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STATUTORY PROTECTION OF TERM ‘ACCOUNTANT’: WHAT ABOUT ‘MANAGEMENT ACCOUNTANT’?

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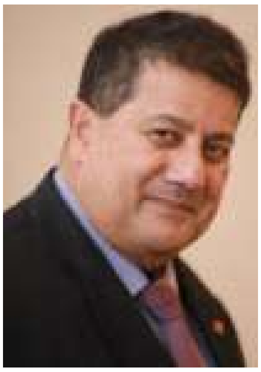
KEY HIGHLIGHTS OF ICMA(ANZ)

Headquarters	Australian and New Zealand body based in Melbourne, Australia and Auckland, New Zealand. Regional Offices in 20 countries.
Flagship Qualifcaton Obtained	The flagship qualification is certification as a **Certified Management Accountant.**The **CMA** post- nominal is widely recognized globally and offered by many leading management accounting bodies globally including bodies in USA and Canada.
Global Recogniton of Qualifcatons	Widely recognized across the world with members in 105 countries and a very large membership base across Australia, New Zealand, Asia, and the Middle East. Membership is exclusive, with all CMAs needing to have a degree, complete the CMA program and have 5-years of senior level experience.
NZ Government Recognition of Qualification	Certified Management Accountant (CMA) credential has now been assessed for equivalency on the New Zealand Government's Qualifications and Credentials Framework (NZQCF) at Level 9 (master's degree).
Membership Grades	**Certified Management Accountant (CMA)** - NZQCF level 9 (Masters) **Associate Management Accountant (AMA)** - Graduate Diploma **Graduate Management Accountant (GMA)** - NZQCF level 7 (Graduate) **Registered Business Accountant (RBA)** - NZQCF level 6 (Advanced Diploma) **Registered Cost Accountant (RCA)** - NZQCF level 5 (Diploma) **Certified Accounting Technician (CAT)** - NZQCF level 4 (Certificate)
Other Certifications	**Certified Global Business Analyst (CGBA)**
Member Benefits	Digital Certification of Credentials Continuing Professional Development (CPD) opportunities Conferences & Seminars Members Area on website with latest news, articles, blogs and videos. On Target eMagazine (monthly) Research Publications & Journals Regional & Global Networking Opportunities Credit in University Courses Comprehensive Library, etc.
CMA Program	The CMA intensive program from ICMA (Australia & NZ) is world-recognised as the benchmark for those in (or aspiring to) leading roles in strategic finance. The principal benefit participants value most is the training, knowledge and experience gained in completing the flagship 'CMA program' in multiple areas of strategic cost management and business analysis including environmental, social and governance (ESG) issues.
Entry Criteria	The entry qualification is a degree in accounting/finance or MBA or a recognised professional accounting qualification and 5-years professional experience. [if students only have 3 years, they can start as an Associate Management Accountant].
Dual Certification	When participants complete CMA they will automatically get 2 certification CMA and CGBA - Certified Global Business Analyst.
Program Dynamics	CMA (Zoom as well as Face to Face) is more of an applied practical knowledgebased course (like an MBA plus numbers) with case studies, simulation games, role playing etc., and it is designed to help participants to immediately apply all the learning in their workplace. 5-years' experience is required to obtain Certified Membership (CMA).
International Trainers	CMA program is delivered by very senior international trainers with significant C-Suite practical experience.
Work-based Assessments	Keeping this applied learning focus in place CMA has now done away with exams and assessments are based on application of the knowledge to your own workplace.
Workplace Relevance	These assignments have helped participants immensely in their workplace and participants have regularly reported getting commendations and promotions in their roles because of their applied nature.
Assessment Language	Assignments can be submitted in English (or with permission in the local language of the country).

Contents



STATUTORY PROTECTION OF TERM 'ACCOUNTANT': WHAT ABOUT 'MANAGEMENT ACCOUNTANT'?

Prof. Janek Ratnatunga, CEO, CMA ANZ

The recent report from the *'Parliamentary joint committee on Corporations and Financial Services'* recommends that the term 'accountant' be legally protected, addressing concerns that unqualified individuals can currently claim this title (Parliament of Australia, 2024).

At present, anyone can present themselves as an 'accountant', and there are whole lot of accountants with a prefix in front, such as *Tax Accountant*, *Bank Accountant*, *Insolvency Accountant*, *Investment Accountant*, *Government Accountant*, *Public Accountant*, *Financial Accountant*, *Cost Accountants* and of course, '*Management Accountant*'. Many of such individuals are not members of a recognised professional body of accountants.

This lack of regulation of the descriptor 'accountant' has led to public confusion and complaints directed at professional bodies, which cannot act against non-members. The Parliamentary report claims that protecting the term 'Accountant' would ensure that only qualified individuals who are members of recognised professional associations can call themselves accountants, therefore supposedly enhancing consumer trust and accountability (Ravlic, 2024).

The main professional bodies identified in the Report in Australia are *Chartered Accountants Australia and New Zealand (CAANZ)*, *CPA Australia*, and the *Institute of Public Accountants (IPA)* — all generalist accounting bodies which have self-regulatory functions. 'Management Accountants' are not covered in this particular Australian Parliamentary Report.

However, concerns about membership retention and the need for greater scrutiny of these bodies' disciplinary processes have also been raised. Ravlic (2024) emphasises the importance of accountability and oversight for professional associations if they are granted legal privileges.

Protecting the term 'Accountant'

The recommendation to protect the term 'accountant' would mean that only individuals who are qualified and members of recognised professional associations can use this title. This change aims to enhance consumer protection and ensure that those providing accounting services meet specific educational and ethical standards. This is certainly true of "accountants' who are in 'public practice', and who regularly meet individual clients for accounting and taxation services. Protecting the term would also reduce the risk of fraud and malpractice by unqualified individuals misrepresenting themselves.

