
Do Call Centres Offer a Solution to the Economic Development of Regional Areas? The Case of Australia.

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Australian Environment

- Highly urbanised, large distances between centres
- Good ITC infrastructure
- High rate of foreign investment
- Shift to a service economy - many regional areas now 80% service workers
- Wage regulation
- Low unionisation - from 40% to 28% in last 10 years

Australian Environment

- Sophisticated Call Centre Industry
 - Growing at 25% pa
 - 12-18 months behind US
 - Moving into multimedia (web,fax,text chat,voice over IP)
 - Smaller, standardised technology suits SMEs
 - Experimentation with on-line training
- Downsizing & IT outsourcing create work for SMEs in finance, communications and IT. Skills shortage in these areas.
- Regional areas - disproportionate political influence
- Govt incentives for regional development

Regional Call Centre Locations

- NSW: Hunter Valley, Central Coast
- Victoria: Bendigo
- Tasmania: Burnie, Launceston, Davenport
- Queensland: Gold Coast

Case Studies

- Tuggerah Police Assistance Centre
 - World first customer service line for minor crime
 - Public utility with corporate goals - self funding after 3 years
 - Govt funded
 - Very good working conditions
- Bendigo Building Society
 - Local bank with national offices
 - Call centres lost to takeover
- Tasmania: The Intelligent Island
 - Federal Politics
 - Aggressive govt: infrastructure broadband
 - Grants, loans, guarantees, financed premises, facilitation of investment projects, skills development, joint marketing-promotional activity and industry and network introductions.
 - Mixed success: Closures, unused facilities, dependence on govt work
 - Labour shortage forces remote recruitment

Attracting Call Centres to Regions

- Estimated 180 centres relocating to regions in 2 years
- Labour: low cost, reliable, stable , loyal, customer friendly - “job positive”
- Lifestyle: particularly near urban centres
- Language skills in some areas
- Political advantage
- Govt incentives
 - Tax breaks
 - Cash payments
 - Infrastructure funding

Problems in Regional Areas

For CC Workers

Stress

Limited career progression

Exploitation

For Communities

Lack of infrastructure, size & remoteness disadvantage many

Competition from Australian cities, other States & Asia

Low skill, low wage jobs

For CC Businesses

Dependence on local population, politics & incentives

For Government & Society

Incentives bidding wars

Conclusion

WHAT WE KNOW

CCs have provided valuable employment opportunities

but

Technology is increasing the mobility of the CC industry

Government incentives & political issues have been a major factor

Business structures are volatile

UNKNOWNNS

What factors *really* influence managers to relocate CCs to regional areas?

How can regions develop 'natural' attractors for CCs?

What are the flow-on effects?

Will CCs become highly automated?

THE FUTURE

Caution: CCs may offer only short or medium term solutions.