# THE CHANGING ROLE OF THE STRATEGIC COMMONWEALTH CFO – HAVE WE LOST OUR WAY?

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I started my finance career in the Australian Public Service (APS) last century. During a 30 year career, spanning seven agencies and multiple Chief Finance Officer (CFO) roles I have seen, and been involved in, a lot of change in both how we conduct the finance function in the Commonwealth and how the role of the CFO has changed.

When I joined the APS I aspired to be a Strategic CFO in the Commonwealth. A valued advisor to CEOs, Secretaries and Ministers. Someone who brought the invaluable insights to the top table to drive strategic decision making which would affect the organisation for years to come. A trusted partner and advisor who was able to bring together the organisation's resource picture aligned to the strategic goals and direction of the agency. At the same time I would be the trusted financial steward, protecting the organisation and upholding the importance of spending public money wisely and in accordance with legislative and regulatory requirements. This was important, as without the confidence of the auditors, the Parliament and ultimately the public – how could we justify our continued impost on the public purse.

The late 1990s and early 2000s was a time of major change in the Commonwealth's financial framework with significant public sector financial reform occurring in Australia. For a public sector accountant it does not get much more exciting than that. The Commonwealth was transitioning to a best practice environment with the introduction of an accruals-based resource management framework characterised by:

- Accrual accounting, budgeting, management and reporting;
- Professional financial input into strategic and operational planning;
- A focus on results such as Outcomes / Outputs with financial management being the responsibility of managers; and
- Greater autonomy for agencies underpinned by an accountability framework based on assigning responsibility and performance assessment rather than on the imposition of controls and sanctions.

New legislation was introduced including the former *Financial Management and Accountability Act 1997* and *Commonwealth Authorities and Companies Act 1997* - along with the *Auditor-General Act 1997* - replacing the previous Audit Act which had been in place since 1901 when Australia was federated. Among a range of other changes, the new legislation devolved responsibility for financial management and governance to individual organisational heads and CEOs (Accountable Authorities). Prior to this point, much of the financial management and accounting in the APS had been centralised within the Department of Finance who operated as the "CFO of the Commonwealth", with budget estimates compiled and managed by central supply officers and payments made through a central cash system. Obviously these reforms were setting a direction where Strategic CFOs would be a necessity.

The reforms were summarised in the Commonwealth Management Advisory Board's *'beyond bean counting – Effective Financial Management in the APS 1998 & Beyond'* Report (the Report) in 1997, which evaluated the readiness of Commonwealth agencies to implement the financial management reforms recommended by the Commission and reflected in the new legislation. Amongst other things, the report outlined the Advisory Board's expectations for how the role of the public sector CFO would change moving into the 21st century. The Report set the groundwork for the Strategic Commonwealth CFO by stating “In order to maximise financial performance, managers and agency heads must have access to excellent financial advice. A professionally qualified finance team is most likely to deliver this advice (Management Advisory Board - Commonwealth of Australia, 1997).”

A further notable quote from the Report which will be relevant for my later analysis is “At the Agency level there is no contest in the comparison between the benefits of accrual and cash information. The former provides the basis for the recognition of full costs of the organisation’s activities and is the foundation for better accountability and management *(Management Advisory Board - Commonwealth of Australia, 1997*).”

The Report also discussed explicitly the role of the modern Chief Financial Officer:

> “In positioning organisations for the new millennium, agency executives should seek to appoint CFOs that have skills and experience consistent with the new trends in accountancy”.
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> “Agencies should seek to employ a CFO who is professionally qualified and is a full member of a recognised professional body…. Such professional status is, in essence, a ‘licence to practice’”.
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> “Best practice, and what is increasingly the trend in the private sector, is to appoint a CFO who has a direct reporting line to the Chief Executive. *(Management Advisory Board - Commonwealth of Australia, 1997*)”

Twenty nine years on from the Beyond Bean Counting Report, are we, as a profession within the APS, still on track to achieve what the Management Advisory Board set out as a clear vision for the future finance function in the Commonwealth? My proposition is that, somewhere, sometime, over the years, we have lost our way. As I reflect back on my career, did I function as a Strategic Commonwealth CFO? I like to think so. Did I take on the role of strategic advisor while at the same time protecting my organisation from itself? I hope so. Did I demonstrate the courage to ensure investments were contested and trade off decisions clear? Absolutely.

