



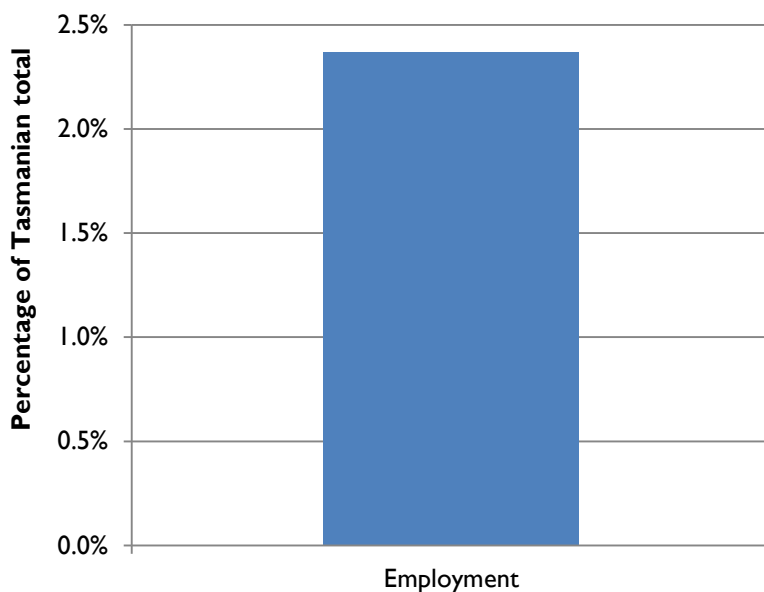
## Contact centres

Information on the Tasmanian contact centre sector has been derived primarily from a Contact Centre Industry Review 2010 and updated with internal information.

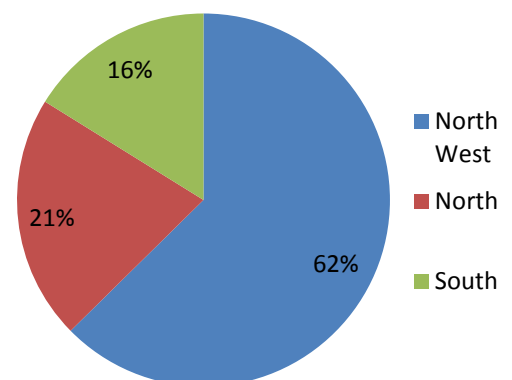
**Coverage:** Customer support services businesses, operational facilities and resources used or outsourced by companies to manage 'front office' client contact. This is increasingly combined or integrated with 'back office' business administration services, utilising a variety of mediums (telephone, mobile communications, fax, letter, e-mail and other emerging media and communications services online, such as internet-based social networking and interactive media).

### Key indicators

#### Contact centres



### Regional employment



### Key statistics at a glance

Indicator	Units	Period	Data	Change from five years ago	Per cent of Tasmania	Per cent of Australia
Employment <sup>(a)</sup>	No.	2012-13	5,500	n.av	2.4%	n.av

(a) Source: Department of Economic Development, Tourism and the Arts (unpublished 2013); Department of State Growth (2014)

## Summary of sector

The Tasmanian contact centre and business support services industry sector has been actively operating for more than 15 years. The sector employs more than 5 500 people in Tasmania<sup>1</sup>.

The sector contributes in excess of \$240 million in wages per annum and more than \$14 million in payroll tax to the Tasmanian economy.

Australia's contact and business processing centres industry continued to grow by eight per cent per annum during 2012, with an increase in seats from around 220 000 in 2011 to a predicted 228 700. Tasmania is well-placed to carve out a greater share of this sector's business revenue.

Contact centres support a variety of industries and sectors in Tasmania, including telecommunications, insurance, racing and gaming, travel and accommodation, government, not for profit, and banking and finance.

There are two models operating in Tasmania. Some business have contact centre capabilities embedded within their internal business operations. 'Contact centres for hire' provide contact services to a single customer or multiple customers simultaneously from one or multiple sites.

The main risks for contact centres that provide internal services within the overall business are:

- internal decisions around cost cutting or operational rationalisation
- merger/acquisition activity which may drive operational change
- economic or industry downturns affecting the size of operations.

The main risks for contact centres for hire are:

- ability to attract and retain ongoing contact centre business
- ability to maintain competitiveness in a strongly-contested business environment.

