



Tasmanian Industrial Commission
Industrial Relations Act 1984

T No. 8681 of 1999

IN THE MATTER OF an application by
the Australian Municipal,
Administrative, Clerical and Services
Union to vary the Business Services
Award

Re: the insertion of new clauses

COMMISSIONER SHELLEY

HOBART, 31 August 2000
Continued from 31 July 2000

TRANSCRIPT OF PROCEEDINGS

Unedited

(WOULD PARTIES PLEASE READ THIS TRANSCRIPT CAREFULLY)
(ANY QUERIES SHOULD BE DIRECTED TO THE COMMISSION WITHIN 14 DAYS)

HEARING RECOMMENCED 10.35am

COMMISSIONER: There's no changes in appearances I note. Now after the last hearing on 31 July, there were to have been further discussions between the parties on a number of issues and hopefully
5 most of those are now resolved.

My understanding from correspondence from Mr Paterson is that the unresolved issues are: the TCCI's proposed new lower grade 1 level, piecework rates and extended ordinary hours of work. Is that the case - the outstanding matters?

10 MR PATERSON: I believe that's the case. There may be a few other incidental matters. I think that probably the superannuation clause - we haven't considered that - but I'm not aware of any other significant points of difference.

COMMISSIONER: In relation to the piecework rates, I'd be interested
15 to know whether the debate is to be whether or not there should in fact be piecework rates or whether it's about what those piecework rates should be.

MR CAMERON: The Chamber's position will be that we would require the existence of piecework rates in the award. The draft
20 proposal put forward by the ASU is a position that we're not completely happy with as it requires the payment of piecework rates at least to a minimum that guarantees an hourly rate of pay. The TCCI's position is that if that's the case there's no benefit to the employers in having piecework rates.

25 We would be looking to have a piecework rate that allows for an average employee to earn the average hourly rate but also to allow, particularly in this industry, for employees to earn less than the hourly rate on a piecework basis because the evidence that we'll be leading are that there are many employees that are quite happy to
30 have work and are quite happy to work at their own pace knowing what the piecework rate is and earn what they can.

COMMISSIONER: Thank you. Mr Paterson, are you ready to proceed?

35 MR PATERSON: I might, if I may, reply on that question, and to answer your question, our position is that the suggestion of piecework rates is very much an exceptional matter and shouldn't be part of the safety net standard that the award contains and I believe those approaches, particularly where they provide for a situation where someone may earn less than the relevant rate in the award, are
40 appropriately dealt with within the various mechanisms for enterprise bargaining. That's the broad brush of the submissions that I'll make.

5 In terms of how we proceed today, I'd like to call our two witnesses first and then to attend to any other documents that I wish to tender in evidence. I note that we have a second day set down. I would suggest that we may in fact need a third day after that to take concluding submissions apart from the evidence. But otherwise, I'm prepared to proceed with our two witnesses.

COMMISSIONER: Which witness are you intending to -

MR PATERSON: John Cotton.

10 COMMISSIONER: Well, perhaps we could ask Ms Everett to leave the room whilst Mr Cotton is giving his evidence.

MR CAMERON: Commissioner, just before Ms Everett leaves the room, we have one of the employer witnesses present today who has taken a keen interest in proceedings generally, who will be giving evidence on behalf of the employers.

15 I'm probably of the view that there's not much evidence that's going to be provided. It's not really evidence - conflicting evidence, it's a matter of evidence as to work practices and procedures; that there's not going to be the situation arising where information that a witness hears may be contradicted or look to be contradicted by another witness from the same side or even from the other side.

20 The evidence that's being put forward is to say what is happening out in the workplace rather than saying this is what happened on a particular occasion as may exist in an unfair dismissal claim. As such, I would suggest - I'm not sure if Mr Paterson would agree - that there's probably no reason for the witnesses to leave the room because it's only a matter of bringing forward their own experiences in the workplace. It's not a matter of contradictory evidence at the end of the day.

25 COMMISSIONER: I'll be interested to hear what Mr Paterson has to say to that.

30 MR PATERSON: Particularly given that the witnesses that we lead on our respective sides are not from the same organisations, then I don't think there's any problem in those remaining in the room. I think it is an open exchange. I don't have a hard view on that question. I'll leave that in your hands, commissioner.

35 COMMISSIONER: Yes, well, it's certainly more pleasant for the witnesses to be in here listening than it is to be sitting in splendid isolation outside, so in view of the circumstances they may remain in the room.

40 MR PATERSON: If we can call John Cotton, please.

JONATHON ANDREW COTTON, sworn:

MR PATERSON: Thank you, Mr Cotton. Could you, for the benefit of the commission and the parties here, indicate what your broad personal involvement in call centre industries and fundraising has been?..... I was initially employed by the Australian Red Cross in 1996 to set up and run their call centre which was basically for their fundraising. Primarily we were fundraising using raffles. We also use that call centre for recruiting of volunteers for the annual doorknock as well. My broad experience is over several industries; telecommunication, fundraising and now I am actually with TAFE Tasmania working in their call centre project as a project manager.

Specifically in your time at Red Cross, what was the nature of the business at the time you were employed, in terms of how the telemarketing was set up?..... The way it was set up was - I presume you're talking about the actual - what, the telemarketing and - ?

The processes that were involved broadly in the operation of fundraising by telephone?..... Okay. Well, the whole thing - we had a computer-based program or system that I helped design and build. We were operating four raffles per year. All of these were telemarketed to the general public in Tasmania. I had between six and eight telemarketers working for me at any one time depending on raffle periods and times and how we were actually going with the progress of the raffle. And as I say, I ran that for just over three years and we were fundraising for Red Cross using raffles primarily. The other part that we did use it for was for the recruiting of volunteers for our annual doorknock or Red Cross Calling, as we called it at the time. So primarily the function was to fundraise using raffles.

Before you commenced there was there an existing operation or were you employed to set it up?..... I was employed to set the entire operation up for Red Cross. At that point it had been out-sourced to another organisation - to another company - to do it. It was decided to bring it all in-house and I was employed to set that all up from scratch.

And at that time what were the arrangements for remuneration for the people who were employed to do the telephone work?..... Because there was no award we came up with a figure of \$10 per hour initially plus for any hours using the guide of the Clerical and Admin Award, I think we also paid them - we did - we paid a penalty rate for hours worked after 6.00pm which was time and a half, so it was \$10 an hour for day rates and any hours worked after 6.00pm \$15.00 an hour was paid.

Was there any weekend work involved?..... There was occasional weekend work involved and eventually - well, because of the way we

were organised, we very, very rarely ever did it. The first raffle we did use weekend work and that was paid at the \$15 an hour rate.

For work on Saturdays?..... For work on Saturdays, that's correct.

5 The other variable in this, the external constraints on the times that you're able to operate - are you able to let us know what they are?..... Are you talking about the actual hours that we could actually telemarket to? This is an area where I think there's no formal regulation at this stage covering telemarketing or below line marketing. It is seen to - well, 8.00pm. We would operate between
10 9.00am and 8.00pm of a day. We could operate later if we so wished. I know some private organisations will call up till about ten o'clock at night. We never did for the simple reason it doesn't really endear yourself to your general public. So we would finish as a general rule at 8.00pm.

15 I was on the understanding and maybe quite wrong that there was a telecommunications imposed limit on how late you could telemarket?..... Not that I'm really aware. There were Austel regulations at one point I think. They're more or less a self-governed thing now as far as I'm aware.

20 And in terms of the pattern of the work over - well, maybe firstly over the course of a raffle, can you give the commission an idea of how the raffles are conducted in terms of various phases that maybe involved over the course of a raffle?..... In the course of a raffle, because of the Gaming Commission rules, we had a three month period in which
25 we could telemarket a raffle. So we would start with fairly intense telemarketing which would run for the first, say, three to five weeks, and as we got towards the end of a raffle that would taper down to about a month before the draw. We would operate double shifts or morning shifts and afternoon shifts to achieve that, so we'd have three
30 or four telemarketers in the morning and then maybe five in the evening, and at that point there would be a break usually of maybe two or three days between the selling or what we would call reminder periods. The reminder period would be one that would take up to 10 to 15 days usually, depending again on the size of the raffle - that's
35 working days where we would be calling people back reminding them - we would do one reminder call, then hopefully have a break of two or three days, depending again on how successful we had been in contacting people and then we would do our second reminder calls. Again, most of that effort was concentrated in the evening. We
40 wouldn't do an awful lot of daytime calling for reminder calls. The majority was evening because we've got to contact people at home. The majority of our clients were obviously householders.

I suppose, partly for the record, this sort of work is effectively what we'd call outbound call centre work as opposed to inbound?.....
45 It's purely an outbound centre, yes.