However, accountants in organisations are less likely to be unqualified individuals, as they would have some time in their life obtained an accounting degree or recognised professional qualification. The problem is that these 'once-qualified accountants' (let's call them OQAs) may not have kept up to date with their *'continuing professional development (CPD)* requirements. Many OQAs have even stopped paying their membership fees, so do not come under the scrutiny of their former professional bodies.

Professional Bodies

For professional bodies, the legal recognition of 'Accountant' should come with increased scrutiny over their disciplinary processes to ensure they uphold high standards of practice. This could involve regular reviews by parliamentary authorities to assess their effectiveness in managing member conduct and protecting the public interest.

Professional bodies would need to implement rigorous monitoring and enforcement mechanisms to uphold their standards and ensure accountability among their members. Further, they would need to significantly beef up their CPD offerings and monitoring to ensure that members stay current. However, it is the opinion of many in the profession that the CPD regulations of accounting professional bodies are woefully inadequate (De Lange, et. al., 2015).

Clearly, regulating every variation of the term "accountant" poses significant challenges due to the diversity of roles and responsibilities associated with the profession. The term can encompass a wide range of specialties, such as tax accountants, forensic accountants, and management accountants, each requiring different qualifications, skills, and regulatory standards. Additionally, variations in state and national laws regarding licensing and certification in some countries (e.g. USA) create a complex regulatory landscape. This variability complicates the establishment of a unified regulatory framework, potentially leading to inconsistencies in the professional standards and practices across jurisdictions.

Whilst the financial accounting and auditing professions have attempted to install a unified regulatory framework for financial reporting called the *International Financial Reporting Standards (IFRS)*, even here there is a lack of consistency. The USA mainly still reports with *Generally Accepted Accounting Standards (GAAP).* In management accounting, the strategic nature of decision-oriented reports prevents such a unified regulatory framework. Also, there is significant variation across the globe on how both generalist and management accountants are educated, trained, and kept up to date.

Should the term 'Management Accountant' be protected by statute?

Very few management accountants, if any, provide their services directly to the public. They instead work in a range of organisations and provide decision support information of a more strategic nature. Management accountants are employed across a wide range of industries due to their essential role in *strategic financial planning and analysis*, and increasingly in the areas of *Environment, Society, and Governance (ESG).* Key industries in which management accountants are found include:

- **Manufacturing:** Management accountants help analyse production costs, budgeting, and resource allocation to improve efficiency and profitability.
- **Healthcare:** They assist healthcare organisations in financial management, budgeting, and cost control while ensuring compliance with regulations.
- **Retail:** Retail companies rely on management accountants for inventory management, sales forecasting, and analysing profit margins.
- **Financial Services:** In banks and investment firms, management accountants focus on performance analysis, budgeting, and risk management.
- **Technology:** Tech companies use management accountants to evaluate project costs, manage budgets, and support strategic decision-making.

These industries benefit from the expertise of management accountants in driving financial effectiveness and operational efficiency.

Career paths available for management accountants can vary widely based on their skills, experience, and interests. Some common career paths include, amongst others, *(a) Cost Accountant; (b) Budget Analyst; (c) Financial Analyst; (d) Financial Controller; (e) Environmental and Sustainability analysts; and (f) Chief Financial Officer (CFO).*

Properly qualified management accountants typically should have the following qualifications:

- **Educational Background:** A bachelor's degree in accounting, finance, business administration, or a related field is essential.
- **Professional Certification:** Undergoing a rigorous training program post-degree to obtain certifications such as *Certified Management Accountant (CMA)*, or similar credentials, which demonstrates expertise and commitment to the profession is essential.
- **Experience:** At least 5 years of practical experience in business accounting or finance roles, increasingly in strategic decision-making, is essential.
- **Continuing Education:** Ongoing professional development through workshops, seminars, and courses is important to stay updated with industry standards and practices is also essential throughout their careers.

These qualifications help ensure that management accountants have the necessary knowledge and skills to provide valuable insights to organisations. Unfortunately, many claiming to be qualified management accountants may not actually be adequately qualified as per the above requirements in order to provide the best advice to their own organisations or their clients.

For example, in Australia, many calling themselves 'management accountants' have only a 'generalist' accounting qualification from CAANZ, CPA Australia, and IPA. Most of them would have done just one subject in management accounting in their professional courses. This is hardly enough to keep pace with the fast-moving professional requirements needed of today's *'strategic management accountants' and 'environmental and sustainability analysts'.*

Even those that have a specialist management accounting qualification may not be adequately trained. For example, the *Chartered Global Management Accountant (CGMA)* qualification from AICPA & CIMA does not always require a degree. In fact, many CGMAs have been 'grandfathered' in with only a generalist CPA qualification. Further, many senior executives without any management accounting experience have gotten their CGMA qualification without doing any theory—only by sitting one case study. In the case of CMAs from the *Institute of Management Accountants (IMA)*, they offer their CMA course to first-year accounting degree students in their first semester of study. They can complete all their CMA training even before they get their degree.

Only the CMAs from the *Institute of Certified Management Accountants of Australia & New Zealand (CMA ANZ)* have a compulsory degree requirement and 5 years of business experience in addition to a rigorous training program in *strategic cost management* and *strategic business analysis*. The CMA qualification from CMA *(ANZ)* also has the NZ Government's equivalency recognition at the master's degree level.

What is the role of a management accountant in a business?

The role of a management accountant in a business includes several key responsibilities:

1. **Budgeting and Forecasting:** Management accountants are involved in preparing budgets and forecasts, helping businesses plan for future financial performance and allocate resources effectively.

2. **Cost Analysis:** They analyse costs associated with business operations, identify inefficiencies, and recommend strategies to improve profitability.