Over the last few decades the CFOs of the Commonwealth and their teams have accomplished so much. We have supported our organisations through many challenges including the Global Financial Crisis, COVID and the regular ebbs and flows of agency efficiency and funding reviews. The size and complexity of the Public Service has increased as has the services provided and none of this happens without funding – making the finance function a critical enabler.

Being a CFO is tough. Nothing happens in an organisation without money and there is never enough of that for everyone’s critical priorities. The CFO role becomes both the enabler and the disabler. Prioritisation and trade-offs become your key tools to assist organisations through the good time and the bad. A trusted partner and advisor to make the best resourcing decisions but also the protector of the organisation’s financial integrity.

As we stand at the precipice of the latest challenge to our role – that being Artificial Intelligence (AI), we need to determine the true value that we add to our organisations and how we should apply it.

The rest of my lecture will consider the question of whether we have lost our way and why. I will discuss the growing disconnect I see in our budgeting and reporting frameworks and its implications. And, most importantly, if we are going to attract and retain the right people into our profession then we need to provide career paths where people feel they can make a difference and are adding strategic value – we need to provide them purpose.

I will end my discussion with my thoughts on what is needed for the future for others, who are not in the twilight of their careers, to take forward. Hopefully there are many others out there who also aspire to be a Strategic Commonwealth CFO.

Have we lost our Way?

An earlier iteration of this paper was going to be called 'The Demise of the Strategic CFO in the Commonwealth'. This was a little harsh but would probably get people's attention. As you do, I put the title into Chat GPT to see what it would come up with. Its Executive Summary included the following text:

> *The Demise of the Strategic CFO in the Commonwealth is not a simple disappearance of CFOs or financial governance. It is a structural drift toward a narrower—often compliance-heavy and remediation-driven—finance leadership model. The cumulative effect of reforms and operating conditions has crowded out strategic bandwidth: fiscal restraint (including the efficiency dividend), centralisation through shared services/ERP initiatives, intensified political and budget-process time pressures, a step-change in digital/IT control dependence, increased outsourcing and contractor reliance, and persistent capability and culture challenges. Strategic CFO "demise" is best explained as system effects: multiple pressures interacting to bias CFOs work toward compliance production and risk containment rather than forward-looking stewardship. Where compliance load and control remediation absorb the finance executive, the CFO becomes operationally indispensable but strategically constrained.*

Not too shabby. I think many of us who have held senior finance roles within the Commonwealth would feel some resonance to that summary. So what is driving this demise? Have we lost our way as a profession within the APS? What do we need to do to get back on the right track? Are CFOs as relevant today? As I enter the closing chapter of my public sector CFO career and look toward something else, I remain concerned with where we are heading as a profession and whether we have indeed lost our way. In my opinion there are a number of interrelated issues contributing to my assessment.

There is a growing divide – a chasm - between our budgeting / funding approaches with how we account and report within the Commonwealth. These two activities should be tightly coupled but they are not. Dumbed down and simplified on the budget side but with little reduction in the complexity, and arguably more, on the financial statements / reporting side. This is occurring at the same time that we are seeing a generational change in the expectations of young people joining the profession. Fewer people are moving into accounting, and those young people that do are seeking greater purpose in their roles but at the same time are valuing their personal time at a premium and will see unessential work as not adding the impact they seek.