To turn to the work that those people are doing, your basic call centre work, fundraising work, what would you see, as the person who set that up for Red Cross, as the most important skills that people are doing - work in Red Cross need to possess?..... It would be sales skills. The ability to build a rapport very quickly with the general public or the prospect. So, it's just a sales skill. It's also the planning, your ability to keep on going with this particular type of work because it can be particularly repetitive. One of the true skills that I've always identified is that ability to continue to make the calls because they will make anything up to 100 calls on a four hour shift. The majority of those calls will obviously be in the negative and you've got a whole wide range of responses from people across the spectrum, from people who are great supporters of Red Cross or of your cause to those who give you verbal abuse and slam the phone down in your ear. For someone to be able to do that constantly, for a four hour period, as we only operate on four hour shifts generally, was difficult to put it mildly and to keep that sort of thing going. There are other skills obviously that - I've actually got some stuff here - we've identified, what I believe, fit as a national training package.

If the commission doesn't mind, I've asked Mr Cotton to prepare this documentation which I'd like to put on the record as evidence.

COMMISSIONER: You do have a copy for the commission?

WITNESS: We have got several copies here. How many do you need?

COMMISSIONER: Is this the first exhibit, do you know? Were there any exhibits in the previous hearings?

MR PATERSON: I believe, apart from draft orders, this would be the first exhibit and I don't know whether any of those orders have been numbered as exhibits. I don't believe they have been.

COMMISSIONER: Well, we'll take a punt and we'll mark this, **EXHIBIT P.1.**

MR PATERSON: If I may also at this time, which may assist in providing background on this particular matter, I've also taken off the Internet a document that I'd also like to present to the commission.

COMMISSIONER: **EXHIBIT P.2.**

MR PATERSON: I'll go in a moment to the document that Mr Cotton has prepared but just very quickly on exhibit P.2. This comes from the Implementation Handbook for the Australian Qualifications Framework, called the AQF. It was prepared, as you can see from the copyright on the second page, by the Australian Qualifications Framework Advisory Board to, I believe, the MCEETYA, the Ministerial Council on Employment, Education and Youth Affairs, I expect, 1998. That is provided as background, if you like, to P.1 at this stage and I

won't take the commission's time or the parties' time at this point. I may need to return to various submissions at a later date related to the qualifications framework.

5 Can I ask you, Mr Cotton, to take us through the document that's now
been labelled P.1?..... It is a holistic sort of exercise I've done here.
It does vary from centre to centre and organisation to organisation as
to which competencies would strictly apply. Basically, these are the
ones that I have identified as the ones that would be skills used and
needed - or competencies I should say, used by a telemarketer in a call
10 centre. 200A is a base level competency. This is really talking about
the use of telecommunications equipment, i.e. using telephones or
telephone systems. It also talks about the use of using correct
enterprise or application of correct enterprise protocols, i.e. that
means things like the standardised greetings, scripts, et cetera, et
15 cetera. There are full copies of them on the back of this document
here. Although we are talking about outbound it does receive and
respond to incoming calls there. Some of that doesn't really necessarily
apply but if you treat it as a holistic exercise, for example, callers are
correctly identified - you've always got to identify callers who you are
20 talking to. Information disclosed in calls, keeping it within enterprise
policy, those sorts of things. Section 3 of that is probably more to the
point, the clear objective of outgoing calls is established, prior to a call
the relevant information is identified and located and obtained. That
could be something as simple as using the telephone book or using a
25 computerised database, depending on how you view that. 204A,
provide quality customer service, if you look at that overall, the various
elements in there - whilst again it may not perceive that somebody has
to provide quality customer service in this sort of environment, they
probably really do have to if they're going to be successful at it. For
30 example, if somebody asked the question, why should I support your
organisation? that person should have the knowledge and skills and
understanding of their product, which is a lot of what this particular
competency is talking about.

35 COMMISSIONER: I did have a question as to the status of this
document. Are these nationally endorsed competency
standards?..... These are taken from the national training
package.

40 MR PATERSON: And at Certificate II level?..... Certificate II and
there's actually one unit I've got here, which could be classified as
Certificate III as well.

Which unit is that? The 208?..... The 208, conduct telemarketing
campaign involving selling of product and service. They are all
nationally -

Nationally endorsed training package?..... Yes.

That training package is the basis for your training that you deliver from within TAFE?..... That's correct, yes.

5 Just before you move through to the other units here, when you were working for Red Cross - there are two issues I would like to get you to talk a little to - the things you mentioned about the enterprise protocols and the enterprise information. To what extent did your telemarketers have about that information or were they required, or what training or information did you provide them with?..... I actually had a computerised telemarketing system which included
10 auto diallers. The databases were all preloaded onto that and that would then present the operator with the person they were about to speak to by using the computer system. It would automatically dial the number for them when they clicked on the dial. It didn't automatically dial straight after each other. They would click on the call and make
15 the call. They would need to be able to modify the data in the database. I create address labels, et cetera, based on that, if they got a sale, et cetera or they needed to note extra information in there about that particular client because, obviously, we did build up a client database and a lot of the telemarketers actually build up their own
20 personal client database as well which they would operate from. So they'd need to update that information as required. They obviously needed to be able to access a windows environment computer system start up, click on the icons and find their way through to the relevant screens. So the whole thing was driven that way.

25 In a sense, that was a fairly basic level but nonetheless, a skill in computer - being able to access the information in their database?..... Access the information and make changes to that information as required by using - obviously keyboard skills came into that as well. They didn't have to be great but obviously keyboard skills
30 were needed in that situation.

They were provided, I assume, with scripts for the patter?..... Yes, everything was scripted. We had a script for virtually everything we did including our reminder calls as well.

35 To what extent were they able to deviate from that?..... They would develop their own style within that. I wasn't one that specified they had to follow it one hundred per cent but to make sure everybody was giving the correct information or saying basically the same thing. The idea of a script is to keep control of what has been said if somebody is saying or making outlandish claims which aren't true.

40 In terms of the enterprise specific information, did you provide your telemarketers with basic information about the other services of the organisation?..... Absolutely. They all had product knowledge. We would talk about it as part of their training initially and always had sheets in front of them with the various services on it so they could
45 refer to them and if need be, even refer potential users of that to the right one or to the right numbers to contact if somebody requested it.

So you call that product knowledge and an element of referral to other contacts within the organisation?..... Yes, if need be. They would record the person's name and phone number and pass it on to me. I then would refer it to the correct area.

5 They wouldn't actually give that information on the phone to that person?..... They didn't offer advice, no, because sometimes it was a matter of ascertaining exactly what the person's needs were so in many cases, referred via myself. People would express interest in various Red Cross services, obviously, whilst we were on the phone to
10 them.

Thanks very much. If you could return to where we interrupted you on P.1?..... Whilst again there are probably elements in there which may not necessarily fit one hundred per cent to it, the whole overall feel that particular competency is used, active listening and
15 questioning, empathy applied to determine the customer's requirements. Whilst we are only really talking about one product, for someone to be successful in a sales sort of role, they are basic skills that are needed. Then of course we move into 207, conducted
20 outbound telemarketing campaign. That is a very straightforward, very basic competency of an outbound telemarketing campaign, campaign details are studied and questioned where unclear, i.e. the telemarketer understands what they're telemarketing. That would be the organisation, the products, the services et cetera. Things like
25 telephone calls are identified from a database. Again, as I say, that can be something as simple as a telephone book through to a computerised system that I operated. Customer responses recorded accurately on forms provided or, again, input into a database system. Again, recorded outcomes are collated and presented in accordance with the enterprise policy. That would be as simple as recording sales,
30 recording the information that is required to process a sale or, again, my system was done live on the system and then they created the address labels, et cetera, from that which would be run off later on and the books packaged, et cetera, et cetera and mailed out.

When you say, done live, you effectively mean that there was a single
35 point of processing of that transaction?..... Absolutely, yes. The transaction was processed completely there and then on the system whilst the person was on the phone so if they needed to change address details or customer names or those sorts of things. Also there was the credit card side of things as well. That all could be processed
40 live there and then on the phone.

On that issue and again, I'm sort of moving a little bit away from the generic to the specific, what functions did your telemarketers perform in terms of those credit card transactions?..... Credit card sales - the idea there was obviously - it was a payment option that was offered
45 by us to people where they would make the commitment to purchase the whole raffle book there and then. We would then write up the raffle tickets for them in whatever names they nominated and then drop

5 them straight into the drawer. It precluded us sending them out a raffle book, then filling it out or on-selling it if they wanted to to other people and then returning it to us. Obviously an option that we preferred because we didn't have to worry about reminder calls, all those sorts of things.

10 But in terms of the actual processing of the credit card transaction?..... The credit card transaction was processed directly, again, using the system there and then. The operator would offer the service. If the person then took it up they would then take the person's credit card details and enter them directly onto the system and I would then run a banking report generated from that the following day.