3. **Financial Reporting:** Management accountants prepare internal financial reports that provide insights into the company's performance, assisting management in decision-making.

4. **Strategic Planning:** They contribute to strategic planning by providing financial insights, analysing market trends, and assessing the financial implications of new initiatives or investments.

5. **Risk Management:** Management accountants assess financial risks and help develop strategies to mitigate those risks, ensuring the organisation's financial stability.

These functions are crucial for informing management decisions and supporting the overall financial health of the organisation, and therefore it is crucial to ensure that these professionals are properly educated, trained, and have kept themselves informed and up to date with monitored CPD activities.

How does a management accountant differ from a financial accountant?

Management accountants and financial accountants serve different roles within an organisation, and their focuses differ significantly:

1. **Focus of Work:** Management accountants primarily focus on internal processes, providing information and insights that help management make informed decisions about operations, budgeting, and strategic planning. In contrast, financial accountants focus on producing external financial reports and statements that comply with regulatory standards for stakeholders such as investors, creditors, and regulators.

2. **Reporting:** Management accounting reports are typically forward-looking, including forecasts and budgets, and are used for internal decision-making. Financial accounting reports are historical and provide a summary of the organisation's financial performance over a specific period, like balance sheets and profit and loss statements.

3. **Regulatory Compliance:** Financial accountants must adhere to stringent accounting standards and regulations (like GAAP or IFRS), while management accountants have more flexibility in the methods they use, as their reports are primarily for internal use.

4. **Skills and Tools:** Management accountants often require skills in data analysis, strategy, and operational planning, using tools like budgeting software and performance management systems. Financial accountants focus more on compliance, auditing, and reporting tools.

These distinctions highlight the complementary roles both types of accountants play in supporting an organisation's financial health.

Pros of Protecting the Term 'Management Accountant':

1. **Consumer Protection:** Protecting the term ensures that only qualified individuals can call themselves management accountants, reducing the risk of unqualified practitioners misleading businesses and other organisations.

2. **Professional Standards:** It establishes a clear standard of qualifications and ethics that must be met, enhancing the credibility of the profession.

3. **Market Differentiation:** A protected title can help distinguish qualified management accountants from other financial professionals, aiding businesses in making informed hiring decisions.

4. **Accountability:** With statutory protection, there would be a formal mechanism for accountability and recourse for consumers who experience issues with management accountants.

Cons of Protecting the Term 'Management Accountant':

1. **Increased Regulation:** Implementing legal protection may lead to bureaucratic hurdles and increased regulation that could burden both practitioners and businesses.

2. **Limited Access:** It could restrict access to the profession for capable individuals who may not meet formal requirements but possess relevant experience and skills. *[CMA ANZ provides membership alternate pathways for these individuals.]*

3. **Potential for Overlap:** There may be confusion over roles if multiple titles are similarly protected, leading to overlaps in responsibilities and qualifications. This would be particularly significant in the areas of business valuation and environmental, social, and governance (ESG) areas.

4. **Administrative Costs:** The cost of enforcing the protection and maintaining compliance with oversight bodies may be high for professional associations and could lead to increased fees for members.

How can I verify an accountant's qualifications?

To verify an accountant's qualifications, potential employees or consulting clients can take several steps. First, request to see their credentials, including degrees, certifications, and proof of membership in a recognised professional body, such as CMA (ANZ), CAANZ or CPA Australia. One can also check the professional body's website or contact them directly to confirm the accountant's membership. However, many of these professional bodies do not have strict CPD monitoring requirements so the quality is variable.

Summary

The complexities surrounding the regulation of accountants stem from various factors, including the differing qualifications required for specific accounting roles, the myriad of industry standards that exist, and the evolving nature of financial practices. Each specialisation within the accounting field has unique requirements that may not align with a one-size-fits-all regulatory approach. Additionally, the influence of technology and globalisation introduces new challenges, making it increasingly difficult to maintain consistent standards across different regions and markets. As a result, any attempt to regulate the term "accountant" must navigate these multifaceted issues to ensure both accountability and professional integrity.

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FINANCIAL WISDOM THAT DOES NOT COST AN ARM AND A LEG!

Dr. Chris D'Souza , Deputy CEO of CMA (ANZ)

Financial advice is often sought to help investors have a clear vision, consider future growth, and help them navigate towards their desired financial outcomes with clarity and purpose. Financial advisors are therefore consulted to craft a roadmap to success and ensure that each step on a financial journey aligns with the client's vision

Many investors want to save for retirement, a house down payment, university education, children's school fees or other financial goals, but they are unsure how to start. Even those who have been saving for a while do not know if they are doing it correctly. The good news is that Financial Wisdom does not have to cost a lot of money.

Educating oneself on financial matters before taking the plunge and following the advice given by a financial planner helps one to:

- **Avoid pitfalls:** by avoiding high-interest debt, poor investments, and inadequate savings.
- **Plan for retirement:** by accessing retirement savings and generating income from them.
- **Tax planning:** by avoiding unnecessary taxes and making finances more tax efficient.
- **Save money:** by saving money and growing financial and physical assets.
- **Set goals:** by setting realistic financial goals and creating a plan to achieve them.
- **Protect income:** by protecting income and ensuring the family is looked after.

Please remember that there is no such thing as a '*free lunch*' and any free advice may come with hidden costs such as commissions, trailing fees, spotter's fees, etc. The information given below is not meant to be financial advice but an indication of where one can gain financial wisdom at a low cost so that investors can differentiate between good and bad financial advice.

Here are some of the resources that can help to educate potential investors at almost no cost.

1. Online Brokers

Online brokers make it affordable for the average investor to buy stocks, bonds, mutual funds, and other investments. Many online brokers offer discounted or free commissions without requiring a large investment balance. While investors will not have a dedicated investment advisor, these sites typically have free financial lessons to help customers to become better investors.