Simplified Budget Processes

Let me elaborate. Not so long ago within the Commonwealth Budget process, it was a requirement for new budget measures to detail the financial impacts of the particular measure from both a Resourcing, Fiscal Balance and Underlying Cash Balance (UCB) perspective. This reinforced that Government decisions could have an accrual impact quite different to its cash requirements. Which metric should take primacy was the source of great debate between the economists (cash) and the accountants (fiscal, resourcing) and more recently it is obvious the economists have won the great battle and cash is king. This is a much simpler metric to track the impact on the UCB of the Budget but is also an oversimplification of what the full financial impact of the measure may be.

Likewise the strategic side of the Commonwealth Budget has been eroded, by both political persuasions, with decision makers taking a more short term focus on funding decisions. One- or two-year funding decisions, subject to periodic reviews or as a termination measure, for what are clearly long-term resourcing requirements devalue the strategic purpose of the budget process. The process is further undermined when it is shaped by short-term political considerations and directed to present a lower cost impact across the forward estimates.

Further the constant application of lazy efficiency dividends over the years rather than the more difficult prioritisation decisions on agency resourcing has meant the role of CFOs has been transitioned from advising on the long term resourcing viability of the organisation, to being a short term focussed budget controller and book-keeper and then having to speculate on how to set the internal budgets beyond the budget year. Short term thinking and political expediency in decision making tends to trump considerations of long-term sustainability. If this is to continue – why do agencies need a strategic CFO?

Little Simplification of Financial Statements Processes

There is a paradox in that we have dumbed down our budgeting processes, whether that be by way of cash based or short term decisions, but our financial reporting requirements have not had any material simplification applied to them. There has been no whole of government approach to align, and simplify, budgeting and reporting frameworks within the Commonwealth. I have seen little in the way of reduced complexity in our financial statements processes in the last 20 years. If I reflect back over the years, the major changes have arguably just added greater complexity or, as in the case of the *Operation Sunlight* decision of 2007 to remove depreciation funding from agency appropriations, just added confusion for the users of agency financial statements.

The introduction of Fair Value and the Leasing standard changes are two prime examples of where we have added greater complexity (and cost) with little to no value added for Commonwealth reporting. In almost 20 years of appearing three times a year at Senate Estimates, I do not recall a single question relating to my Agency's balance sheet. Since moving to Defence I have received lots of questions on what have we spent on a particular military platform but never "what is the fair value of a Joint Strike Fighter". What do the users of our financial statements want by way of information? Millions have been spent on fair value assessments of Defence capabilities - none of which help me answer a question from a parliamentarian and nor does it assist one iota in determining the cost of future replacement Defence capabilities. What ultimately succeeds the Joint Strike Fighter in 20 years' time is likely to be markedly different in both capability and cost from the platform we operate today.

In my opinion the leasing standard changes flowing from AASB16 have added little value to our reporting framework and has just increased complexity. Discussions with colleagues unanimously agree. Internally within Defence's financial reporting environment, we do not report the AASB16 impacts and revert to the traditional reporting of operating lease expenses – relegating the AASB16 changes to the end of year financial statements process as a once a year box ticking compliance exercise. In Defence, I have spent millions of dollars implementing arrangements to support the leasing standard changes. This amount includes the cost to exclude it entirely from my internal reporting regime – reflective of the value I place on this change to the rules and the added complexity it would impose on the internal financial reports. Users of my financial statements don't understand the changes, it has a negligible impact on the bottom line / net balances and it has cost a lot of public money to implement a regime whereby only accountants and auditors understand and care, and consultants charge lots for implementing.

No Clear Read Principle applied to our Financial Statements

Gone are the days when users of our financial statements could open up the second page of an agency's financial statements and see a Profit and Loss result that would outline whether they had an operating loss or not. A longstanding frustration arising from the introduction of Net Cash arrangements under *Operation Sunlight* is that our financial statements and annual reports fail to present a consolidated financial outcome. They do not reconcile all funding sources—both operating and capital—with total actual expenditure, making it difficult to determine the organisation's overall 'Net Cash Result'. Such a construct would enable a reader of our financial statements to be directed to a single table which outlines, from a budget accountability perspective, how the organisation performed on a basis consistent with how the agency was funded by Government. There would also be a closer alignment between the key aggregates reported in the Government's budget papers and the results reported by each agency.