15 It would be pretty important to get that right, wouldn't it?..... Yes, absolutely, otherwise it came back and you then had to make calls to clarify what the correct details were and invariably we would get the odd error. It was something they obviously had to keep an eye on. Again, 208 is the conducted telemarketing campaign. Whilst it is very, very similar to the 207, this really encompasses all the skills that are required. It talks about credit cards, details being taken. It does have the core units of the other one. Call guides are followed in accordance with enterprise policy and procedures, i.e. scripts, those sorts of things. It talks about details of sales recorded and importantly there, it also has the sales targets identified and agreed. Again, as in any sales environment sales targets need to be identified and they need to be agreed. They are the measure by which you basically classify somebody if they're effective in their position or not and that is one of the, not down side, but for work in the industry, your effectiveness is able to be measured fairly simply on the basis of how many sales you made, how many calls, for example, it took you to make those sales - what I used to call a conversion rate, so for every 100 calls you'd get 30 sales, it gave you a conversion rate of 33 per cent or 30 per cent. They're the sorts of measures that I could employ and used across the industry as a whole.

35 I expect there's not a lot of point in going into too much detail on those standards because they can really be set at an enterprise level but in terms of your operation of the Red Cross telemarketing and raffle book sales, can you indicate just what the average conversion rate would be?..... The average conversion rate would - it depended at different stages of the raffle because of the types of data the people were calling but on average it should sit around the 20 to 25 per cent.

40 So for every 100 calls made there'd be somewhere around 25 per cent success hits?..... Around the 20 to 25, yes. As I say, it depended on the raffle, the time of year, there's a whole range of variables that I'd bring into that and also the raffle at the time, the type of raffle, the price of the raffle tickets themselves and of course the type of data that they were calling because we had different types of data, as it were. We had what we call, call-back data, which were people who had

supported us in the past. We would call them initially and then there would be their own personal databases generated by the telemarketers, where people have said, couldn't help you this time but give us a call next time, sort of routine, so we would then call them back. The conversion rates on that data is generally higher than what we call the cold calling data, which is the data that is generated from, basically, the white pages.

Just to summarise this before I'd like to move on to the question of the particular industrial relations agreement at Red Cross, would it be right to summarise - I suppose I'll put it as a question to you. The units of competency from this training package are clearly, when we look at the range of variables in - I think there's a couple of pages that actually specify the same sort of range of variables across call centres, I mean I could look at this and say, well, this looks like it's actually at a much higher pitch than raffle sales. Are you saying, nonetheless, that these are relevant skills to telemarketing?..... They are relevant skills, yes, because if you look at each enterprise you will be able to map, as I say, because this is a generic thing. It varies from organisation to organisation, as to how you would do that. You would have to look at each centre as it stands alone and then map it back to these various competencies. Based on what we were doing at Red Cross, I could quite easily map most of the competencies that I've mentioned here to that.

This is also not the full set of competencies for a Certificate II by any means, is it?..... No. The first two are basically called call competencies and the other ones are electives that can be taken up.

And you're not saying in putting this that everyone who did telemarketing would be able to get - every effective telemarketer wouldn't be able to be assessed into a Certificate II?..... No. They need nine units to be assessed into a Certificate II.

So what we've got here is identification of some elements that are relevant to a particular fundraising environment?..... Yes.

Thank you, Mr Cotton. If we can move now to the particulars of the Red Cross telemarketing. I did provide you, I think, Mr Cameron, with a copy of this before?

COMMISSIONER: **EXHIBIT P.3.**

MR PATERSON: I'll provide another copy. If I may put this forward as P.3 - is a section 55 agreement between the union and Australian Red Cross. At this stage it's just put for reference. I don't propose to go other than in terms of the questions I put to Mr Cotton into any detail about that.

Can you recall when we did have contact between Red Cross and the union, I think it was probably 1997-98?..... I believe so, yes, although I couldn't be specific on the date.

5 From my recollection there were various changes that were being proposed in the arrangement which had, effectively the overtime rate after six o'clock and that's what brought the need for an agreement into place?..... Yes.

10 The agreement did put in place - I suppose I'm speaking to this in part but it's part of the background. The agreement did put in place a base rate of pay and shift penalty rates and it still maintained, I think, the overtime rates for certain circumstances and the Saturday 50 per cent loading?..... That's correct, yes.

15 What impact did the making of that agreement have on the capacity to effectively manage and generate a surplus for Red Cross?..... The impact was, because we had been paying the \$15 an hour rate after 6.00pm, it didn't make a great deal of impact. Obviously, it made some. I couldn't really say exactly what sort of a percentage it brought us down by but, overall, because of the systems we employed and the way that we telemarketed, I couldn't really say that it had any really
20 serious impact. We, obviously, had to work a bit smarter but as far as our bottom line was concerned, it didn't really make much of a difference. We continued around the same sort of mark of our return rate on our investment of about 33 per cent.

25 How many raffles would you have conducted in the time you were there at Red Cross? Would you say three a year?..... Four a year for three years.

30 Around 12 raffles. Were you able to grow the business over that time?..... Absolutely, yes. On average, the revenue grew by approximately 15 per cent per year, 14 to 15 per cent per year overall and profits also followed suit. We had an average return of about 33 per cent on our investment there.

The gaming regulations have changed recently?..... They have, I believe, yes.

35 What is the effect of that?..... The effect of that is now that when I was actually doing it the number of tickets that could be issued was limited to a multiple of three basically, if you want to put it in simple terms. I now believe it's a multiple of five.

40 So that means the value of five times the value of the prizes?..... Say the retail value of the prizes - say, for example if we had \$1,000 worth of prizes we could issue \$3,300 worth of tickets. Obviously, that multiple has now increased quite a bit.

That will presumably have an effect on the fundraising capacity?..... They don't have to spend as much on prizes, theoretically, and also you shouldn't have to - well, you can issue more tickets so increasing your revenue for a particular raffle and the
5 respective effect on the bottom line should be dramatic, I suspect, or make it a lot easier.

The other issue that I think is - or two other issues, and I think then I've probably covered with you most of the issues I wanted to raise. What sort of turnover of staff did you experience over the period you
10 were working for Red Cross?..... With telemarketing, I'm not sure if I explained, generally call centres as a whole have a fairly high, what we call, a churn rate. I would probably - I couldn't actually put a number figure on it -

An indicative - ?..... Probably have a turn rate of probably about
15 30 to 50 per cent throughout a year but that's not unusual in this sort of business. In saying that, I had quite a few employees who were with me from the start and one would still be had they not passed away and I had several stay two and three years. Some, I believe, are still there and they're coming up for their second anniversary considering we've
20 only been operating it for four years.

Do you see any career path or did you form any opinion as to whether this sort of work for an organisation like Red Cross led people into perhaps other areas and gave them some sort of career path that they may move on?..... Within the organisation there wasn't a great
25 scope for movement.

In the broader workforce?..... In the broader workforce, yes. A lot of the people who went through have all moved on to - two cases of what I would call my senior telemarketers or my 2ICs, one went on to work for a large multinational company as a sales rep and is very
30 successful at that and another one went on to work with a market research company and they are actually the - basically my position, they are the telemarketing supervisor or manager of a group of, I think, up to about 30-odd telemarketers doing outbound research. So, the skills could be developed. There are other areas they can apply
35 them to. Some people see it as a job that they just do as a part-time thing. Again, it depends how you view it. You can be successful, you can see it for a very short period until something else comes along, which is not uncommon, particularly in call centres. A lot of people do view it in that way.

40 Finally, the question I wanted to get your views on both from your experience as, effectively, the person who established and ran the call centre for Red Cross but also from your wider industry view. What do you see as the benefits and down sides, if you like, of an hourly rate compared to a piece rate?..... The advantage with an hourly rate
45 that I found is that you would generally get some sort of loyalty from your staff. They appreciated that when they had bad days they weren't

necessarily going to have a bad pay packet. Everybody has bad days in sales. There are advantages. I was able to generally forecast my salary costs without too much difficulty but then again the same could be said of piecework as well, it's probably in some respects easier. The idea of piecework is that obviously you're only paying people for what they're able to create or generate, as far as sales. In this particular industry, I'm not sure. I know some organisations do pay piece rates and it's based on what they actually get out there, what they actually sell. In saying that, particularly with raffles, a sale is not a sale until you get that raffle book back with a cheque for \$20 or the credit card or the cash or whatever. I believe that some organisations only pay a proportion for the book going out and then they get paid when that book is returned fully sold. So, the difference between what they actually get out and what they actually get back are two different numbers and depending on how successful that person has really been in the telemarketing, it can make a fair dent on their income. Also, I've found that with the hourly rate, people were more likely to make a sale that was more likely to come back - you're more likely to get a return on it. A good telemarketer or my organisation may have somebody on the phone who says, yes, to a raffle book but really after they've had the call they find that maybe it's not such a good idea to send that person a raffle book because they probably won't return it or it may be difficult for them to return. So they weren't under pressure - for example, if you're working on piece rate, I think the temptation is, if somebody says, yes -

MR CAMERON: Commissioner, I rather object to the information. If Mr Cotton doesn't have the relative information, rather than predicting what may happen, we may hear that evidence from other people.

