

What are workers saying?



"It will decimate the IT industry in Australia. There won't be a job for my son in IT because of the cheap labour that's available offshore."
- Christine



"Large commercial law firms are offshoring discovery of documents, word processing, IT and human resources; they're all done offshore. One large commercial firm had up to 200 people working offshore on matters. That's 200 Australians that don't have a job!" - Vicki



"It's definitely a very vulnerable situation when you live in a regional area, because you don't have a big pool of employment options."
- Serah-Jane

Australians have strong views on offshoring Australian jobs

96% agree that Australian companies have a responsibility to invest in Australian jobs and skills.

91% agree that their personal information should not be stored offshore without written permission.

89% agreed that the Federal Government should act to protect Australian workers from losing jobs because the work is being sent offshore.

Source: FSU Better Banking public survey 2010

We need a plan to secure the jobs of the future.

Recommendations:

- Develop a services sector industry plan
- Review the use of tax incentives and disincentives to retain Australian jobs and competencies
- Introduce "Right to Know" legislation to allow consumers to find out where services are provided from and where their personal data is stored
- Develop a government procurement policy to only contract services to business with transparent supply chains and ethical employment practices

*It's time for
action*



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SECURE JOBS



SECURE DATA



It's time for action

In 2008, in the context of the developing mining boom, the ASU & FSU commissioned a report into off shoring from the National Institute of Economic and Industry Research (NIEIR) that queried the likely future of Australia's "Plan B" for future prosperity — the services sector. The 2008 report predicted massive increases in off shoring, and urged action to grow services jobs for the Australian workforce and to carve out a place for the Australian sector in the global traded services economy.

Four years on, the updated 2012 report from NIEIR indicates there has been no apparent progress on Plan B. Service Sector jobs continue to move off- shore at a rapid rate.

- More than 80,000 service sector jobs offshored over the last 4 years
- More than 20,000 jobs moving offshore each year
- Between 700,000 and 1 million jobs to move off-shore in the next three decades

Source: Off-shore and off work: The future of Australia's service industries in a global economy, NIEIR Report Sept 2012

Offshoring impact -20,000 jobs moving offshore each year

Professional services jobs have been heavily impacted by offshoring since the 2008 report. The 2012 report found that Australia has been losing approximately 20,000 jobs per year to offshore services. In addition, more than 1200 finance sector jobs have been lost each year over the same period.

Despite the loss of these jobs, the potential impact of offshoring is even greater today than it was four years ago.

Due to a marked deterioration in the terms of trade for 'at risk' services, the estimate of offshoring employment loss over the next two to three decades has been revised upwards to over 882,000.

