

Talent drought fuels race to find offshore accountants

APPOINTMENTS

Australian firms already employ hundreds of tax professionals in the Philippines and demand is booming, says outsourcing specialist Cloudstaff.

By [Philip King](#) • 04 November 2022 • 5 minute read

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Accounting has become a boom sector for outsourcing agencies and the trend will only accelerate even with increases in skilled migration, according to one offshoring specialist.

Australian company Cloudstaff said the Philippines was a huge talent pool for accounting with 750 staff already on its books filling two-dozen different tax professional roles.

“Thirty per cent of accounting firms using outsourcing to some degree,” vice-president of Cloudstaff Chris McDonald said. “Of them, we know that 70 per cent are looking to do more.”

“I think the growth rates for accounting firms taking up outsourced solutions will accelerate. With the unemployment rate as it is, they’re naturally having to look overseas. So it’s only going to grow.”

Cloudstaff expected to more than double the number of its accounting professionals next year, he said, as filling positions offshore became attractive to more and more firms.

The top 10 accounting operations were already huge users but mid-size and even small firms were being won over by the prospect of having staff available to scale up or cope with seasonal peak demand.

“Some firms come to us for just four or five seats, other firms come to us for 10 times that,” Mr McDonald said.

“Even the smaller firms now, even if they’re only got three or four people, they’re absolutely looking at an outsourcing as a solution.”

Poaching staff from other companies within Australia was a zero sum game, he said, and the cost savings of outsourcing were substantial at 50–70 per cent, depending on role and level of expertise.

The pandemic had helped accelerate the trend as well as being “the world’s biggest training exercise for how to manage teams remotely”.

“They’ve been forced into figuring out ways to manage — essentially, we’re just an extension of that.”

As an occupation, accounting lent itself to offshoring because much of its software already relied on the cloud while many Philippines staff had relevant experience, either in qualifications or because they had previously worked for Australian companies.

Cloudstaff also put its recruits through cultural training to acclimatise them, he said.

Mr McDonald admitted preconceptions about offshoring still held sway among many, but said it was quickly losing its “call centre” image for younger employers.

“Perceptions may be a mixed in terms of outsourcing as an industry but it’s an industry which has changed quite a lot,” he said.

“We take the headache and the cost out of hiring this talent. We will go and source the talent for our Australian partners, we will present this talent for interview and our customers are the ones that interview them.

“They’re Cloudstaff employees — they work for us, but the customer manages these people themselves.”

He said the company, which was an Australian start-up in 2005, had 5,000 staff in the Philippines and was looking at other locations such as India to meet demand that was growing across all industries and roles at more than 7 per cent a month.

“We’re very confident we can scale up quickly to meet demand.”