COMMISSIONER: I think he's speaking from his own experience. Is that -

MR CAMERON: No, I don't think so, commissioner. I think the information to date has been that with Red Cross they only worked on hourly. He's saying, he would imagine with pieceworkers such and such would happen. I don't think that's appropriate.

MR PATERSON: I'm happy to rephrase that question and maybe if I can ask you to focus on what you see as the benefits of an hourly rate. I think you've more or less covered the issues but at Red Cross you also did have a bonus system in, additional to the hourly rate?..... That's correct. It was a performance-based bonus based on their sales rates. I measured against their budgets which they were all given and also on their return rate.

What sort of percentage would your average employee have got in bonuses over, say, a raffle?..... Of their salary?

Yes. Two per cent, five per cent, 10 per cent?..... Around about the five per cent mark, I believe. That was the average. Included in

5 that, there obviously were incentives paid for things like, as we mentioned, the credit card sales earlier and also for the return rates and achievement of budget and over achievement of budget as well. They were paid a proportion. Again, that would vary from raffle to raffle.

Did Red Cross ever contemplate moving to a system of piece rates?..... Not while I was there, no.

Have you had any direct experience of working in that environment of piece rates?..... Not in that sense, no.

10 I thank you, Mr Cotton. I think you've covered the issues that I wished to raise. Mr Cameron will now put some questions to you.

MR CAMERON: Thank you, Mr Cotton. A number of matters have arisen out of the information you've provided, just starting off where we finished off, I suppose, in your evidence-in-chief with Mr Paterson.
15 Your enterprise agreement that's been provided has got a quota system in it and the Red Cross telemarketer grade 1 and grade 2 does indicate that they have to achieve call and sales quotas and I think you've confirmed that in your evidence?..... Yes.

20 How were those quotas worked out?..... Those quotas were worked out on their overall sales performance and their return rates over a raffle.

So therefore they would have had to conduct one raffle before they had a quota for the next raffle?..... Sorry?

25 You're saying it's been worked out over the period of a raffle sale?..... Yes.

30 But if someone was commencing work with you as a telemarketer, were they told, you have to have a sales quota of X books per raffle or X books per week?..... Yes, it was based on their shifts. So they would be given a budget. Everybody was given a budget. There's standardised budgets that apply to everyone.

That related to a number of books sent out or sold or how did that work?..... It related to the number of books sent out and also the number of books returned sold.

35 How were those numbers worked out?..... They were worked out on the overall average of what a raffle should be. As we've mentioned before, we're talking about the 20 to 25 books per shift.

So you can work out an average of how many books per shift or per hour or whatever?..... Yes.

And that's based upon what information you have?..... On experience.

Your experience or the experience of the employees?..... On my experience.

5 So you could estimate what an average employee would sell - the number of books they would sell?..... Yes, generally. What they should be selling, yes.

Therefore, everyone else that worked for you had that same quota as their target?..... Yes.

10 What happened to those telemarketers who didn't reach the targets?..... I would attempt to work with them to find out why they didn't reach the targets and I would spend time with them training, doing extra training. I'd use a mentoring system as well, where they would spend time with a more experienced telemarketer to
15 ascertain and improve their performance.

And at that time when you were employed with Red Cross, you said you had about seven to eight telemarketers working for you, what was the supervision required for those people?..... The supervision required was myself obviously and I also had a 2IC who helped with
20 that supervision. Supervision basically came down to make sure - keep people motivated, keep people on the phones making the calls, keeping tabs on them, making sure the right things were being said and sales targets were being met.

25 You've got a provision in that agreement for a senior telemarketer, one of whose duties is team leadership, guidance and assistance and supervision?..... That's correct.

Is that this 2IC you're talking about?..... That's correct.

In effect, you had to have that person employed?..... Yes, because I couldn't be there for 12 hours a day every day.

30 It was required that you have some supervision?..... That's right. It wasn't a great deal of supervision but it was required.

The people who you had employed, you indicated to Mr Paterson, you had a turnover of staff of approximately 30 to 50 per cent throughout a year. What would be the breakdown between full-time, part-time and
35 casual employees at any given time?..... We basically employed most people on a casual basis. There were some part-timers there, probably 50:50.

Between part-time and - ?..... Casual. There were no full-time positions there as such, apart from my own.

Your 2IC, was that a part-time position?..... That was a part-time position.

5 So they received the loading on these rates set out in clause 8 of that agreement, 20 per cent loading for those casuals?..... That's correct, yes. They can opt for either - depending if you were permanent part-time or you wanted to stay as a casual, you could pick up the loading as opposed to taking pro rata leave, et cetera.

10 You also indicated that once you did your performance appraisals, that the average bonus on salary was approximately five per cent. Did that apply to both casuals and permanent part-timers?..... It did, yes.

On an hourly rate of \$10.82, at the time the agreement was entered into, without taking into account increases, that would increase to \$11.30 an hour perhaps for the period of their employment?..... It could do, yes.

15 What was the maximum bonus that you were paying? The average was five per cent. What was the maximum bonus that was paid?..... It wouldn't be much above that. It was about seven per cent.

20 Therefore, under the terms of this agreement, those employees' maximum or limited income would be \$11.50, maybe \$12.00 an hour on a permanent part-time basis without loading?..... It could be, yes. As I say, a lot of it is performance-based but the area they would make extra money would be in the area such as credit card sales, et cetera.

25 Were they paid as an additional bonus to that five per cent you talked about?..... No. I have actually included that in there.

So that would be included?..... Yes. That's an average over a raffle.

30 The maximum that these people would be looking to earn per hour would be \$12 per hour?..... I haven't sat down and done the full stats, I can only take your word that that calculates out -

Just based on \$10.82, five per cent of that being between 50 and 60 cents and even upping it more to allow for extra exceptional performance, \$12.00 would be the limit that these people could earn?..... As a base rate, yes.

35 Well, what was paid on top of the base rate, the penalty loadings for shift?..... Yes, their penalty loadings.

40 Talking about the hours, when is the most effective time for telemarketing sales in charitable organisations?..... Between the hours of 4.00 and 8.00pm, evening times, because you are generally contacting householders.

That's mainly when you targeted the bulk of your employees to be on deck working?..... That's correct.

5 You say you worked in four hour shifts. You had someone working from 4.00 to 8.00. You had hours of 9.00 to 9.00 according to the agreement?..... They were the span of hours.

And you had people working in the morning but not as many?..... That's right. We would very rarely have more than four telemarketers in the morning. We would run from 9.00, 9.30 through to 1.30 or 2.00 in the afternoon and then -

10 So there's obvious difference in terms of potential income for those people?..... That's right, yes. Because their strike rates are different, i.e. the number of answered calls as opposed to no answered calls.

15 There's obviously a different potential for income between those people who have worked there previously and have in place what you termed as their own database of favourable clients, so to speak?..... That's right.

20 They could earn more, or they would sell more than these people who were working in the mornings, that were fresh?..... Well, what I would do to be fair, everybody would have a mixture of evening and morning shifts, no particular one person, unless they specified that they only wanted to work mornings to me, we'd do that. It was spread as evenly as possible across everybody so that no one person would have all evening shifts. They would have to do a certain amount of
25 morning shifts as well so to make it fair for obvious reasons.

In terms of these personal databases that employees kept, how were they controlled?..... What do you mean?

30 Well, correct me if I'm wrong, but I would imagine you've got a computerised database with telephone numbers and names and addresses?..... Yes.

How are they apportioned between the employees? Are they given a letter or are they given the first 100 and the next person gets the next 100? How does that work?..... Are you talking about the personalised databases?

35 No, the general ones that you provide to the employees?..... The general ones, it's provided on the one database - the system automatically. They make the call to a particular person, the next one then pops up. It's not been divided up in any way. I would randomly select the data across the Tasmanian population or Tasmanian
40 households and load that onto the system. There was no favourable data. It was all random.

Once one person has been called it would show up on the database for everyone else that that person has already been contacted?..... It wouldn't even show up again for another person to call because they've been contacted.

5 Okay. But those people that have had longer experience would have the potential to have those call-back lists and also know the people who said, ring me next time?..... That's correct. Yes. At the beginning of a raffle everyone has the same opportunity to call-back the general call-back data, these people who have taken and returned
10 raffle books in the past. It was not apportioned out to experience. Everybody had a fair crack at that and then obviously those who had been with the organisation a bit longer, maybe for one or two raffles, would have a larger call-back database of their own personal, as opposed to someone who had joined that raffle or previous.