I suspect my frustrations have also driven many of my peers to include commentary in the front sections of their annual reports which outline to readers how their organisation performed financially. It would be useful to also be able to point to that result in a face table within the Annual Report. Since 2020-21, I have reported a Net Cash result in the *Financial Performance* section of the Annual Report which outlines to users, on a consistent basis, how Defence performed against how we were funded (funding from all Bills – operating, DCB and Equity) including a bottom line result (overspend or underspend). Such a construct enables a reader of our financial statements to be directed to a single table which outlines, from an accountability perspective, how the organisation performed on the same basis as how it was funded by Government.

Without this, it is nigh impossible to explain to the non-accountants (which includes the Parliament, the public and departmental executives) and even many finance staff, how financial performance is measured. Without this we reduce the trust and value these stakeholders place in the reported values. From a funding perspective, our appropriation framework excludes depreciation expenses but our total expenditure includes it. Hence the complicated adjustments required in our financial statements for the Net Cash reconciliation whereby we add an adjustment line item from the Cash Flow derived from our Asset Movement tables.

<u>Balance Sheet Management – who really cares?</u>

In my opinion, the *Operation Sunlight* changes were the first step in the ultimate deterioration in the importance of balance sheet management within the Commonwealth.

Our balance sheets have been significantly affected by the Net Cash funding arrangements introduced under the *Operation Sunlight* reforms. In particular, Departmental Capital Budgets (DCBs) and equity injections for capital expenditure are not aligned with depreciation expense, creating a structural mismatch over time. I suspect this has contributed to a gradual erosion of net asset positions across agencies that do not receive the benefit of substantial Bill 2 or Bill 4 equity injections, such as those available to Defence. At the same time, unspent appropriations lapse and are quarantined after three years, even where agencies continue to carry significant liabilities and provisions on their balance sheets, including employee entitlements and decontamination obligations. The combined effect is that many agencies appear to be experiencing a steady deterioration in their overall financial position, despite continuing obligations. There also appears to be little appetite to address emerging working capital shortfalls within many Commonwealth organisations.

If balance sheet management was a genuine priority, agencies would be adequately resourced to meet their liabilities as they fall due. In many cases, this is not the reality, raising concerns about the long-term sustainability of current funding and balance sheet arrangements. So what is my point? The complexity of financial statements make it so that non experts are unable to engage in meaningful analysis. It is difficult to explain what the financial statements actually tell us. Does having higher net assets mean one agency is better positioned than another? Does having net liabilities suggest there is a solvency issue? Does having everything at fair value provide more meaningful information? My Defence financial statements are approximately 70 pages in length and users would struggle to find or even understand whether Defence had an overspend or underspend for the financial year.

The financial statements process is so complex that only the CFO, financial statements team and the ANAO understand and engage on the content. This leads to a fundamental question: who are the actual users of our balance sheets? There is little evidence of sustained parliamentary scrutiny of agency balance sheet positions, despite their importance to long-term financial viability. Although Audit Committees and senior management review financial statements, their focus is often directed towards resolving current issues and audit findings. Far less attention appears to be given to whether agencies have the financial capacity to remain sustainable and meet future obligations as they fall due.

Other Issues are Impacting

The above issues have been compounded by lack of investment in systems, people, processes and leadership from the centre. CFOs can only deal with the increasing complexity and divergence in our framework when you have the right systems and people to deliver the value added strategic insights.

