

Bringing the jobs home

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By Anneli Knight
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WITH cheaper office rents than Mumbai and cheaper accountants than London, Australia could reverse the trend of jobs flooding offshore.

Australia is in a strong position to benefit from the "third wave" of international outsourcing at the highly skilled analytical end, a report commissioned by the Federal Government has found.

The past two decades have seen local jobs shift to Asia, beginning with IT outsourcing and followed by back-office processing - but Australia is about to tell the world what it has to offer for its high-level front office support roles.

"Big global financial institutions are opening up their minds to outsourcing functions other than very simple ones," said Gary Johnston, executive manager at Axiss Australia, a government body established to position Australia as a global financial services centre in Asia. "People simply don't realise how sophisticated Australia is in terms of its financial markets."

In April last year, a team from Axiss and Invest Australia, the Government's inward investment agency, went to India to investigate opportunities.

"It became obvious there are things they are doing in India which we could do equally well or better here," Mr Johnston said. "We have better infrastructure, we have a strong and transparent regulatory and legal framework and a deep pool of accounting, actuarial and analytical skills. Australia is very well placed to provide the high-value-added activities."

The report focuses on opportunities in financial services, particularly jobs in equity research, structured finance, retail banking and actuarial services. It identifies five key advantages to offshoring in Australia: the low cost and deep pool of labour, low business infrastructure costs, a stable business environment, a strategic time zone advantage and good quality of life.

Specialised financial services staff cost on average 30 per cent less in Sydney than they do in London, the report showed.

Co-author of the report Sriraman Annaswamy, who heads up offshoring advisory firm Swamy & Associates, said a skills shortage in India had led to a rapid rise of professional salaries and reduced its competitiveness. "Indian destinations are not

necessarily the cheapest knowledge-processing outsourcing destinations as is conventionally believed," Mr Annaswamy said.

He said people were often surprised to hear it is cheaper to rent office space in Sydney than Mumbai and that office space in Brisbane and Melbourne costs about the same as Bangalore.

Mr Annaswamy said the NSW, Victorian and Queensland governments had been enthusiastic about promoting themselves.