15 With that agreement that you entered into with the union, How much was changed in signing this agreement, between what you were doing and what came out in this agreement? Were there any trade-offs or concessions or benefits to employees that were acquired through this agreement, or was it just basically confirming what you had in place
20 already?..... What it really did was set in place a proper rate of pay and a proper structure.

You were saying before to Mr Paterson, it was basically the same rates of pay that were carried through because you'd been using the Clerical and Admin Award?..... At the end of the day, I don't think it made
25 a great deal of difference.

What was the purpose for entering into this agreement?..... It was basically to ratify or set up a system of salary.

But you had a system of salary in place?..... That's correct. It was disputed.

30 It was disputed?..... Yes.

By an employee?..... No. By the executive director of Red Cross.

Therefore, the reason that this agreement came into place, arose because of a dispute in terms of what the CEO or the executive officer thought was being paid to the staff?..... That's correct.

35 This confirmed once and for all what was to happen?..... What was to happen.

That was the sole purpose of the agreement?..... Yes, in many respects I'd probably say that would be it, so that we actually had a pay structure there and that everybody was covered.

40 It was in writing and everyone could refer to it?..... That's right.

Looking at the skills that you referred to in exhibit P.1, the document referring to the units and courses available, how many of the people, when you were employed at Red Cross, had done these sorts of courses?..... Who have done it?

5 Mm?..... None that I'm aware of. Actually, no, I tell a lie, there are several people there who have completed Certificate II in Communications.

And they are now working with Red Cross?..... I believe so, or they were when I left.

10 What about other organisations, charitable organisations doing telemarketing? Are you aware of any people in the courses that you're running at the moment?..... Not that I'm aware of.

As you say, this can apply to telemarketing but it would mainly be aimed and set up for call centres generally, wouldn't it?..... Yes, 15 inbound and outbound - national training. Probably out of those, if you look at - two of those are basically designed - 207 and 208 are designed for outbound centres. 200 would be applied to both without any real difficulty.

But the implementation of these courses and the availability of these 20 courses have arisen out of other demands rather than just telemarketing through charitable organisations?..... That's correct.

Including outbound?..... Yes.

They may be applicable but they're not specifically designed for 25 telemarketing?..... No, they're not specifically designed for telemarketing. The idea for the national training package is that they can be applied across the industry as a whole.

I think on pages, as marked on exhibit page 5 and page 38, report the 30 same things, that they're aimed at all sorts of organisations, apart from telemarketing?..... That is correct. Exactly. As I say, they're not specific to telemarketing.

Even some of those provisions in 207A would not apply to all 35 telemarketers because you're talking about computer data entry and those sorts of things?..... Well, not necessarily. As I say, these are designed to be as holistic as possible. You would need to be looking at each individual workplace. As I say, there will be obviously elements in here which would be difficult or could not be applied but telephone calls are identified from a database. A database can be anything from a phone book to a computerised system.

40 Or the back of an envelope?..... Absolutely.

You also mention in here and the word was repeated a lot, about creating empathy with customers who were being telephoned. Now, when you were with Red Cross, how much of a sales pitch was used by employees to sell a ticket to people?..... A reasonable amount.
5 They would be using a script, obviously, and then from there you would, depending on how that call went - obviously the calls weren't particularly long calls, particularly if you were calling back people who we would classify as, regular clients. You would need to spend some time with them.

10 That was more a social relationship building than sales itself because the sale was almost guaranteed?..... No, not necessarily. You would probably convert 40 to 50 per cent of those people again, which is fairly good. You won't necessarily always get them to say, yes, every time.

15 But if a telemarketer rings someone cold and says, we're selling tickets for X charity and the prize is this and the tickets are this much and that person says, no, how long would the telemarketer spend trying to convert that person when the possible outcome is, they send a book out but it will never come back?..... It wasn't a matter of saying,
20 I'm calling from XYZ organisation, would you like to buy a raffle ticket? We would specifically sell the products and the services of the Red Cross.

Going through the script though and the person says, no, I don't want to buy one, how long would the employee then spend trying to convert that into a sale?..... Not an awful long time.
25

No?..... They would handle different objections in different ways. For example, if somebody said, I'm getting an awful lot of charity calls, we'd handle that objection with a basic, we only call you once a year, Mr Jones, that sort of thing. They wouldn't spend an awful lot of time
30 but they did have ways of dealing with objections. If somebody said, no, straight out or they gave a reason why they said, no, they wouldn't necessarily just take that objection and say, thank you very much for your time. They would try and deal with an objection.

They're trained in that?..... They were, yes.

35 The Red Cross?..... They were trained in that. I would conduct regular training as well, as far as sales were concerned.

In terms of employing people, was there ever any requirement that applicants have certain qualifications as set out in these documents, having completed units or - ?..... Not necessarily completed units
40 but past experience - as I say, these packages are fairly new. The final one of this has only just recently been adopted and also availability of course. We weren't looking for people who had actually got qualifications through the national training package but I would

definitely be looking for people with past experience in sales and telemarketing.

The reasons for that would be, what?..... For?

5 For Red Cross. Why would you look for people with experience?..... To cut down on the amount of training they needed to do. They understood what the role was.

Their performance would probably be better as well, wouldn't it?..... Absolutely. Of course.

10 Therefore other people that had no skills or previous experience in this area, or no previous experience in particular, it would be harder for them to get employment with Red Cross if there were other applicants with experience?..... Not necessarily. I would take each person on their merits. I regularly took on people who had no telemarketing experience but I believed had the right attributes that could be used as
15 a telemarketer. In several cases they were selected over people who had experience.

These people that were employed as well as selling raffle tickets, they were also used for recruiting and doorknockers?..... That's correct.

20 They were paid the same rate of pay for that?..... Absolutely, yes.

That's not really telemarketing as such, it's more - what were they using there as their database of people to call?..... That was a slightly different database again. It was using the white pages but we had another computer system to do that. That wasn't -

25 But again, you'd have call-back people as well, wouldn't you?..... Sorry?

Call-back people you've used before that you know would be volunteering?..... That's right. That sort of thing, yes. The idea of that was to get people to collect in their own areas.

30 You said that they had limited discretion in terms of advice to people on the telephone. They had a knowledge of the business they were working for, Red Cross, and the services and they had clue sheets on the wall?..... That's right.

35 They weren't giving much advice besides saying, this is what we can do and if you need more information someone else can call you?..... That's right. We didn't want them getting into handing out advice about our services or what services they may need because they probably needed somebody in a specialised area to assess that.

So their product knowledge was fairly limited, to knowing what the services were that were available?..... No. They understood what the services were and where they operated and how they operate.

5 Were they trained in that area by the Red Cross?..... They were, yes. They were given formal induction training and they were given an overview of all those and where possible, if there was updated information we would try and do it. For example, a classic case of that would have been the Kosova refugees. There was a daily update given to our telemarketers and to the officers in general because, obviously, 10 we were contacting a lot of people and of course they were constantly questioned about it.

Red Cross saw that - to make sure from a PR point of view, that the people making contact with the public had that information?..... That's correct, yes. So they knew what was going on.

15 They weren't paid any extra for giving that advice, giving that information?..... No.

If we look then at this staff turnover and you indicated that some people would leave at the end of a raffle probably, or even half-way through a raffle?..... Yes.

20 Did you conduct exit interviews to ascertain the reasons for the turnover?..... Not really, no. A lot of the time I'd talk to the person. A lot of people saw it as a job between jobs, so they usually found other employment. Some people would leave because they simply didn't like the work or couldn't do the work. I had several 25 people who basically were considered quite good but found a great difficulty in doing it. So they would leave of their own volition. Very rarely did I ever have to terminate someone's employment for failure to perform.

30 You have students working for you, university students?..... We had the odd student, yes.

People that had other part-time jobs?..... Some people did, yes.

What about other people that this was their only part-time job ..[inaudible].. ?..... The majority of the people that worked for me, that was their only form of employment.

35 What was the average number of hours per week that these people worked?..... Average hours were 20 to 25 hours per week. Pretty close to the 25 in reality.

Some people just worked one day?..... No. Most people would work at least three shifts a week, or three days a week.

Was that a requirement of Red Cross?..... Not one hundred per cent but I would like to think that people would be available for at least 20 hours a week because otherwise I'd have to have extra telemarketers on the books to cover those shifts because we're
5 operating, obviously, on a fairly strict time line and we had to get raffles out and back in by a certain point.

You said a benefit of having the hourly rate was the loyalty - if you have a bad day they don't get bad pay?..... Mm.

