduce the cases of personal fraud, making it close to impossible due to the combination and additional identification factors required.

Part 2 – Consent to transfer personal information

With reference to the *transfer of information*, noting that for the purposes of this bill *transfer of information* includes accessing information stored in Australia from overseas by the use of telecommunication connections.

Accessing of information in this manner is significantly different from transferring information overseas. Once information is physically transferred (i.e. the information or a copy of the information is physically transported and then stored overseas, whether in electronic or printed form), control of that information is lost. Conversely, if the information is retained in Australia but accessed from overseas, that access is controlled. While it may not completely prevent fraud, any access is traceable, not just to the company but to the individual person accessing the information. This would appear to be significantly more secure than physically transporting the information overseas.

Frauds of this nature are not contained to overseas locations and also occur in Australia. Better access controls to data for everyone, Australians and foreigners, is the only way to reduce fraud.

Response to Offshoring Jobs

Although the Contact Centre Industry and Banks are the only industries mentioned with regard to offshoring jobs (Note: none of the big four banks have moved any customer-facing Contact Centre jobs offshore) they are not alone in this practice. BPO (back-office processing), sales fulfilment, information technology, accounts payable, accounts receivable, management information reporting and others make up a large contingent of the industry that offshore but are perhaps not essentially of the same profile as the Contact Centre, but require access to private information to enable simplex transactions to be completed.

A very small percentage of contact centre jobs are actually offshore, the vast majority remaining here in Australia. The primary industries that off-shore contact centre work include Service Providers, Telecommunications, Technology, IT Technical Support, Financial Services and Hospitality; all selling products and services in Australia and overseas, and with only part of their operation offshore, these companies are actively creating wealth for Australia and contributing to the Australian economy.

Consider also the number of overseas-owned companies that have contact centres in Australia i.e. Malaysian Airlines, Cathay Pacific, Optus – wholly owned by SingTel, as well as overseas-owned specialist contact centre operators i.e. Teletech, Aegis, Vertex and the impact of a similar Bill being imposed in the countries where these companies are headquartered. There would be significant job losses in Australia resulting in a massive public outcry.

The preservation of Australian jobs and Contact Centres unable to find suitable staff (2nd Reading Hansard)

The following points need to be considered;

- Contact Centres had to send work offshore as Australians were less prepared to do the work. Generally the industry has a low profile and the related jobs are seen as transitional and/or short term options to a better career and the work is often considered highly stressful and/or menial.
- The cost of *Australian wages have risen over time, which also makes offshore Contact Centres more attractive, particularly when the more simplex, repetitive and what would be considered menial work by Australian's can be done at a cheaper cost by much more willing employees.

- What is also prevalent is the significant percentage of the Australian population that is due to retire over the next 20 years. The percentage far exceeds the number of young people starting work, which indicates the possibility of increasing immigration... or sending jobs offshore.

Sending jobs offshore to contribute to the profits of large companies (2nd Reading Hansard)

The following points need to be considered;

- Keeping higher paid jobs in Australia would mean these costs being passed on to the Australian consumer typically in the form of higher prices – it is unlikely that large companies would allow their profits to suffer. *Refer back to point above.
- These large companies pay Australian tax on the profits they make which the Australian economy relies on as a source of revenue to ensure the stability of the economy.
- As Individuals, through our compulsory superannuation funds owns part of these large companies, and by insisting that our superannuation funds perform well we force these companies to make more profit and reduce costs. Ultimately, we all benefit from their profits.

Offshore call centres are to disclose the city and the country where they are located

In relation to this requirement and to voice calls consideration must be given;

- To all current and future channels being used by the Contact Centre i.e. fax, letter, email, web chat, collaboration, SMS etc.
- To include all companies that perform other overseas activities
- To the impact this could have on ALL of these companies, including Contact Centres, in terms of Head-Office operations continuing business in Australia.
- To calls made to or received from a company that is not owned in Australia but has a presence in Australia? For example, if you call HP for help with a PC, is the person answering that call required to advise which city and country they are located in?
- To how a person in an offshore Contact Centre recognise that a call is coming from Australia before the call is answered?
- To how this legislation be enforced and what the ultimate advantage of this information would provide to the customer? What is the guarantee they will reach someone from Australia next time they call?
- To the social implications with regard to immigrants and racism.

SUMMARY

The CCMA represents the Contact Centre Industry, in Australia, to Australia and to overseas markets which in turn establishes the profile of Australia as a player in this global industry.

Of significant size, the Contact Centre Industry makes up a valuable and very viable part of the Australian economy through overseas and local investment, employment, education, training, recruitment and many other components.

With the ever tightening economy, businesses are under pressure to ‘do more with less’, reduce costs, service more people, take/make more calls and generate more revenue, to remain competitive and profitable. When you consider the option of restructuring business sales from an on-the-road to outbound Contact Centre model, there is an immediate cost benefit to the business.

One example of how the Contact Centre solution becomes a more desirable and very viable counteractive solution.

The opportunity then extends to offshore work that is transactional, repetitive and/or menial so that the work that remains onshore is more complex and requires a higher skill level to complete. This threefold effect results in added value for the customer through service levels, happier customers and increased business activity/competitiveness, the engagement of the Contact Centre employee through more interesting

and challenging work, and work that requires more complex, problem solving input which translates to the need for a higher skill level, higher job profile and higher rewards through increased wages.

PROPOSAL

The CCMA proposes to engage in discussions in response to the proposed Keeping Jobs from Going Offshore (*Protection of Personal Information*) Act 2009, particularly in relation to the decisions relating to offshoring with the view to enlist the influence of the Australian Government to position and promote the Australian Contact Centre Industry as a viable commercial proposition to other countries looking to offshore components of their businesses and as a consequence create more jobs in Australia.

Regardless of onshore or offshore, the Contact Centre Industry is growing and will by nature of the cost effective sales and service model it provides, the growing service levels demanded by customers, new technologies and the ways in which new generations prefer to be contacted, continue to grow.

In specific relation to Australia's domestic market, the projected 6% growth in seat size during 2010, based on current seat numbers of 205,000, represents a significant opportunity for the Australian economy and Contact Centre Industry from local investment. In addition to this we are already seeing growth coming from US and UK owned companies investing in Contact Centre businesses in Australia, due to the ability to offer 24/7 services, a 'follow-the-sun' model, English language and cultural similarities; however it is only the beginning of what could be a greater lucrative option for the Australian economy.

As a leader in this industry from a technology and customer service perspective, Australia has the opportunity to be positioned as a Centre of Excellence, recognising the industry and its staff as the highly-skilled and critically important workforce that it is.

The ability to offshore the lower-value, simplex and often repetitive job actually adds to the job satisfaction of the staff remaining in Australia allowing Australian staff to undertake higher-value, more interesting work i.e. completing and assessing mortgage applications, providing IT help, assisting customers with complex mobile phone plans or providing health advice.

The CCMA concludes that the decision to offshore or onshore the Contact Centre both has its own merits, and with the support of the Government this decision could be influenced to support the Australian economy in the most suitable way.

Further, financial investment to assist with greater profiling of the Australian Contact Centre Industry globally, will increase the ability for the CCMA to establish Australia as a global education hub and position the Australian Contact Centre Industry as a viable industry for commercial investment, employment, career development, exportation of skills and increased commerce from related peripheral products and services.

This will result in lucrative commercial outcomes and increased jobs and job security for all Australians!