Defence has just finalised Tranche 3 of its ERP which included, amongst other things, the replacement of core financial and procurement systems. This has been a complex and expensive ERP process within Defence which, into the future, will be a key enabler for efficiencies and improved support to Defence decision making. There is still much to do to deliver on this intent.

Other agencies within the Commonwealth are now just being permitted to replace their ageing ERP / FMIS platforms with something that is not over 20 years old. The pause on Government ERP replacement has been very detrimental to agency financial management processes. Following the folly of GovERP, agencies are now allowed to go their own ways which is likely to be an extremely costly exercise as market demand will inevitably drive up the cost of specialist resources to conduct the implementations. The increasing cost, when combined with restrictions on agency Departmental Capital Budgets (DCBs) is likely to lead to significant compromises being made. For those who have monitored these things over time, the introduction of agency DCBs post *Operation Sunlight* has been problematic. From their initial floored derivation, the subsequent application of 20% reductions in the 2011-12 MYEFO and the application of ongoing Efficiency Dividends will mean agency capital resourcing for ERP replacements will be stretched. This is likely to lead to sub-optimum choices being made particularly in relation to innovation with only the bare essentials being able to be undertaken.

Beyond systems our people pipeline is drying up. Many finance teams within the APS are ageing and, as a profession we are struggling to attract the right talent. The APS Finance job family and the future CFO pipeline is facing a generational workforce pressure. The level of university graduates undertaking accounting and finance specialties has decreased sharply, limiting the APS graduate intakes and increasing competition to attract the top talent. Government policies on university fees have not assisted in the exodus.

Many of those with significant senior leadership experience are reaching retirement or have just had enough and are seeking change. As young people look for greater balance in their work life and personal time, they often come into agencies and see the pressures facing our finance workforces. They do not see the merit in pursuing senior ranks. Nor do they see the return on their personal investment

The Commonwealth Budget process, for staff in both finance line areas and central agencies, has been broken for some time. Long hours, stress and burnout are common place, ultimately forcing people to look elsewhere to other finance roles or unfortunately moving to completely different career paths away from finance. I would expect similar pressures apply in the financial statements area with the Australian National Audit Office (ANAO) having faced recruitment and retention challenges for some time.

My final point on this section is that I would truly welcome the Department of Finance (Finance) taking on an enhanced role as the CFO of the Commonwealth. This has been lacking for some time and can only be done by Finance with the full support and active engagement of all CFOs and their finance teams. A focused agenda on policy and process simplification, professional development of finance staff, future CFO development pathways, and improved cross-agency collaboration and knowledge transfer would better position agencies to meet future financial management challenges**.**

Solutions

The preceding discussion is my perspective and reflection. As I come to the end of my APS CFO career, I am concerned that the finance function in the Commonwealth and the role of CFOs is in a state of decline. I am worried we have lost our way as a profession. The strategic Commonwealth CFO reporting directly to the Agency Head is largely no more. On a quick review of 2024-25 Annual Reports for 37 Commonwealth organisations including 17 Departments of State and 20 Material Non Corporate Commonwealth Entities only one organisation (Future Fund Management Agency) has the CFO with a direct reporting line to the Agency / Department Head. Are we still relevant? Absolutely, but we need to take control of our profession and start to make changes.

In my opinion this work needs to be driven by Finance as the CFO of the Commonwealth. They may argue that they are not resourced to take on major reform but if not them then who? Agency CFOs are so stretched in dealing with the business as usual which is heavily impacted by inefficient and unnecessary practices and processes. Change will be hard and it will require the stand up of dedicated teams to progress successfully. These teams must be a blend of both Finance and Agency resources. Agency staff are dealing with these challenges on a daily basis and will provide invaluable insights.

I believe the initial focus should be on policy and process improvement and simplification. The vision of this work should be to reset the foundations for the APS Accounting function for the next 20 years – much like Beyond Bean Counting set a vision almost 30 years ago. Perhaps a focussed summit to bring the parties together and develop the ideas. In parallel with these reforms, there should be a coordinated effort to build, develop and attract the finance workforce of the future.