These people would cycle though, wouldn't they. They'd have bad days.
10 The next day they'd probably sell twice as many tickets or have a good day?..... That's right. Sell twice as many is probably stretching it a bit. Some days you'll have a day where you might only get 15 to 16 books but other days you might get 25 and 30 books.

Averaged over the week, they're meeting their quotas?..... Overall,
15 yes.

So the fact they have a bad day, can be averaged out over the rest of the week to bring it back up to the required quota?..... Well, we can do, yes. As I say, it always did depend on the raffle as well. It would vary from raffle to raffle, the time of year that you're calling. I
20 found that certain times of the year were better than others and it was harder to get raffles out. More effort was required, more hours were required to do that.

At the end of the day, you'd worked out an average number of books per person and even though they'd have a bad day they'd get back to average fairly well?..... On a general rule, yes. If somebody had failed to, then we would be looking at why they weren't doing it.
25

You could work out that average based upon your experience?..... That's right, and historical data that I gathered over the time that we were running the raffles. So it varied. It declined slightly over the last
30 few years where our average sales probably has fallen a little bit but that's due to the marketplace itself.

The people you had to counsel because they weren't getting their - and provide the assisted training and also sit them with an experienced telemarketer and things, did you ever have any problems with any of
35 those and need to get rid of them?..... Most people would leave generally of their own accord. They would see that they weren't performing and they weren't able to do the job. Unfortunately, as I say, the real thing -

But the others? That minority then? If most of them left, what about
40 the others? The others that weren't. You said, those that weren't performing, most would leave of their own accord. What about the ones that didn't leave, what was done with them?..... Basically, everyone was put on as a casual to start with for a period of a raffle.

So therefore you could give them notice at any time not to come in the next day?..... Yes.

So there was no security with the employment for them anyway, if they weren't performing?..... It's the same with any job though, isn't it?

5 That's right?..... And this one's a much more measurable job. So, at the end of the day, very rarely, as I say, probably in the three years I was there, I probably had to terminate maybe two people because of poor performance. Most of them, I'd work with them as much as I could and if they still couldn't -

10 That would've expended your time and cost the enterprise money by having those people there using a facility that could have been used by someone better performing?..... That's right, yes. We would sit with people, you know, or ..[inaudible].. sort of say, you're no good at the job. I'd try and work with them. Some people were able to perform
15 or improve their performance and some weren't.

You've indicated that the return on investment was approximately 33 per cent and that's growing obviously with the changes to the requirements. What was it before the agreement was entered into? Was it much the same? Do you always operate on much the same
20 return?..... To put that in context, we only really had probably two raffles which were on the original arrangement. So, it didn't make a lot of difference, no. I can't say over X amount of raffles that it made a lot of difference.

25 If, getting towards the end of your three month raffle period and the sales just aren't there, what happens?..... If needs be and we never had to do it, thankfully, you can, hopefully, extend the raffle draw but there has to be permission given by the Gaming Commission.

30 What about the employees? What was expected of them at that stage?..... We would do extra hours to get those sales out. We would have to work at it pretty hard. I'd try incentives. The incentives we're talking about here are the ones that fitted in to there. There were other incentives. I would offer incentives on a regular basis, on a daily basis. I'd put \$5 on the board for the first person to 10 sales this afternoon, or -

35 Incentive systems?..... Yes, incentive systems.

And it works?..... It did, yes. The idea of something like that, obviously - you need to keep - a telemarketing room is an area that

you need to try and keep upbeat. It's not an office environment where necessarily - the morale is not directly proportional to your results or is easily measured. So, obviously, you need to keep those sorts of things going.

5 And you've got a set cost per hour to run that facility, haven't you, with staff costs?..... Yes.

So you've got to make sure you're getting your return on that cost?..... Absolutely, yes.

I don't think there's anything more I need to ask. Thank you.

10 COMMISSIONER: Thank you. Mr Paterson?

MR PATERSON: Just a couple of issues to clarify. With the Red Cross agreement, before the agreement, work after 6.00 was at overtime rates, effectively?..... That's correct, yes.

15 After the agreement, most of that would attract a penalty rate for the shift?..... That's right, yes.

So there was a deal for the employer that what was formerly overtime, a 50 per cent loading, became shift at 15 per cent?..... Yes.

But 15 on the whole shift rather than just the excess hours?..... On the whole shift, yes, that's correct.

20 So there was a reform of what was ordinary hours and overtime?..... Yes.

When we look at the agreement and look at grade 1, that's an employee with no previous experience. An effective employee would progress to grade 2 after one raffle?..... Generally, yes.

25 Whereas Mr Cameron referred to at this particular point in time when this agreement was made, \$10.82, the fact is that an effective worker in their second raffle would be on \$11.14?..... That's right. Sorry, yes. I don't have it in front of me as I'm trying to work from memory.

30 We could give you a copy if we need to but I think we've covered that. You said something about people with the right attributes. Can you summarise what you would have looked for as the right attributes when you were appointing someone?..... Communication skills, attitude, which is, again, one of the major things with telemarketing or sales per se - is attitude, they projected themselves well, they
35 communicated well with me. Generally, I would do a test call with them as well using the script when I did an interview. It wasn't just a matter of face to face. In many cases I would do a test call with them. They'd get a copy of the script and a few minutes to read it and then I'd see how they sounded over the phone because obviously most of

the people talk to me over the phone when they initially apply for the positions. So, I'd be looking for those - communication, be able to speak clearly and articulate themselves, have the right attitude, be upbeat, as it were.

5 That bounce-back, I think you mentioned - the recovery factor from dealing with a difficult call. Could you identify that in people at an early stage or only over time?..... You'd probably identify that fairly early on. You'd see that within a week whether somebody was
10 handling that side of things because obviously you need to be able to bounce back. As I think I probably mentioned, one of the difficult parts of the job itself was being able to bounce back from maybe even verbal abuse.

You'd see that as one of those right attributes?..... Those attributes. That was something, obviously, you can't measure it at an
15 interview.

Would you call it a skill?..... Yes, I would call it a skill - a skill or an attribute. I'm not really sure how you - in many respects, I'd call it a skill because the ability for them to be able to get on to make that next call without it being impacted -

20 One final question. The material you've provided that is numbered as P.1, that's actually a list of competencies, isn't it?..... That's correct.

It's not a course?..... No.

25 When you do a course you aim to achieve these competencies?..... Those are the competencies that should be met. These are a group of competencies. It's not a course as such. They are courses - within Certificate II these competencies are covered, for example.

30 Whilst I think you said that this was designed for a broad range of industries, it is true, isn't it, that charitable organisations were encompassed by the breadth of the development of the national training package?..... Absolutely, yes. That, as mentioned, is one of the range of variables within that.

Thank you, Mr Cotton. No further questions.

COMMISSIONER: Thank you.

35 **WITNESS WITHDRAWN**

MR PATERSON: Are we right to proceed straight away with Ms Everett?

COMMISSIONER: Yes.

CAROLINE TERESE EVERETT, sworn:

MR PATERSON: As a preliminary and introduction, can you tell us how long you've been working for Red Cross and what your position is, broadly?..... Initially, I started at Red Cross about 18 months ago
5 telemarketing raffles. I suppose I've done now about six raffles overall.

That's been the basic phone work, on the phone. Can you maybe further from that, sort of direct first-hand point of view, take us through what happens when you arrive at work to start say - are you working this week?..... Yes, I am.

10 What stage of the raffle are you at - late stage, I understand?..... Yes. The last week of selling.

Maybe for the commission, could you give us an example of what your day will look like when you next go to work?..... I arrive at work. We usually have a daily quota of raffle that we need to achieve for that
15 day, so that's the first thing. We log on straight away to our computers and we start phoning.

Can you say what you're going to say to somebody? Can you give us an example - if you were making the call here and now - to us?..... We'd introduce ourselves. Basically, then we'd go through, do the
20 script, we're fundraising for our local services. We might name three services that Red Cross provide. We'd then explain the prizes of the raffle, when it was drawn and could they help us.

What's your experience in terms of the ratio between the blunt, no, the soft, no, that might give you an option to keep talking to the person or
25 an immediate success?..... It would vary from day to day. Probably 50 per cent though you would have an option there to be able to go further and make that sale. Certainly of an evening I feel you didn't have as much time. It was the end of the day, even though you certainly had a better sale rate. The quicker the call, the better,
30 basically but, generally, a 50:50.

To what extent do you feel like you personalise those calls?..... Well, you have about 60 seconds to do that. I feel that you need to know immediately from that person's reaction, how are you? How they
35 reply to that, really as your first tell tale sign. You have 60 seconds. It's very quick, so you really have to say what you're saying and perhaps - it's 60 seconds so it's very, very quick.

