

Offshore jobs a two-way street

By Lisa Murray
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Recent moves by Commonwealth Bank and National Australia Bank to explore shifting jobs offshore has reignited an emotional debate.

Nobody likes to hear about Australian jobs being lost because it is more efficient for somebody sitting in India to carry out the role.

But according to a growing number of people in the industry, this argument misses the point.

They say Australia should look at the global trend toward "offshoring" as an opportunity rather than a threat.

Consultant [Sri Annaswamy](#) estimates that 800 jobs have been created in Australia over the last three years as positions were moved from higher cost centres such as New York and London to Sydney.

The big investment banks are leading the charge.

Deutsche Bank has 210 local staff performing global functions and expects that number to hit 250 by the end of the year.

"Australia has an open and sophisticated financial market, a skilled workforce and a cost advantage of about 50 per cent over the major European centres and New York and Tokyo," said Deutsche's local boss, Chum Darvall.

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"We need to look at the opportunity and not be defensive about it. We can attract people who can support derivatives documentation here, whereas the markets for some of these products in India have not yet developed."

Since taking up the global role, Deutsche has 12 to 14 people doing foreign exchange settlements in Australia, who oversee and settle 25,000 trades a day.

Morgan Stanley has set up an infrastructure centre at Millers Point called SerCo Solutions, which employs more than 140 staff. They do everything from foreign exchange operations to human resources for the bank.

Local chief executive Steve Harker said Sydney was one of four cities identified by Morgan Stanley as an alternative centre to the major markets. The others are Baltimore in the US, Glasgow in Scotland and Mumbai in India.

"The critical advantage Sydney has is the depth and quality of the labour force," he said.

The Finance Sector Union is in favour of attracting high-skilled jobs. But spokeswoman Cath Noye said the FSU's main concern was that companies were making decisions based on cost comparisons rather than service.

"We cannot compete with wages paid in India and Malaysia and that is the dilemma," she said yesterday.

NAB announced in mid-May that it was setting up a pilot project to move 20 account processing jobs to India.

The bank had put the project out to tender and was "weeks away" from signing a deal with anyone, according to spokesman Geoff Lynch. However, he said the bank had already started preparation work on other areas where jobs could be outsourced.

"Because there is such a long lead time, we are doing the background work on other areas before we have decided the pilot is successful," Mr Lynch said.