



Australia poised to attract outsourcers

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WITH cheaper office rents than Mumbai and cheaper accountants than London, Australia could reverse the trend of jobs flooding overseas.

Australia is in a good 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.

In the past two decades, local jobs have shifted to Asia, first IT outsourcing then 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 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.

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

The report focuses on opportunities in the financial services sector, particularly jobs in equity research, structured finance, retail banking and actuarial services. It identifies five key advantages to offshoring to 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.

Report co-author Sriraman **Annaswamy**, who heads the offshoring advisory firm Swamy & Associates, said a skills shortage in India had led to a rapid rise in professional salaries and reduced its competitiveness.

"India is not necessarily the cheapest knowledge-processing outsourcing destination," Mr **Annaswamy** said. He said it was cheaper to rent office space in Sydney than Mumbai, and that office space in Brisbane and Melbourne cost about the same as Bangalore. He said NSW, Victoria and Queensland had been enthusiastic about promoting themselves as locations for high-skill outsourcing.