

Macquarie jobs join passage to India

Emma Connors

Macquarie Bank has joined the off-shore processing push after finalising an agreement with Accenture to outsource some of the bank's human resources operations.

The move comes as National Australia Bank ramps up its offshore outsourcing arrangements, St George shifts some work to India through IBM, and Westpac subsidiary BT Financial Group beds down its new arrangement with Indian firm Genpact.

Up to 100 jobs at Macquarie Bank are believed to be affected as Accenture staff in India take over work previously done in Australia. The transition to the new arrangements is under way.

A Macquarie Bank spokesman declined to comment on Friday.

The bank has previously indicated the arrangement with Accenture is

designed to centralise human resources processing for Macquarie's global operations. About one third of Macquarie's 9000 staff work overseas.

Macquarie's outsourcing move means the bank is now contributing to a small but steady stream of financial sector processing jobs that have left Australia for India.

NAB has told shareholders it will have moved 81 finance jobs to Bangalore by next month. The bank is also understood to be considering outsourcing some information technology and procurement jobs, in order to take advantage of the labour savings offered by companies with operations in India and other low-cost centres. A bank spokesman said no new contracts had been signed.

Last year, Westpac decided not to shift more work overseas from its transactions and unsecured lending originations centre in Sydney's Con-

cord, after NSW Premier Morris Lemma warned the move could cost the bank lucrative state government contracts.

However, Westpac's wealth management subsidiary BT has shifted retail administration work formerly done in Adelaide to Genpact. That contract, finalised late last year, has affected about 70 jobs.

Commonwealth Bank of Australia is the only major bank to have ruled out sending work overseas - for the time being at least.

"When you weigh up all the risks, it is hard to find a sufficiently compelling economic case," CBA group executive, technology services, Michael Harte, said.

"If we have to put in place a lot of new compliance infrastructure, the labour arbitrage is quickly eroded."

St George Bank group executive, information technology, John Loebenstein, said the popular view that,

because labour costs were up to 80 per cent lower in India there were big savings to be made by offshoring, was too simplistic.

"There are enormous other costs that eat away at that arbitrage saving," Mr Loebenstein said.

The bank has shifted 80 jobs in collections and card service operations to India by outsourcing them to IBM.

"The developers we use in India are working on a computer in Sydney," Mr Loebenstein said. "They have to be online to that application test environment. Those data links have to be very, very secure and they are very expensive."

"So you choose very carefully what gets done overseas and what gets done locally. We choose on a case by case, project by project basis and the advantages have to be very carefully managed."