

Outsourcing – The Elephant in the Room

There is not an industry in Australia which does not have a component of their services or product supplied from overseas.

It began when manufactured goods were moved offshore to South East Asia.

Now, legal services, dental procedures, dental surgery, medical surgery, medical operations, engineering plans, architectural plans, computer programming are all outsourced to Asia.

Our industry is not immune from this phenomenon. In Australia it is estimated that between one quarter to one third of accounting practices outsource their assignments to overseas contractors.

Until recently, accounting practitioners were not required to disclose they were outsourcing their accounting work overseas.

Even with changes to the Freedom of Information Act, practitioners are not always making it clear to their clients where their work is being processed.

In Adelaide a number of local firms have even gone so far as to set up offices in Asia to process their accounting and taxation work.

The growing complexity of Australia's tax system and the increasing quality assurance requirements of our professional bodies have meant that additional time needs to be spent on assignments.

To the end user, our clients, there is seemingly no value added for the extra fees incurred.

In order to remain competitive I have been negotiating with a number of accounting firms overseas.

There are a number of firms with a good cultural fit and we are in negotiations with Back Offis to assist in processing accounting work on a "as needs" basis.

All the accounting work will be reviewed and finalised in Adelaide.

There are a number of advantages of outsourcing:

- Faster turnaround times
- Cost control
- Capped Fees (no unexpected surprises)
- Experienced qualified accountants trained in Australian Accounting Standards and taxation laws processing the work
- Provides a ready labour force
- Better work flow management, in particular when there is a spike in workflows

We believe that outsourcing will most benefit those who:

- Have a large number of transactions which are difficult to automate
- Don't enjoy bookkeeping
- Are using excel spreadsheets to record transactions
- Require accounts and tax returns urgently
- Are starting up businesses

If we believe that you will benefit from outsourcing we will discuss this option with you or alternatively if you are interested in this service please do not hesitate to contact us.

We have decided to offer this service to improve the turnaround times of work for a fee which is fair and reasonable to all parties.

Should you wish to discuss this further please do not hesitate to contact me.

Yours faithfully,



John Stankevicius

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