



CHARTER MERCANTILE AGENCY

FAQ's Relating to India BPO

1. *Aren't we are losing jobs to India?*

No. Trade between India & Australia in 2005 fiscal year was \$2.9 billion in Australia's favour, so the reverse is actually true.

Click here for more details:

<http://sify.com/finance/fullstory.php?id=14021769>

Chronic worker shortage by 2010

The nation's population is ageing so fast that Australia faces a shortfall of 195,000 workers by 2010 unless immediate action is taken to avert the crisis.

Please see the [Australian Labour Shortage](#) On Page 4

We need to recognise the global economy we are part of. We enjoy a high standard of living due to competition in the global market delivering very affordable items such as clothes, cars, computers, TV's, white goods etc. It is about value for money & freedom to choose, we are confident that we can exceed your expectations by applying more resources to your accounts.

2. *What about the poor quality phone calls I get from telemarketers?*

Not with CMA!

Cochin is one of only 2 ports in India where trans-ocean fibre optic cable lands. Our office is only 3km from this hub & has a direct link. Our phone system has been upgraded to the highest quality digital link using VOIP equipment, unlike many telemarketing companies that use cheap internet phone calls. We invite you to test this by calling our office on **1300 55 00 02** and speaking with one of our employees in Cochin (local call rate).

3. *Is our data safe?*

Definitely.

All data remains in Australia on our Cosmos server, which is firewall protected & fully secure. The server is accessed from Cochin by a Telstra secured VPN link.

4. *What about the Indian accent?*

Australia is a multicultural country with dozens of nationalities & accents. Indian call centre employees have exceptional English fluency & communication skills, a fact long recognised by many high profile multi national corporations like Citibank & American Express.

5. *What are the price savings?*

Collection costs are generally 30-50% less than the equivalent service delivered solely from Australia. Please contact us for more information.

6. *What about collection performance?*

For once a lower price & improved performance go hand in hand. Clients utilising our Cochin facility have seen significant performance increases. We are able to supply references to validate this.

7. *Aren't you running a sweat shop?*

No.

The salary paid by CMA is high by local standards, & attracts a never ending stream of job applications from graduates & highly qualified professionals. Our offices are of western standard, & staff are generally given free transport to & from home. Far from exploiting the nation, CMA is helping build a better future. We work in partnership with a number of community organisations across India committed to improving education, housing and community support for disadvantaged people.

Click here for more details on our website www.chartermerc.com.au/news.htm

8. *What about compliance & training?*

CMA has made a large investment in training, with a constant stream of our key personnel spending time in Cochin. Our Indian employees are subject to the same rigorous training that their Australian counterparts do, with regular refresher courses in ACCC/privacy regulations etc. All personnel are covered by our Australian licences & indemnity insurance. All dialer phone calls are digitally recorded & made available to our clients, full client internet access is available to review accounts & download reports.

9. *Do I have to talk with an Indian?*

No.

CMA has opted for an onshore/offshore model, where the client relationship is managed locally in Australia. We have collection staff in Australia & India, working the same system in real time. Depending on the situation with the particular debt, it can be handled by an onshore or offshore collector, thus giving the best of both worlds.

Pro's	Cons (perceived)
Cost savings 30-50%	Poor telephone line quality
Improved collection results	Accents hard to understand
Six sigma QA standards	Sweatshop environment
Highly educated professionals working your files	Losing jobs overseas

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THE AGE

Australia's demographic time bomb: forget the future, it's here

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The economic impact of an ageing population is already being felt.

PETER Costello keeps talking about “the demographic time bomb that’s going to hit us in 20 years” and I’m sure most people share his belief that the fabled Ageing of the Population is way off in the future.

But that view is quite mistaken - as I’m sure Costello would find if he checked his briefing notes. Ageing isn’t in the Never, ageing is now.

Ageing isn’t an event that will happen one day; it’s a process - one that began more than 40 years ago. It’s built up to the point where it’s having a barely perceptible effect on the labour market as we speak, and will become noticeable within the next few years.

The ageing process is speeding up and is now evident even over the course of a year. Over the 12 months to June last year, the population grew by 1.2 per cent. Within that,

however, the number of children aged up to 14 actually fell by 600, whereas the number of people aged 65 or more rose by 2.3 per cent.

The population of working age - those aged 15 to 64 - grew by 1.4 per cent. But get this: within that, the population of pre-retirement age - 55 to 64 - grew by 4.6 per cent to 2.1 million.

Now do you see what's happening? The fertility rate - the number of children per female - has been falling since 1961, while life expectancy has been rising for more than a century.

These trends are inexorable, but slow. What gives the ageing process its urgency and bite is the progress of the bulge in the population pyramid that's the baby boomers. If you define the baby boom narrowly to cover those babies born in the 16 years after World War II - from 1946 to 1961 - there are now 4.4 million of the blighters, 22 per cent of the population.

The boomers started reaching the minimum retirement age of 55 (the age when the Federal Government will let you get your hands on your super) in 2001. By now, almost 30 per cent of them are 55 or older.

The boomers will start turning 60 next year. And guess what? The average retirement age is 60 for men and 58 for women.

Costello's own budget this year contained two clear indications that the first noticeable effects of ageing are almost upon us. The first was a prediction that the rate of participation in the labour force - the proportion of people of working age who either have a job or are looking for one - will reach its zenith next financial year, 2006-07.

The second was the decision to cut the nation's projected potential rate of economic growth from 3.5 per cent a year to 3.25 per cent from 2008-09 onwards, which is just three years away.

That slowdown in growth may seem minor, but it isn't. What's more, it's the first of many. It flowed from a projection that the annual growth in total **employment** will slow from 1.5 to 1.25 per cent - equivalent to the absence of about 27,000 new jobs a year.

Various professions and industries are studying the likely effects of the baby boomers' retirement. One study of the medical workforce was published this year by Deborah Schofield and John Beard of Sydney University.

Defining baby boomers more broadly as those born between 1946 and 1964, they found that, in 2001, boomers accounted for 55 per cent of GPs, more than 60 per cent of nurses and about 60 per cent of specialists.

“It is widely anticipated that retirement among ageing clinicians will result in workforce shortages within the next five years,” Schofield and Beard say.

Turning to the nation’s teachers, four years ago 9 per cent of them were 55 or older (indicating that teachers tend to retire early), while a further third were aged 45 to 54.

Turning to manufacturing, 170,000 skilled workers are expected to leave the **industry** in the next five years, which is 34,000 a year, compared with about 21,000 young people completing apprenticeships each year.

Looking more broadly, it gets down to the changing balance between the demand and supply of labour. Over the course of the 1970s, the total population (representing the demand for labour) grew by 14 per cent, whereas the population of working age (representing the potential supply of labour) grew by 18 per cent.

It was a similar story of supply exceeding demand in the ‘80s. By now, however, the gap between the two has narrowed. Over the first half of the nineties, population growth slowed to 6 per cent and growth in the working-age population to 7 per cent. For the rest of the nineties the gap between the two is projected to fall to just 0.5 percentage points. And from 2010 on demand is projected to outstrip supply.

We’re not far from the time when shortages of labour will pop up everywhere. Do you see what this will do to enhance the bargaining power of workers?

And it will be happening not long after **John Howard’s industrial** relations changes have sought to shift bargaining power in favour of employers.

Makes you think the workers don’t have a lot to worry about.

Ross Gittins is a staff columnist.

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