In that time is there a level of rapport that you do establish?..... Certainly, yes, sure. A lot of the time I've actually phoned someone that is a Red Cross supporter. They might be a volunteer or they might
40 be assisting in some other way, so immediately then you do develop a rapport with them and I think it's actually getting down to their level, that you need to be able to distinguish from that whether they want

you to hurry the call or whether you need to take things a little slower as well.

5 You've got that flexibility to make that call - that judgment yourself?..... I think you have to try and personalise it as much as possible. They're not just a number there. They are a person, for sure.

You don't work to a strict time limit per call that's dictated by your supervisor?..... No, not necessarily. We try and make the calls as quick as possible but you're always going to have the calls that are going to take a little bit longer.

10 The evidence that we heard before about targets and quotas, can you tell us what they are? Have you got a call target as well as a books out target and a sales target?..... On average, we need to make about a hundred calls per shift.

15 In a four hour shift?..... That's answered calls. That would vary from morning shift to afternoon shift and we do have a daily target there on our books that we're actually trying to put out personally as well and that would vary, depending on whether we were doing call-back data or cold calling.

20 Is there much difference in terms of the skills and abilities you need for that cold call-back or you're pre warmed or those from your own database? Do you find it different?..... Certainly. Previously clients - they know about the services that we're offering, they know where the money is going to. I think that's important. When you're cold calling, it's somebody unknown perhaps to the services, to what Red
25 Cross provides. There's certainly a difference there.

Do you think anyone can walk off the street and walk into a job like that?..... Absolutely not, no.

30 What do you see as what makes you or somebody else a good, effective telemarketer in the Red Cross environment?..... Certainly, communication skills have to be up there. The ability to keep going with it. You can have a really good day and be very motivated. You can come in the next day and have a terrible day, really low sales. Just the ability to keep making that next call. At the end of the day, it's really the calls that you make, the sales you get.

35 The physical work space - how many people and how close together do you work?..... We usually have about four in the room at a time. We would be about a metre apart.

Separate work stations, cubicle-type arrangement?..... Yes, cubicle-type arrangements. Perhaps just under a metre apart.

40 Does that build or work against a team attitude amongst -

MR CAMERON: Commissioner, I probably have to query the relevance of particular workplace standards overall because how the Red Cross does it may be different to someone else and they may change next week. It's not going to go to an award issue as to the cramped space that they have to operate in and how that may affect their actual ability to make calls. I think we may be skirting off into areas that aren't relevant to the particular matter before you.

COMMISSIONER: Perhaps you could explain the relevance, Mr Paterson?

MR PATERSON: That wasn't the point. The point of the relevance was not in fact the physical environment. The issue I was getting to is to what extent in your specific workplace with those specific physical characteristics, to what extent do you have a good teamwork spirit and environment amongst your coworkers?..... We do have a very good team spirit there. We are in a close knit group but it is very much a team effort too. We're there obviously to do our own personal sales and to achieve personally what we have to but overall it is a team effort so if someone's having a really good day you certainly would encourage them and vice versa if you're having a bad day. They can see and hear what you are doing. They're aware of it.

Do you have team meetings?..... Yes, we do.

What sort of issues would come up in team meetings?..... We discuss anything that was happening throughout the raffle at that particular time. Perhaps if there was a bit of negativity there, discuss that, get it out in the open. Any little changes or new ideas, just an overall - it was the time to bring things out in the open. Usually, we try and do this on a weekly basis.

Do issues of training or the induction package or varying - the information you have available get discussed in those meetings?..... Initially, when I started there I had an induction course and then there was training provided perhaps - I found every three to six months or so, we'd basically go over all that we were doing and anything new or changes that had occurred in Red Cross itself, we were updated on that.

I've got in front of me the witness statement that we provided to the commission and to the employers here, if I can just read these, particularly the technical skill issues out to you and then ask you to - for the record, if you like, confirm that they are - I don't know that we need to spend much time on this matter. What was provided was, under technical skills, basic computer and keyboard skills are required to operate the system. You have call-back monitoring and linking of numbers called to the database; point of sale data entry; process and confirm credit card details; annotate records including prospective customers for call-backs for future raffles; monitor and record reminder calls; lost book and cancellation records; a

responsibility to get book back and reallocate - I presume that's where it's a lost book or a returned book - and track lost books and solicit donations. That's an accurate reflection of what you do?..... That's correct.

5 The other issue that I'll just briefly touch on - I don't know that we do need to keep the commission's time on this matter terribly much longer is, the skills that are necessary in the team leader. You have a senior telemarketer - do you still have a senior telemarketer in the organisation?..... Yes, we do.

10 Can you just speak a little to what that person's role and function is?..... Up until about two months ago, their role was to motivate the team. It was just to supervise. If there were any problems, that was the person who was there. Usually, their role was of an evening and afternoon shift. It has slightly altered now, where they're there for supervision and for extra computer skills. From time to time there are
15 certainly glitches in the system, where we need someone who is able to deal with that. Generally, I think they are there to motivate and supervise.

Just one last thing, what do you actually have to know to be able to
20 use the computer system? You said you log on. Is the rest really just about - what does it involve?..... It's basic keyboard skills that you would need to know, and then it's data entry, it's fairly basic, but it's certainly getting those details correct, especially when it's a credit card sale.

25 And knowing your way around the screen?..... Knowing your way around the screen. It's very easy to press the wrong thing and end up somewhere where you shouldn't be. It's very basic but certainly skills there that you need to know what you're doing.

You haven't done any of this sort of work anywhere else?..... No.

30 And only with Red Cross?..... Yes.

I think that's as much as I need to put to you. Mr Cameron will now follow through with questions of his own.

MR CAMERON: Thanks, Ms Everett. A couple of matters that arose. I
suppose we start at the beginning. You said that someone can't just
35 walk in off the street and do this job. How did you start?..... I initially started there for the doorknock appeal, finding volunteers to do the doorknock appeal, which was over about a six week period and then I spoke to John in regards to actually telemarketing raffles and I felt that I had the skills then. I'd seen the other telemarketers doing
40 the raffles. Also, John was aware of what I was doing during the doorknock, organising volunteers for that.

So you would have been doing telemarketing skills, doing the recruitment of doorknockers, wouldn't you?..... Yes.

You'd have to ring people and use those skills. So, you were able, to some extent, to come in and do parts of the job?..... That's right.

5 Are you a team leader or supervisor at the moment?..... No. I'm a telemarketer.

And what's your position? Is it full-time, part-time or casual?..... Casual.

MR PATERSON: Can I just clarify. Is that casual in terms of getting a loading or casual in terms of working as required?..... Casual in terms of getting a loading.

You have been there for 12 months?..... Eighteen months.

MR CAMERON: I'd suggest that in the absence of any award definition, we can call them whatever they like.

15 MR PATERSON: There is a definition in the agreement.

COMMISSIONER: There's the agreement.

MR CAMERON: Okay. Generally, in the industry though, there's no definition for casuals. I haven't looked at the agreement definition but that was not a point as such. How many hours per week would you be working?..... I would work 24 hours per week. I would work four single shifts and then usually a double shift through the week, which is a morning shift from 9.00 to 1.00 and then from 4.00 to 8.00 in the afternoon.

So a split shift?..... That's right.

25 Do you have other part-time work?..... No, I don't.

You indicated to Mr Paterson that you've got that 60 seconds to personalise the call and create the rapport with the customer. What would be the average length of a call?..... The average length - it would range from about 60 seconds perhaps to a minute and a half.

30 If someone says to you initially, no, I'm not interested. How much time would you spend with that person to convert them?..... If they were an outright, I'm not interested, then I suppose you really wouldn't, you'd go onto your next call. Depending on what their comeback was, why they couldn't take a book, whether they are umming and aching to whether you spent another 30 to 60 seconds turning that around.

Generally about a minute and a half on a phone call would be sufficient for you either to get a sale or, no, you're not going to get one?..... Sure.

5 You indicated about team work. What was the general turnover at Red Cross in terms of staff. Mr Cotton indicated what it was in his day. What's the current turnover like at the Red Cross?..... Presently we have seven telemarketers in the room.

In total?..... In total.

10 In the room, but how many others ..[inaudible].. ?..... In total as in overall telemarketers, I would say that at least three have been there for two years. There may be another one or two for about six months and then perhaps one about four months. At least half have been there for well over 12 months.

15 You also indicated in relation to your obligations and what you're supposed to be doing and you've got these quotas, who actually sets those quotas?..... The telemarketing supervisor.

20 Are they changed? Do they change from week to week or do you know for this raffle this is what the quotas are?..... Overall, I suppose they're set out for the entire raffle but it will change, depending on what amount of books you've actually put out for that week. On average, it would done on the whole scale of the raffle itself.

25 You said the daily target would vary depending upon whether you're doing call-backs or cold calling. When you went into the office you checked each day what targets there were?..... Generally, our call-back data would be achieved in the early stages of the raffle. Cold calling, we generally knew that we were looking at about 20 to 25 books per shift ourselves. We had a white board up and there would be the daily figure that we were trying to reach, a daily book number.

