

New report counts costs of globalisation - massive offshoring to wash through Australian service sector

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850,000 service sector jobs face the chop as new economic modelling projects the biggest expatriation of Australian jobs in our history, according to the most comprehensive analysis of Australian labour market trends ever undertaken.

The Services Unions of Australia report prepared by leading Australian economists, the National Institute of Economic and Industry Research, identified that one in ten service sector jobs could be sent offshore over the next 20 years.

The Australian service sector accounts for 4 out of 5 Australian jobs and 80 per cent of our economic activity. It includes: banking, insurance and finance; telecommunications, the media and entertainment industries; consulting, tourism and retail; services provided by government, such as education, health and welfare; and other personal and business services.

"A worse case scenario could see Australia losing 1,000 of these jobs every week offshore over the next 20 years," said Leon Carter, National Secretary, Finance Sector Union.

The service sector is the cornerstone of the Australian economy, with other sectors such as manufacturing, agriculture and mining either in decline or facing significant long-term challenges.

Unlike the experience of Australia's manufacturing sector, these would not be the lower skilled jobs. The Communications Workers Union points out that rapid changes in telecommunications technology over the last decade are making an ever-widening range of jobs vulnerable to off-shoring.

The research identified a seven point risk predictor checklist so workers can find out if their job is at risk.

"If you have a phone and computer for your work and don't need face to face contact, your job is at risk," said Leon Carter.

"Ask yourself - when was the last time I had to physically see someone in person to get my work done - and see if your job could be next."

The clock is ticking for concerted action to address a vicious cycle of job loss, skills loss and loss of competencies.

'Off-shore and Off-work' recommends root and branch overhaul of existing policies.

"We need a staged intervention with the establishment of a Service Sector Task Force which brings together trade, investment and industry policy. This is the only way to address this dire prediction," said Stephen Jones, National Secretary, Community and Public Sector Union.

The unions identified the top six Australian companies which are leading the off-shore drive, Qantas, Telstra, ANZ, NAB, Westpac and St George bank, who have already off-shored work in data processing, IT and call centres.

"In the short term, the recently announced review of the Australian tax system should consider new incentives to retain jobs in Australia. Iconic Australian brands should not be allowed to shift jobs offshore," said Linda White, Assistant National Secretary, Australian Services Union.

The report also recommends:

- Country of origin legislation for services to match similar requirements for manufactured goods. Allowing consumers to make decisions on which service providers they chose to support based on where they would like their services delivered from.
- Free Trade Agreements to be re-examined to ensure level playing field for service sector.

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Copies of the report can be downloaded below.

Update

The following article refers to the joint unions report:

["Sector not broken but needs a break"](#) by Jane Drake-Brockman and Philip Kelly, The Age, June 19, 2008

Related Documents:

- [Download the report 'Off-shore and Off-work'](#) (PDF)

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