Many online brokerage platforms allow customers to buy stocks, mutual funds, and ETFs. Customers can also trade options, futures, and cryptocurrency. Some feature a trading simulator where would be investors can learn and test out investing strategies in real time or by using historical data without risking a single dollar. Such platforms also offer powerful tools, market research, and advanced educational resources to improve investor trading skills and grow investor portfolios.

In Australia, it may be worthwhile checking out Sharesies and Interactive Brokers.

2. Investment advisors

Investment advisors recommend investments that match an investor's financial goals. They typically charge commissions or advisory fees in exchange for their services. As part of these services, investors can ask them questions about investments, retirement plans, and other related topics.

Whilst the ICMA does not want to endorse any firm, a quick search on Google will list well-known names in the financial services industry operating in a country. Such advisors not only provide Financial Wisdom; many are linked to a full-service bank to handle all of a customer's banking, borrowing, and investing needs. It may be also worthwhile to check out the Financial Wisdom Association Australia (FAAA) which is a professional community of financial planners.

If investors are unsure of where to find a financial advisor, there are 'Smart Advisor' websites that help match investors with advisors. Some of these websites earn 'commissions' for directing traffic to investment advisors, so it is best to be careful and study independent reviews on social media. Additionally, investors can learn about almost any investing topic, including what advisors do and how much they cost. Other educational topics highlight how to improve an investor's portfolio, how investors stack up against other investors, and retirement-planning guides.

3. Budgeting and financial planning apps

Mobile apps for budgeting and financial planning allow savers to manage their finances from their phones, tablets, and web browsers. These apps tend to offer personal finance lessons for free to their users to help them reach their goals. Some offer personalised guidance based on an investor's answers to quick surveys or selected goals. Some of the better-known apps are: Simplifi by Quicken and Rocket Money.

Pocketbook is a free budgeting app designed especially for Australians. MoneyBrilliant and Goodbudget are also worth looking into.

With these financial planning apps, investors can track all of the investor's account balances, transactions, and investments in one place. It also makes it easy to collaborate with an investor's partner to get a shared view of what's happening with their money. Users can customise dashboards and charts while tracking progress toward their goals.

4. Robo-advisors

Robo-advisors are investing apps that offer predetermined portfolios based on an investor's financial goals. Some robo-advisors enable investors to create personalised portfolios based on industry sectors, geography, company size, and other metrics. As part of their services, robo-advisors typically offer financial tools and personal-finance education lessons to customers.

Robinhood, frequently ranked as one of the best online brokers, is seemingly perfect for those looking to trade stocks, ETFs, and crypto, all on one platform. It has an easy-to-use mobile app and fee-free service. Some robo-advisors in Australia include StockSpot, Raiz, Six Park, and eToro.

5. Banks or credit unions

Banks and credit unions typically offer more than just deposit and loan products. Many also sell investments to customers through branch employees or financial advisors, although this activity has been curtailed after the Royal Commission on the Banking industry in Australia (Ratnatunga, 2018). Today, banks and credit unions in Australia are allowed to sell investments, but they are regulated by a combination of laws and regulations.

The *Australian Prudential Regulation Authority (APRA)* regulates authorized deposit-taking institutions (ADIs), which include banks and credit unions, in relation to investments. The *Australian Securities and Investments Commission (ASIC)* regulates financial institutions that are not ADIs, such as mortgage trust trustees and issuers of financial products.

6. Consumer Protection

The *Australian Financial Complaints Authority (AFCA)* is an independent ombudsman service that helps consumers and small businesses resolve complaints about financial firms.

7. Online resources

Countless websites offer free Financial Wisdom on topics ranging from debt payoff to investing to earning extra money through side hustles. With so many voices online, investors should find someone who speaks to investors, as it's easier to follow expert advice if investors can relate to the author. Their information is available through a variety of platforms, including blogs, social media, YouTube, and podcasts. This allows investors to choose whichever method works best for them.

Free online courses are available on numerous online portals, such as *Udemy Personal Finance* 101 and the *Khan Academy*. Many public and private universities in the USA, such as *Brigham Young University's Personal Finance*, *University of Illinois Urbana-Champaign's Financial Planning for Young Adults*, *MIT Open Courseware, and Duke University's Behavioral Finance Course*, also offer free personal finance courses. Whilst these are USA centric, those in other countries can also benefit from the free knowledge imparted.

8. Financial Planning Association (FPA)

The *Financial Planning Association (FPA) in Australia* has a pro bono program that connects financial planners with people in need. The program provides free financial advice to individuals, families, and communities. FPA members and chapters volunteer their time and experience to provide one-on-one financial planning advice. Individuals, families, and communities in need of financial planning advice and people affected by natural disasters or other events have obtained access to the pro-bono program.

Other organizations that offer financial assistance are *local libraries* that may offer free Financial Wisdom and *government agencies* that may offer free financial consultations

Warning on getting mislead by finfluencers and social media posts

The social media landscape is awash with finfluencers – amateur 'financial advisers'. While some are helping to improve financial literacy, it is an area fraught with danger for consumers. Back in 2022, Kardashian was fined $US1.26 million ($1.93 million) for crossing over into 'finfluencer' territory, touting financial products on social media, in this case cryptocurrencies, without making it clear she was paid for the post. With earnings said to be in the order of $US2 million ($3 million) per post, Kardashian can probably afford to drop a couple of million on a fine. The trouble is that she is far from alone (Field, 2024).

So, the last place one should look for financial wisdom is, in my opinion, on social media platforms like Instagram and Facebook. Facts do not matter on such platforms and if a potential investor believes anything on social media without fact checking, then they do so at their own peril.