Contact centres in Tasmania are geographically dispersed, with locations in Hobart, Launceston, Burnie and Devonport, including the the Hobart and Launceston technoparks, the Kingston industrial precinct and regional locations such as Devonport and Burnie.

The sector has sometimes been portrayed as a low-value economic sector where the pay level is low, career opportunities are limited and investment is fickle.

Today's reality is that contact centres are often the most dominant customer interface and market channel with regards to sales, marketing and support, utilising leading edge technologies and services, and providing progressive, marketable training and skills development. The integration of back office business and other processes is increasingly merging with front office functions, requiring increasingly-sophisticated and complex service delivery.

The Tasmanian contact centre industry increasingly provides highly-skilled jobs across a diverse urban, regional and demographic base, with opportunities for advancement and the development of new and/or expanded skills. Staff retention in Tasmania is excellent, with turnover numbers as low as 16 per cent – in comparison to more than 40 per cent in national centres.

<sup>1</sup> For this sector report, this equates to 75 per cent x 5 500 = 4 125 FTE.

Salaries and benefits are competitive. Investment in infrastructure, services, training and ergonomic work environments is extensive. Work profiles and progression can be highly challenging and rewarding, and employees often have leading-edge technologies at their disposal.

Marketing of the Tasmanian sector should be a priority to create a realistic, positive image of the sector and the economic benefits it provides.

Business and contact centres provide substantial regional jobs and stability. This is highlighted by the recent employment of staff in contact centres after redundancies from other declining regional businesses and sectors.

The sector in Tasmania has progressively moved up the value chain from low-value basic contact centre services to more specialised and highly-skilled professional services in areas such as IT technical support, technology and complex telecommunications services sales, and high-end personalised and corporate banking services. This has resulted in a more mature and stable industry sector with an increasingly skilled workforce employable across diverse sectors.

Given the cyclical nature of investment in the sector and the global and strategic impact of emerging technology (multi-channel service strategies), and customer and financial trends related to establishment, it is imperative for government to develop a more strategic comprehensive sector strategic plan, informed by sector priorities for retention of existing and attraction of new contact and business service centre investment to Tasmania.

## Constraints and opportunities

### Constraints

- Global strategies, trends and developments on customer services outsourcing, near-shoring or ownership.
- Global, national and local financial and investment trends.
- Infrastructure and telecommunications challenges.
- Limited awareness of Tasmania as a near-shoring destination.
- Skills, resources and education.
- Geographical dispersion and resource saturation.
- Lack of incentives and benefits.
- Government budget constraints.

### Opportunities

- Utilise the National Broadband Network infrastructure and associated opportunities for innovation.
- Promote new investment in infrastructure and telecommunications.
- Develop sector strategy for investment attraction, retention and sectoral value adding.
- Develop awareness and appreciation of Tasmania as a near-shoring destination.
- Attract and facilitate national/multinational investment.
- Foster greater Tasmanian sector/industry cohesion, collaboration and networking.
- Facilitating education, up-skilling and labour transition.

The strategy for growing the sector focusses on three key themes:

### **Investment attraction**

- Improve sector and market knowledge on the influence of financial incentives on investment decisions, including assistance to offset employee and infrastructure start-up costs.
- Develop an investment attraction profile to inform marketing, sector development activities and an investment attraction toolkit.
- Focus marketing activities on positioning Tasmania as a premier location for near-shoring corporate customer contact and business centres.
- Work with contact call centre peak bodies on strategy development.
- Develop strategic relationships with key multinational organisations that are hosting or developing operational contact and business services centres.
- Establish a funding base for targeted deal-critical incentives.

### **Sectoral development and retention**

- Tracking and analysing the impact of a shift in work practice from in-centre agents to in-home agents, and the move to customer self-management from online services.
- Profile the sector's skills, education and capability requirements and facilitate support and activities to overcome constraints on the sector.
- Develop more strategic business relationships with top companies.
- Research sector priorities, emerging trends and support models.
- Define key barriers to sector development/retention and develop program/projects to overcome.
- Manage and support emerging key projects and programs.
- Manage and maintain financial and other incentives programs and related administrative relationships.

### **Infrastructure and services**

- Research, identify and document barriers and opportunities relating to infrastructure and services.
- Facilitate the high-capacity broadband connectivity required for multi-channel contact centre operators.
- Facilitate the identification of potential sites and facilities for new or expanded operations.
- Research funding sources and related strategies to support development of digital infrastructure.