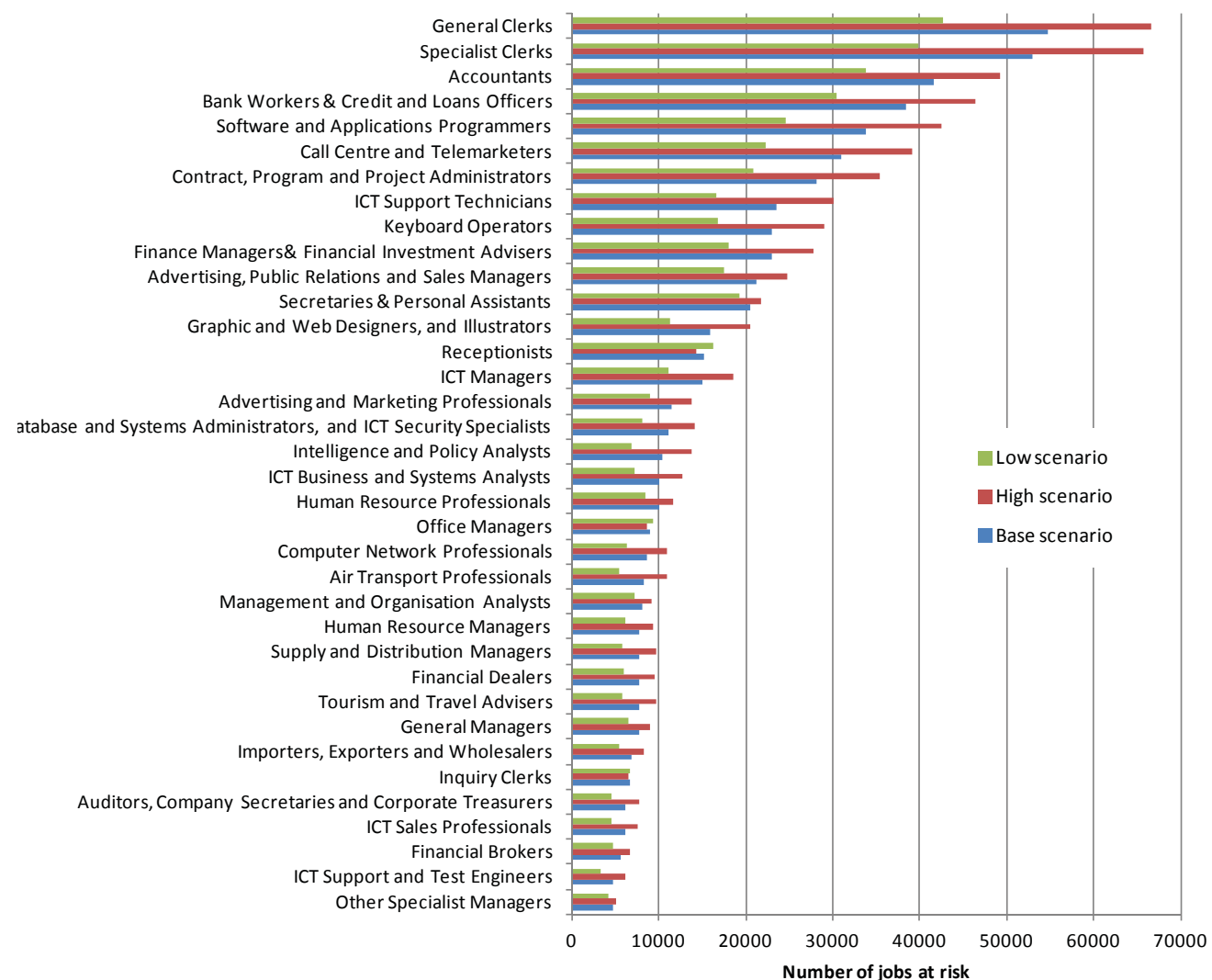
Offshoring impact by industry

By measuring the extent to which industry and occupational groups are concentrated in a small number of locations, NEIR has assessed the likely impact of offshoring on these industries and occupations.

The report finds that the following groups are at particular risk:

- Finance and Insurance sector workers (24% of jobs at risk)
- Clerical workers, including legal clerks, accounting clerks and keyboard operators (20% of jobs at risk/1 in 5 professional services jobs lost in the next 20-30 years)
- Information, Media and Telecommunication industry workers (19.5% of the industry at risk).

Occupations at risk from off-shoring over the next 20 to 30 years



Note: In the above chart Specialist Clerks include accounting clerks, purchasing and supply logistics clerks and payroll clerks.

Which companies are already offshoring jobs:

ANZ, Qantas, AXA, EnergyWatch, Citigroup, Virgin Australia, Diners Club International, Mindpearl, Hutchison Telecommunications, Macquarie Bank, Jetstar, Optus, NAB, Coles Myer / GE Consumer Finance, St George, Suncorp, IBM, Westpac, AGL, Telstra

What do all of these jobs have in common?

All of the occupations at risk of being offshored include an element of data handling. Data like:

- Personal details such as your address and date of birth
- Mobile telephone activity
- Financial details
- Property details
- Details about your dependants
- Your movements and travel arrangements
- Consumer activity
- How much you are paid, and when you take leave
- Internet activity

When a job is sent offshore, the data handling component of the job goes offshore too. That means your sensitive private data could end up in countries beyond the jurisdiction of Australian privacy law.

Over 80,000 service sector and finance jobs have been lost since the last NIEIR report.

Did your data go with them?

Clever country in retreat?

There is evidence that offshoring trends are undermining investment in education and training. The service sector is still the biggest employer of Australians, but growth has been most consistent in domestically-focused, face-to-face service jobs. High-skill services jobs related to new technology are increasingly prone to offshoring. The mining industry's uptake is expected to decline with the slowdown in investment, and the finance sector has exhibited negative employment growth over the period 2007-12.

With the loss of these high-skill jobs, there is the risk of becoming trapped in a vicious cycle of offshoring jobs, losing the skills related to those jobs, and thus losing that capacity within the economy.

Is the window to establishing a place in the global industry closing as other countries occupy strategic positions?

"There is a danger facing Australia now that not only will we fail to take a role in the global market but that we will de-skill our workforce by moving key parts of the service sector off-shore. Four years have been lost since this matter was raised in our previous report"

Source, NIEIR Report 2012