Summary

Financial wisdom is essential at all stages of our lives from birth to death – from starting a family, to education, when getting one's first job to being retrenched, when planning for retirement, when managing an inheritance, to planning what happens to an investors hard earned wealth after he or she is dead and gone.

As discussed above there are resources available to help investors to educate themselves and gain financial wisdom at all stages and in all circumstances of their life. Even when one has to go to a specialist financial advisor, having gained financial wisdom can help one to differentiate between good and bad advice.

Financial wisdom is critical for not just financial success but also to mitigate the difficulties and sometimes unforeseen disasters that life throws at us. Money may not buy happiness, but financial wisdom could help investors to lead a better and more relaxed life in today's world. There is a saying that:

'Money is like oxygen; you do not realise how important it is till you don't have enough of it'

Gaining financial wisdom gained by educating ourselves using some of the resources listed above can assist investors in having at least enough financial oxygen to lead a comfortable life.

Dr Chris D'Souza is Deputy CEO of ICMA Australia

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FEDERAL GOVERNMENT TO REQUIRE BUSINESSES TO ACCEPT CASH

Prof. Janek Ratnatunga, CEO, CMA ANZ

Executive Summary

The Australian federal government intends to require businesses to accept cash as payment for groceries, fuel, and other essentials.

It will begin to consult on the idea later this year with an intention to implement the mandate by 2026. It has already flagged an exemption for small businesses.

What's Next?

The government has also confirmed a timeline for the phasing out of cheques by September 2029.

The "War on Cash"

In 2016, the European Central Bank (ECB) eliminated the production of its €500 notes to curb fraud and money laundering. The note was the second-largest denomination across the euro currency zone, and the ECB claimed that it was the banknote of choice among criminals. At the time of the ECB's announcement, the €500 bills in circulation represented one-third of all the euro-denominated cash outstanding.

Since 2016, global policies have been implemented to thwart the use of cash in favour of digital currency transactions. In the United States, any financial institution that receives a cash deposit of more than $10,000 must report it to the IRS, making tracing illegal activity easier.

Promoting and tracking digital transactions amounts to a war on cash. Digital money is instead being promoted because it keeps cash from being used. Transactions are handled by computers via the internet rather than passing through anyone's hands. Critics argue that limiting the use of cash and forcing individuals to pay through banks or credit card companies compromise financial privacy, prevent interest accumulation on saved cash, and limit profits of small business owners who often rely on cash sales (Hayes, 2024).

Will Cash be phased out in Australia?

ABC New's reported in mid-2024, that the federal government will require businesses to accept cash as payment for groceries, fuel and other essentials but will phase out cheques entirely within five years (Crowley, 2024)

Treasurer Jim Chalmers said the government would begin consultation on a "cash mandate" before the end of the year, but implementation would likely wait until after the election.

"People are increasingly using digital payment methods, but there is an ongoing place for cash in our society … [A mandate] means those who rely on cash will not be left behind," he said in a joint statement with Financial Services Minister, Stephen Jones.

The vast majority of businesses—some 94 percent—do accept cash, which remains the preferred form of payment for at least 1.5 million Australians.

Disgruntled MP Bob Katter made headlines this week after his cash was rejected by a cafe — in Parliament House, of all places (Waterson, 2024). The incident sparked national debate again, so what are your rights when it comes to paying in notes and coins?

But crossbenchers Andrew Gee and Bob Katter are among those to have highlighted instances of businesses refusing cash. Mr. Katter decried the episode as "another example of a cashless society that gives all the power to the banks and strips you of your freedom."

Although cash is legal tender, there is currently no legislative requirement to accept cash, provided a business offers another fee-free means of payment.

The government has signalled that it will carve out small businesses from any mandate, which could also apply to basic banking services, pharmaceuticals, utilities, and health care.

Patricia Sparrow, chief executive of the Council of the Ageing, welcomed the move, saying many older Australians remained hesitant about digital payments (Crowley, 2024).

"People are nervous about being online for security and privacy and older Australians are still more targeted when it comes to scams. This is a good way for them to be able to continue to shop for things that they need with confidence, without having additional fees and charges."

The declining use of cash has led to turbulence in its supply chain.

Last year, Armaguard became Australia's only remaining cash distributor when it acquired struggling rival Prosegur. But it was soon struggling to stay afloat itself, and in June its eight largest customers handed it a $50 million lifeline to stave off collapse (Clarke, 2024).

The company blamed the declining use of cash for its woes, citing the expense of delivering small amounts of money to all parts of the country.

If Cash is an Issue, What About Cheques?

They were once a mainstay of the banking system, but cheques have been slowly disappearing in recent years.

Their demise in Australia has been hastened by a Federal Government decision that the system will wind down "no later than 2030". The government itself will stop issuing cheques by 2028.

The Australian government has revealed a timeline for its plan to phase out cheques, declaring they will no longer be issued from mid-2028 and no longer be accepted from September 2029.

'Orderly' transition for Cheques

The Australian Federal Treasurer, Jim Chalmers, said in June last year that the government will "manage this transition in an orderly and planned way." He noted that only 0.2% of non-cash retail payments in Australia were made by cheque, which seems like compelling evidence to shut the system down.

Treasurer Jim Chalmers said he had written to the CEOs of the four major banks to convey his expectation that they continue to facilitate the needs of cheque users until those dates.

"The usage of cheques has declined by 90 percent in the last ten years, and many banks and financial institutions are ending cheque issuance for new customers," his statement read.

"The government is acting to give customers and businesses the certainty and the assistance they need to switch to other payment methods [but] banks also have a responsibility to support cheque users as part of this smooth transition."

No Option for Customers?

The transitioning away from cheques, is it a case of customers having no option? Many Australians have already been weaned off cheques by their banks (Debritz, 2024).

