

30<sup>th</sup> August, 2006

## Media Release

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### **40,000 Australians could lose their Jobs because of Do Not Call legislation.**

Mr Tim Searcy, CEO of the American Teleservices Association (ATA), was invited by Noble Systems and Contact 1-2-1 to speak to call centre professionals in Australia about compliance and the possible impacts of the Do Not Call legislation being introduced in Australia. Tim spoke at two events held in Sydney and Brisbane late last week.

Tim expressed his concern for the local industry by outlining that Australian legislators appeared to be constructing Do Not Call laws based on flawed principles, as evident in the United States. Tim shared his extensive experiences around DNC legislation in the United States and other locations, such as Canada and the United Kingdom. Tim warned that if legislators continue down the U.S. path, the local Australian call centre industry could expect to lose over 40,000 jobs in a two-year period. It has been estimated that over 1 million jobs have been lost due to DNC in the U.S. alone.

The Australian industry is yet to embrace or fully understand the potential impact of DNC legislation. Tim's visit to Australia was a "back to the future" visit to warn the industry of the threat and the actions required to address this threat. Tim has been living and breathing DNC issues for a number of years. For him it has become an all too familiar cycle:

1. Politicians see an opportunity to curry favor with constituents by eliminating "unwanted" telemarketing calls.
2. Politicians look around the world for where DNC work has been done in the past to determine best practices.
3. Politicians take a couple of suggestions from other countries, but mostly disregard lessons learned elsewhere, and design their own scheme.
4. A short, mostly token review of the legislation is considered by the industry and the regulators that must implement the intended rules.
5. The industry organizes itself far too late to be effective, except for winning small victories and preparing for hand wringing.
6. Rules are implemented far too quickly, and with little consideration for unintended consequences.
7. Some of the industry over-reacts by walking away from the teleservices channel for a time, and some of the industry under-reacts by ignoring the rules until substantial fines have been imposed and bad press has taken center stage.
8. The industry complies and attempts to save face by re-engaging in the political process with promises of self-regulation and further compliance.
9. Politicians receive feedback from constituents that this kind of legislation is welcome and leads to their re-election.
10. Politicians find a new topic like inbound customer service and repeat the process beginning at number 1.

The problem of DNC legislation, if not properly constructed and implemented, is that it will lead to job losses, cost a lot of money to administer, confuse the consumer, and ultimately benefit the politicians that introduce this popular law under the guise of consumer rights and privacy. Surely, the Australian industry and public are smarter than all of that.