My suggested areas for improvement and simplification include:

1. Financial Statement simplification. Challenge the standard setters to define a minimum reporting framework for the Commonwealth that balances accountability with practicality. We should take a harder look at the applicability of new standards to the public sector. Does sector neutrality override more meaningful statements? This will free up resource across the entire system for greater value add activity and analysis. In the public sector the focus should be on whether we spent public resources well. Start with reducing the size of financial statements and amending / winding back requirements which add little value, such as fair value asset revaluations and the lease accounting changes.
2. Contest whether appropriation funding needs to be split between bills. We continue to manage within an archaic appropriation framework that was established on Federation and last subject to real change in the 1960s. The delineation between "ordinary annual services" and "other services" has become more opaque over the decades with Bill 2 "other services" funding now largely used for capital and state payments. However, the delineation between operating and capital costs is not so clear with changing accounting standards such as leases and cloud computing. In the Defence department, I would hold that the building of military equipment is an ordinary annual service, but this is a Bill 2 item.

   The separation of operating and capital expenditure in appropriation bills involves a technical accounting distinction that is limiting agility and innovation in agency procurement, as well as driving considerable administrative workloads for treasury and reporting teams across Government for arguably little value add. While it continues to exist it does open up agencies to increased audit risk and scrutiny. The current split between appropriations is governed by the requirements of the

Constitution and Senate Compact 1965. An arrangement that is over 60 years old which is no longer fit for purpose and therefore not reflective of contemporary financial requirements and practices.

3. Introduce Net Cash Reporting. This process would be focussed on increased relevance of our financial reports rather than greater efficiency. There should be a simple reporting construct whereby a user of our financial statements can see whether an agency had an underspend or overspend for the year against the public resources (both operating and capital funding) allocated to it. This is the main game and is similar to the Fiscal Balance concept that used to apply within our Budgeting framework. Such a change would also create an opportunity to replace the current operating loss requirement with a measure based on total agency funding, including both operating and capital appropriations. This area warrants further review, as a more meaningful assessment would focus on an agency's long-term financial strategy and sustainability rather than treating one-off operating losses as a cause for concern. At one extreme moving to a single appropriation funding framework, combined with Net Cash reporting and the replacement of the operating loss rule with an overspend rule would result in considerable simplification.
4. Commonwealth Budget process – how do we reduce the stress. The Budget process has long been hard work. It has become worse over recent times. Line agency staff and central agency officials are under immense pressure for what seems to be longer periods of lead up to the second Tuesday in May. For CFOs it is our area of highest risk so we place our best and brightest people in these roles who are quickly burned out and frustrated by the superfluous rework, unrealistic timelines and the constant push for detail in budget documentation that decision makers never read. On numerous occasions over my career I have submitted Portfolio Budget Submissions well over 1000 pages in length of which I am certain are not read by Ministers and if they do open the cabinet submission it would likely just be the recommendations page only. The human effort and toll this process takes needs to be streamlined. It is not aiding decision making, it is just burning out or worse, our best people.
5. Financial Systems. The next 5 years will consume any spare CFO capacity with ERP implementations. CFOs should work together to leverage and shamelessly share the work they are doing on ERP implementations. The profession has effectively lost a decade of progress in financial systems modernisation; establishing these foundational capabilities is a prerequisite for future innovation. Robotics to free up resources from the daily mundane, data consolidation and analytics to improve analysis and compliance, AI to assist financial professionals to deliver products to ultimately allow more time to value add to the business / partnering can only be achieved if the foundations are in place.
6. More structured whole of Government financial training. A finance academy with recognised qualifications, enhanced partnerships with the professional bodies, shadowing and inter-agency learning opportunities, and formal mentoring programs would create a more sustainable pipeline of future financial leaders and strengthen capability across the Commonwealth. The APS CFO Development program is a great initiative but we need more. Skill development needs to be broader than finance and accounting – executive and organisational leadership, communicating and influencing, as well as business partnering are also critical. New emerging areas of focus should encompass data, AI and Alternative Financing. The APS has underinvested in the finance profession for too long.
7. Centralised reporting must be reviewed to support valued insight. Reporting managed through the Centralised Budget Management System for program based financial statements adds little to no value. This should be abolished and replaced