Among the "big four" banks:

- The Commonwealth Bank of Australia (CBA) is advising customers to "cheque out," taking away access to some customers.
- At National Australia Bank (NAB), chequebooks are no longer available for new personal banking accounts or for existing accounts that don't already have a chequebook.
- Westpac has begun diverting customers to other kinds of payment.
- From 16 June 2024, Australia New Zealand Bank (ANZ) stopped issuing cheque books to customers who have never had them before, as part of a planned phasing out.

Suncorp, Bank Australia, People First Bank, Rabobank, Credit Union Australia, and Teachers Mutual Bank have already stopped accepting cheques, with Macquarie and AMP to follow suit in November. Bendigo and Adelaide Bank has stopped issuing new chequebooks and begun phasing out cheque accounts for many customers.

Australia is not alone in phasing out cheques

Around the world, the transition away from cheques has been linked to the declining use of cash and the movement towards digital-only payments.

In the United States, cheque (spelled 'check') use is on the decline. Last year, The Washington Post declared the check "dead", but noted that they were still used for one in 20 non-cash purchases. That is far higher than the rate here in Australia.

In the United Kingdom, cheque usage slumped 90% between 2007 and 2022. By 2022, they accounted for 0.5% of payments. There were plans to phase cheques out by 2018, but public pressure forced the UK Government to relent. They remain in circulation largely due to the efficiency of the Image Clearing System, set up in 2019, which allows users to deposit a cheque simply by photographing it with their mobile phone.

In New Zealand, most banks and even the Justice Ministry stopped accepting and issuing cheques in May 2021. The Bank of New Zealand describes itself as cheque-free (Debritz, 2024).

Summary

The Australian federal government's intention to require businesses to accept cash as payment for groceries, fuel, and other essentials appears to buck the trend of the war on cash globally. It will begin to consult on the idea later this year with an intention to implement the mandate by 2026. It has already flagged an exemption for small businesses. However, it supports the global demise of cheques, with the government confirming a timeline for the phasing out of cheques by September 2029.

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AUSTRALIA'S NEW LAW BANNING SOCIAL MEDIA FOR KIDS: IMPLEMENTATION REMAINS A MYSTERY

Lisa M. Given

The Australian federal parliament has passed legislation to ban people under 16 from having an account with some social media platforms.

In doing so, it has ignored advice from a chorus of experts – and from the Australian Human Rights Commission, which said the government rushed the legislation through parliament "without taking the time to get the details right. Or even knowing how the ban will work in practice."

The ban is, however, backed by 77% of Australians, according to a new poll. It won't take effect for at least 12 months.

So, what will happen before then?

What's in the final bill?

The legislation amends the current Online Safety Act 2021 and defines an "age-restricted user" as a person under age 16. However, it does not name specific platforms that will be subject to the ban.

Instead, the legislation defines an "age-restricted social media platform" as including services where:

the "sole purpose, or a significant purpose" is to enable "online social interaction" between people
people can "link to, or interact with" others on the service
people can "post material", or
it falls under other conditions as set out in the legislation.
The legislation does note that some services are "excluded" but does not name specific platforms. For example, while services providing "online social interaction" would be included in the ban, this would not include "online business interaction".

While it remains unclear exactly which social media platforms will be subject to the ban, those that are will face fines of up to A$50 million if they don't take "reasonable steps" to stop under 16s from having accounts.

While there are reports YouTube will be exempt, the government has not explicitly confirmed this. What is clear at the moment is that people under 16 will still be able to view the content of many platforms online – just without an account.

The legislation does not mention messaging apps (such as WhatsApp and Messenger) or gaming platforms (such as Minecraft), specifically. However, news reports have quoted the government as saying these would be excluded, along with “services with the primary purpose of supporting the health and education of end-users”. It is unclear what platforms would be excluded in these cases.

In passing the final legislation, the government included additional amendments to its original proposal. For example, tech companies cannot collect government-issued identification such as passports and drivers licenses “as the only means” of confirming someone’s age. They can, however, collect government-issued identification “if other alternative age assurance methods have been provided to users”.

There must also be an “independent review” after two years to consider the “adequacy” of privacy protections and other issues.

What now for the tech companies?

As well as having to verify the age of people wanting to create an account, tech companies will also need to verify the age of existing account holders – regardless of their age. This will be a significant logistical challenge. Will there be a single day when every Australian with a social media account has to sign in and prove their age?

An even bigger concern is how tech companies will be able to verify a user’s age. The legislation provides little clarity about this.

There are a few options social media platforms might pursue.

One option might be for them to check someone’s age using credit cards as a proxy linked to a person’s app store account. Communications Minister Michelle Rowland said previously that this strategy would be included in the age verification trials that are currently underway. YouTube, for example, has previously enabled users to gain access to age-restricted content using a credit card.

However, this approach would exclude access for people who meet the age requirement of being over 16, but do not hold credit cards.

Another option is to use facial recognition technology. This technology is among the various strategies being trialled for the government to restrict age for both social media platforms (for ages under 16) and online pornography (for ages under 18). The trial is being run by a consortium led by Age Check Certification Scheme, based in the United Kingdom. The results won’t be known until mid-2025.

However, there is already evidence that facial recognition systems contain significant biases and inaccuracies.

For example, commercially available facial recognition systems have an error rate of 0.8% for light-skinned men, compared to nearly 35% for dark-skinned women. Even some of the best performing systems in use currently, such as Yoti (which Meta currently offers to Australian users ahead of a global rollout) has an average error of almost two years for people aged 13 to 16 years old.

What about the digital duty of care?

Earlier this month the government promised to impose a “digital duty of care” on tech companies.

This would require the companies to regularly conduct thorough risk assessments of the content on their platforms. And, companies would need to respond to consumer complaints, resulting in the removal of potentially harmful content.