30 As the raffle develops and at the moment for instance you say you're in the last week of the current raffle, if the book sales aren't there, is the quota changed? Are you expected to send out more books, do more calls or anything like that?..... We would probably put in a few more hours to get those last books out.

35 So there's no change per hour. You do extra hours to get those extra sales?..... Yes, and perhaps we'd actually be doing a few more double shift split shifts between us to achieve that. That would generally happen in the last week of the raffle. We would be aware of where we were at at that stage.

40 The other aspect of your quota is the number of books sent out and what about the number of books returned?..... We did have an overall return rate there, a personal one, that was required at the end

of each raffle and so it was to get that book back. By selling the book well and then also following up with your reminder call.

In relation to the bonus system that was operating, is that still currently operating at Red Cross?..... Based on our return rate?

5 Based on - yes, at the end of the raffle there may be a bonus worked out on performance?..... I would imagine it is.

Have you been receiving bonuses over the last couple of raffles you've been involved in?..... Actually, this is the first raffle that John hasn't been there, so I'm not really sure as to what's going to happen at the end of this one but I would imagine that's -

10 Previously, you have been receiving the benefit of bonuses at the end of each raffle?..... That's right.

And the figures are five per cent. Would that be about average? Is that what you've been receiving?..... Yes.

15 You are a telemarketer grade 2?..... That's right.

Under the agreement. That's averaged then back over the period of the raffle?..... That's right.

So its five per cent on what your total income would have been?..... That's right.

20 Even allowing for Mr Paterson's reminder, that they want to grade you after one raffle, your current hourly rate of pay was \$11.14. Can you tell the commission what it has increased over that period. It's an award matter. Do you know what your current hourly rate is?..... It did increase here only a short time ago and I'm not exactly sure what it is at the moment.

25 You receive a 20 per cent loading?..... That's right, yes, on top of that.

Do you know, roughly, the vicinity?..... Per hour - our morning shift, I think it's about \$14, that's including our loading. Afternoon shift is around about \$15.75, I think.

30 That includes the shift loading?..... That's right.

The five per cent wouldn't increase that by that much per hour?..... No.

That's the limit of what you can earn?..... That's right.

35 Have you ever been subject to any counselling for poor performance?..... No, thank goodness.

Over that period you've received a bonus each time?..... That's right.

5 Do you ever get more than five per cent?..... No, I haven't but I think there may have been in the past. There was an extremely high return rate from someone, before I started.

10 Just looking at that statement - I'm not sure whether you have a copy in front of you of the information that you provided. I understand the commission's got a copy of that. Just looking at those things that Mr Paterson went through with the technical skills, those technical skills are what are required of you at Red Cross, aren't they?..... That's right.

Have you ever worked anywhere else in telemarketing?..... No.

So you're not aware of the systems that other telemarketing organisations or charities have?..... No.

15 These technical skills then are only what you're required to have to work at Red Cross, under this agreement?..... That's right.

You were talking about supervision. There is a supervisor employed whenever you are working?..... Mm.

There is someone there who has that role?..... That's right.

20 They are there to motivate, check on work, be able to guide you with computer skills, I think you said?..... That's right.

I think you've already confirmed but can you just say, the best time to be selling these raffle tickets for Red Cross? What's the best hours for working. You work morning shift?..... Definitely from 4.00 to 8.00.

25 That's generally what Red Cross has been operating for the period you've been involved with them?..... That's right.

To your knowledge, that's what they've been operating on before you started?..... Yes, previously, that's right.

30 The costs for a particular raffle could blow out towards this last week, for instance, of a raffle with the extra hours that are required, extra sales that are required, those costs could increase because your wage for instance will go up this week?..... Certainly, salaries and so forth.

35 Therefore, any particular raffle couldn't be reduced to sums at an early stage to say, this is what our labour costs are going to be, are they, under the way you operate?..... No.

The information and those technical skills and the computer programs and things you have, are you aware of Red Cross having those nationally?..... I understand that they don't actually have it nationally. I think it's just Tasmania.

5 Leading the way again?..... Yes, absolutely.

I have nothing further for this witness. Thank you.

COMMISSIONER: Thank you, Mr Cameron. Mr Paterson, do you have any further questions?

10 MR PATERSON: Only one minor matter to follow back up on. The question Mr Cameron put to you about your previous experience. You referred to the time that you were doing the Red Cross Calling?..... That's right.

15 How did you get into that job?..... That position actually - I knew they were advertising for staff. It was word of mouth that I heard about it and I went in and spoke to the person that was actually in charge of the Red Cross Calling at the time. Initially, I was employed, I suppose, on a trial basis, but that was how I first started.

20 Do you think there were particular attributes from your previous work or life experience that got you that job?..... Definitely. I've always been involved in customer service. There was certainly a degree of selling there, for 13 years or so that I have done in the past, that I think has a major part really to do with what telemarketing is. It's selling, it's certainly customer skills there that you require.

Thank you, very much. No further questions, commissioner.

25 COMMISSIONER: Thank you.

WITNESS WITHDRAWN

COMMISSIONER: Mr Paterson, do you want to continue at this stage?

30 MR PATERSON: What I would like to do at this stage is just to table a number of documents and then I think we can probably close today's proceedings. I don't believe that I have, and certainly just for the record, I will put up the - this is the 31 July document, the draft order as prepared by the union.

COMMISSIONER: We've already got one of 31 July.

35 MR PATERSON: If the footnote on each page is 31 July, then that will be the document.

COMMISSIONER: Yes.

MR PATERSON: I don't think it's actually been tendered as evidence before, so if we could formally have that on the record.

COMMISSIONER: **EXHIBIT P.4.**

5 MR PATERSON: The second document that I wish to table that mirrors that, if you like, is the document that I circulated by e-mail to the parties, which has a boxed paragraph at the top which starts, 'Note'. This is the union's proposed changes consolidated following our previous conference here.

COMMISSIONER: **EXHIBIT P.5.**

10 MR CAMERON: It's not reflected in P.4?

MR PATERSON: Not reflected in P.4. P.4 remains unchanged at this stage.

COMMISSIONER: Thank you.

15 MR PATERSON: The other documents that I have that I wish to put up are a couple of copies of, in the first instance, an Australian Workplace Agreement for Vodafone Network Pty Limited.

COMMISSIONER: **EXHIBIT P.6.**

20 MR PATERSON: The name of the individual concerned has been deleted from this copy and I'd just note in tabling this, that this was an agreement that commenced in March 1999.

A second document that I wish to table of a comparable nature is the Part IVA agreement for Watts Communications Australia Pty Ltd.

COMMISSIONER: **EXHIBIT P.7.**

25 MR PATERSON: I don't propose to talk to these today, although we do reserve the right to come back to them later. The final document that I wish to put to the commission is an extract from a call centre staff salary survey conducted by an organisation, which, in my submission has established itself as probably one of the most reputable research organisations, the Hallis Group - I'm not quite sure
30 what their formal title is. They call themselves the Call Centre Recruitment Specialists. It's an extract particularly going to the profile of salaries across the call centre industry very broadly and most definitely nationally.

COMMISSIONER: Thank you. **EXHIBIT P.8.**

35 MR PATERSON: At this stage that concludes what I intend to bring to this conference today. I would ask perhaps that whether we set the date now or at the next hearing, I'm not fussed, but I would like to see one further date set, being the date on which the final submissions

will be made following the hearing we have of Thursday next week. I'm open to Mr Cameron's response on that.

5 MR CAMERON: Thank you, Mr Paterson. Commissioner, we would support the application for a third day for final submissions. That may be useful to the extent of receiving copies of transcripts as well, from both today's hearing and the hearing on 7 September. I don't think we'd need terribly long on that subsequent day for submissions. I know I can run off at the mouth sometimes but I'll try and restrain myself on the day.

10 COMMISSIONER: I'll indicate a date that is available which looks like the earliest date.

MR CAMERON: Bearing in mind, I suppose, commissioner, time to get transcript printed.

15 COMMISSIONER: The earliest date would be Thursday 28 September, so there would be plenty of time for transcript.

MR CAMERON: 7 September is three weeks.

COMMISSIONER: Yes. I think transcript should be available by that time, quite comfortably. If you don't have your diary available, perhaps you can confirm that with -

20 MR CAMERON: I can check now and let your associate know.

MR PATERSON: I can indicate that that date is fine by me and I'd suggest that we probably only need to block out the half day for it and probably won't use the full 10.30 to 1.00 time. That will be more than enough.

25 COMMISSIONER: In that case, this hearing is now adjourned until 10.30am on Thursday, 7 September.

HEARING ADJOURNED 12.28pm

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