with entity level only requirements. The Final Budget Outcome methodology, which aligns with functions as opposed to organisational accountabilities, should be reshaped as it currently blurs the line of accountabilities, funded and unfunded expenses. Once again, another report that is in the public domain and adds little to no value for the reader.

8. The relationship with the ANAO should be reset. Both organisations are working toward the same outcome – financial statements that support the reader's understanding of the financial position of the organisation, while managing controls and performance statement risk. Simplification activities can only improve this outcome for all parties. Constantly revisiting settled positions simply because perspectives or personnel change can be counterproductive. It creates churn, not improvement. The challenge, therefore, is not just to modernise frameworks, but to do so with pragmatism: preserving what works, updating what doesn't, and resisting the tendency to continuously reopen questions that have already been appropriately resolved. The ANAO has the same staffing pressures as the CFOs.
9. Revitalise the profession and enforce the seat at the top table. This must be a Government priority. Finance is a tradecraft and underpins all decision making. Policy decision makers must have financial nous as good policy only makes sense at a particular price point. The current Government debt levels, on both a state and federal level, necessitate a greater leadership from CFOs. To do this, we must be supported by a seat at the top table across the Commonwealth, led by the Department of Finance.

Conclusion

In conclusion, CFO roles in the Commonwealth Public Sector are critical enablers to the functioning of their organisations. As I have said nothing of significance happens in organisations without money and these decisions must be made well. My primary concerns relate to my belief that the Commonwealth CFO's strategic value is on the decline and as a profession action is required now if we are going to exercise the full range of professional skills we have available. I have outlined the range of issues which, I believe, have led to this situation and in particular the diverging nature of our budgeting and reporting frameworks.

Strategic CFO usefulness is diminished if the budget process is dumbed down and not connected to financial statement reporting. Where reforms increase technical and compliance requirements without reliably improving the decision utility of information, CFOs can then be pulled toward "keeping score" and away from "driving the agenda and encouraging contestability". The risk we are facing is the role of the public sector CFO becomes one largely focussed on compliance and budget control rather than being the trusted strategic advisor with a seat at the top table.

In the Government sphere the funding side of the equation will always trump the reporting side. Funding gets things done for the public and meets the purposes of the Government of the day. Reporting is important to the extent that agencies must demonstrate they are good stewards of the public money entrusted to them. This is critical as without that confidence then future funding cannot be secured.

There is much the profession can do to course correct but it needs active management and agreement on the issues. This paper represents my thoughts, not as CFO of Defence, but as someone who has operated in the public sector for over 30 years and who wants to see it succeed. As I exit my CFO role and look to make other contributions to the Public Sector, I encourage the current group of Commonwealth CFOs, including Finance as the CFO of the Commonwealth, to work to reverse the current direction. Now is the best time to course correct.

I have thoroughly enjoyed my 30 years in the Public Sector – most of those were in Corporate Finance and I first became a CFO in 2007. I would not have stayed as long as I did if I did not feel I was making a strategic contribution to whatever agency I was in and the Commonwealth more broadly.  Whether it is my old age or just being worn down, the CFO's job of today is getting harder.  Dealing constantly with offsets, efficiency dividends, savings measures is exhausting.  There is never enough people and money to get everything done. It is, and will always be, the CFO's role to guide their organisations through the tough times. That is why we are so important.

In the words of a prominent world leader we should focus on MAGA – Make Accounting Great Again.  Thank you for reading / listening.