This duty of care is backed by experts – including myself – and by the Human Rights Law Centre. A parliamentary inquiry into the social media ban legislation also recommended the government legislate this.

It remains unclear exactly when the government will fulfil its promise to do just that.

But even if the duty of care is legislated, that doesn’t preclude the need for more investment in digital literacy. Parents, teachers and children need support to understand how to navigate social media platforms safely.

In the end, social media platforms should be safe spaces for all users. They provide valuable information and community engagement opportunities to people of all ages. The onus is now on the tech companies to restrict access for youth under 16.

However, the work needed to keep all of us safe, and to hold the tech companies accountable for the content they provide, is only just beginning.

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https://theconversation.com/australias-social-media-ban-for-kids-under-16-just-became-law-how-it-will-work-remains-a-mystery-244736

HOW CAN CFOs DRIVE SUSTAINABILITY?

Kevin O'Connell & Ron Kinghorn

From complying with ESG reporting requirements like the CSRD to double materiality assessments and reducing greenhouse gas emissions. Here's how the finance function can execute a successful sustainability strategy.

With the recent surge of ESG reporting requirements, companies are under intense pressure to disclose and do more. Many are taking a hard look at how they can drive sustainability initiatives, who in the organization is better suited to do so and how to adapt. In turn, sustainability's centre of gravity is shifting to the **chief financial officer** (CFO) and the finance function (including the ESG **controller**) because they have the technical acumen to produce reliable ESG reporting and align sustainability initiatives with long-term planning and capital allocation.

CFOs already hold one of the most challenging positions within the C-suite. They juggle financial stability with strategic vision and transformation. While they specialize in corporate reporting, they aren't just number crunchers anymore. They're relationship builders and tech-savvy innovators who are crucial to the organization's long-term viability. And now they are also playing a larger role in allocating the capital that can allow companies to execute their sustainability strategy.

To meet the increase in their responsibilities, CFOs are leveraging technology and data to help improve risk assessment, forecasting, product pricing, cash flow and identify areas of growth their companies may have previously missed. And they're doing all this while navigating a maze of tax laws and global regulations –– including those around sustainability.

How CFOs can set the tone for sustainability success

Many companies are just now processing the massive commitments needed to comply with new disclosure regulations and the imperative for a well-developed sustainability strategy. The do-nothing approach? Not an option. This urgency is pushing leaders to execute on sustainability and to do it fast.

To meet these requirements, the finance function should acquire and develop new skills and collaborate across business functions. CFOs may help execute complex projects such as sourcing reliable ESG data, measuring and managing greenhouse gas emissions and reducing resource waste. They are a key voice for determining funding needs for these capital projects. In this high-stakes environment, CFOs should swiftly grasp the potential business impacts of sustainability and be laser-focused on the activities that contribute the most value.

Here are seven steps CFOs can take to meet sustainability goals and requirements.

- **Take ownership for compliance with global disclosure rules.** The European Union's **Corporate Sustainability Reporting Directive** (CSRD) has greatly expanded the amount of information companies must disclose in their filings. Moreover, over time, it requires that the **data be assured**. (Our **sustainability reporting guide** can help you determine which regulations are in scope and what you need to report as you plan compliance.) While CSRD might be grabbing most of the headlines, don't overlook other critical regulations like the SEC's **recently adopted climate disclosure rules, California's climate reporting requirements,** the **Carbon Border Adjustment Mechanism** tariff and the **Corporate Sustainability Due Diligence Directive**, which largely focuses on human rights.

- **Develop a long-term sustainability strategy.** Start by pinpointing your organization's material impacts, risks, and opportunities. Set ambitious yet achievable abatement goals by calculating baseline emissions and projecting future increases as your business grows. Integrate the plan into budgeting and strategic decisions, from product design to procurement and build accountability by holding functional leaders to key performance indicators. When making capital allocation decisions, develop an internal cost of carbon and determine the investment, resources, timing and headcount necessary for carrying out these projects. Short-term wins are great, but make sure you're earmarking funds for longer-term projects that can promote lasting impact.

- **Think beyond costs as you make strategic technology investments.** Let's face it: sustainability comes with costs. Effective technology is critical for acquiring, collecting and storing ESG data and your organization should have confidence that the information in its systems is thorough and reliable. But here is the kicker — you may not need to invest in new technology platforms to be successful. You probably can use many existing platforms to achieve most of your goals.

- **Leverage sustainability data to gain new insights into the business.** As CFOs fine tune and technologically-enable their sustainability reporting strategies, they should gain greater confidence in the story the data tells. This could lead to powerful insights into new products and services, cost-cutting opportunities, supply chain enhancements and more.

- **Turn your finance function green.** Reimagine team roles and upskill staff on sustainability. Some team members will often report to the ESG controller driving compliance efforts. With fresh skills and knowledge, they can effectively collaborate across business functions and champion the strategic importance of sustainability.

- **Invest your money wisely and don't forget potential tax savings.** US policy changes are creating significant opportunities for companies to invest in capital infrastructure projects and programs. While the availability of grants, incentives and tax credits is constantly changing—notably, the availability of tax credits may be affected by the outcome of the 2024 elections—policies such as the Inflation Reduction Act can help your company accelerate its climate transition plans by defraying some costs. Be sure to include the **tax function's** perspective before making strategic decisions.

- **Keep asking "what's next?"** Even if you're ready to address current environmental and social disclosure mandates, you should be prepared for whatever may come next. For example, new policies on deforestation, sustainable packaging, greenwashing, human rights and nature and biodiversity.

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https://www.pwc.com/us/en/services/esg/library/cfo-playbook.html

THE AMERICAN GOODS THAT COULD RISE IN PRICE FROM METAL TARIFFS

Natalie Sherman

A 25% tax is set to be imposed on all imports of steel and aluminium into the US , ending exemptions from the rules for goods from major trade partners including Canada, Mexico, Brazil, as well as the European Union.

