



**5<sup>th</sup> April, 2006**

## **Media Release**

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### **Proposed Do Not Call Register is dubious in achieving its goals**

On April 4<sup>th</sup> the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan announced that a national legislated Do Not Call register will be created to protect consumers from nuisance telemarketing phone calls.

Whilst the Minister has attempted to consult with industry bodies on the topic, there have been a number of recommendations and warnings provided by these bodies that appear to have been ignored. The failure by similar registries in the US and UK in preventing true nuisance calls seems to have been disregarded in the development of an Australian model.

For example in the US the Do Not Call register did not ultimately prevent nuisance calls. Furthermore it has led to almost all of America's 50 states to introduce legislation designed to curb the practice of offshoring call centre work.

*"I think on the state level, these efforts will continue," said Stuart Anderson, executive director for the National Foundation for American Policy (NFAP). "Once you're a state officeholder and you've introduced one bill, it doesn't take much to keep introducing bills." At the federal level, Anderson expects to see continued efforts by lawmakers to curb offshoring and outsourcing by introducing amendments to pending legislation."*

The proposed legislation does not address the core of the problem. Clearly Australian consumers have received an increase in nuisance calls over the past few years. However this is because SMEs and large corporations have found cheaper alternatives. A common choice is to conduct their telemarketing from low-cost offshore locations such as India and the Philippines, often at two-thirds the cost of Australian services. The lower costs have enabled larger budgets for telemarketing and this has led to increased calling into consumer households. Regrettably the telemarketing industry in these countries is often unregulated and is largely cost-driven. Quality standards and industry best practices are commonly lacking in these locations, leading to poor quality (nuisance) calls back into Australia.

The growth of the offshore call centre industry is five times that of the local Australian industry. The proposed legislation announced by Minister Coonan is likely to damage the local Australian industry and yet have little effect on the offshore call centre industry. Whilst it is suggested that the legislation will apply to Australian companies that outsource offshore, it is difficult to comprehend how this will be controlled in practical terms as Australian Law is effectively limited in offshore locations.

We strongly urge the Minister to consider the thousands of jobs she may be jeopardising with this legislation. The call centre industry employs over 220,000

people in Australia, the majority comprised of youth aged between 18-28. The call centre industry is also a significant regional employer and provides white collar employment to thousands of Australians in locations overlooked by many other employers.

We agree wholeheartedly with the Minister that consumers should not be called endlessly and harassed. We also agree that legislation should be introduced to protect consumers. What we are asking is that the Minister address the heart of the problem so that these aims are properly achieved. If the US and UK examples are any indication, the proposed Legislation will only serve to cripple the local industry. It will certainly get rid of local mavericks but it will not curb businesses from seeking cheaper offshore telemarketing and as a consequence, compromising quality and the rights of the consumer. This is the core of the problem that we would like the Minister to address.

Minister, do not shoot the messengers. Please shift your focus away from the telemarketers themselves, and control the marketers and corporations who drive the campaigns in the first place.

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**For further media information or to arrange an interview please contact:**

**Joe Tawfik –Joint Managing Director, Contact 1-2-1 Pty Ltd**

**Phone: 0411 283994, Fax: 02 98109808, Email: [joe.tawfik@contact121.com.au](mailto:joe.tawfik@contact121.com.au)**