The expanded tariff measures announced by President Donald Trump, expected to go into effect next month, will mean many US businesses wanting to bring the metals into the country will have to pay more.

But there is a risk that the companies will pass on the added costs, or some portion of it, to consumers.

Since steel and aluminium are key components in many goods, what items could get more expensive?

Canned food, beer and fizzy drinks

About 70% of the steel used in the US to make cans for food is imported today, coming in from countries such as Germany, the Netherlands and Canada, according to the Can Manufacturers Institute (CMI), a business group representing can-makers.

After Trump ordered tariffs on steel in 2018, many can-makers won “exclusions” from those import taxes, over the objections of steelmakers, given the limited production of the type of steel used to make cans in the US.

Since then, steel manufacturers have cut production further, pushing up prices, warned the CMI, which sent a letter to the Trump administration earlier this month signed by big food companies including General Mills, Del Monte and Goya.

Robert Budway, president of the CMI, said without exemptions for can manufactures to import steel tariff free, grocery prices for canned foods made in the US are likely to rise.

“While the president may believe that these tariffs are protecting the steel industry, they certainly are undermining our food security and our supply resiliency for American canned food, which Americans rely on every day,” Mr Budway said.

When it comes to aluminium, brewers and makers of fizzy drinks, such as Coca-Cola, have also warned the move will add costs and could lead to higher prices for customers.

“We control enough variables that we can adapt and mitigate our way through what is happening,” Coca-Cola chief executive James Quincey told investors this week.
Trump has said there will be no exemptions from the rules this time either for individual products or for particular countries, however some sectors are hoping he will row back from that position.

Cars

After Trump imposed tariffs on steel and aluminium during his first term, carmakers including Ford and General Motors warned the measures would add about $1bn to each of their costs.

For customers, Morningstar estimated the tariff costs back then would result in a roughly 1%, or a $300 price rise for customers.

David Whiston, an analyst at Morningstar, warned Ford could be facing a similar cost increase this time, but said it was unclear how consumers will be affected.

Affordability pressures in a market where sales have yet to return to 2019 levels could limit how much of the costs companies choose to pass on, according to Michael Wall, an auto analyst at S&P Mobility.

But he said it was still "realistic" to expect some of the costs from the metals tariffs to trickle down to buyers.

However he noted that Trump's announcement of tariffs on all goods imported from Canada and Mexico, currently on hold until March, would have a much bigger impact for buyers.

At a business conference, Ford chief executive Jim Farley warned Trump's recent moves were causing "a lot of cost and a lot of chaos" for his industry.

TD Economists has estimated cars could up in price by about $3,000 if blanket tariffs on goods from Mexico and Canada came into force.

Construction, housing and appliances

The construction industry as a sector is one of the single biggest users of steel, which developers and homebuilders need for everything from building frames to appliances.

Carl Harris, chairman of the National Association of Home Builders, said the decision to impose tariffs on steel and aluminium ran "totally counter" to Trump's stated goal of making housing more affordable, warning it would raise costs and deter development and rebuilding.

"Ultimately, consumers will pay for these tariffs in the form of higher home prices," he warned.

The National Association of Home Builders has urged the president to exempt building materials from the proposed tariffs.

After Trump imposed steel tariffs in 2018, appliance maker Whirlpool faced an unexpected $350m jump in costs it said was driven by the jump in steel prices.

Companies unable to absorb such costs would likely pass them on through higher prices in the shops.

Natalie Sherman, Business reporter, BBC News

RECONFIGURING THE GLOBAL FOOD SYSTEM
IT'S TIME TO REDESIGN HOW WE PRODUCE, PROCESS AND CONSUME FOOD.

Sabine Durand-Hayes, Stuti Sethi, Harald Dutzler, Owen McFeely & David McGee

Today's business leaders must grapple with a combination of ever-changing short-term crises while considering how their organisations can adapt to five long-term megatrends that are altering the globe: climate change, technological disruption, demographic shifts, a fracturing world and social instability.

These megatrends manifest themselves most clearly in core domains of human activity: How we move. How we care for ourselves. How we power. How we make. How we build. And how we feed ourselves. In food, as in each domain, traditional industries are reconfiguring themselves into dynamic ecosystems—and historical norms are being challenged.

Disruptions to the food supply are increasingly likely, along with rising demand-side pressures. Agricultural industrialisation has fed the masses but strained producer–consumer relationships and damaged the environment. Deforestation, intensive freshwater use and pollutant runoff have had significant impact. In 2020, agriculture emitted **16 gigatons of greenhouse gasses**, about one-third of global emissions. If rises in food production accompany population growth, as expected, projections show that these emissions could **increase by up to 80%** by 2050 compared with 2010 levels.

For companies in the food system, climate change is a critical concern. According to PwC climate specialists, drought and heat stress could severely challenge the production of maize, wheat and rice—**commodities that provide 42% of the world's calories.** PwC's subsequent climate modelling shows that without intervention, key growing regions for popular consumer crops—including bananas, coffee beans and hops—could face significant production losses due to factors such as rising temperatures and increased rainfall.

Consider these additional factors that put the food system under pressure:
- There is a projected 56% gap between crop yields in 2010 and those needed by 2050, when the population is expected to rise from roughly 8 billion to 10 billion.
- More than 800 million people are currently food insecure, and one-third of food is lost or wasted as it travels through the system.
- If Western meat-heavy diets become the norm, we will quickly run out of land for animal farming; at the same time, rising obesity rates show that the current food system is not producing healthy results.

The sweeping nature of change in both supply and demand means that a system developed over the course of a century could be transformed in just a decade or two. For instance, the CEO of a major importer recently highlighted the urgent need to evolve their business model. Without overhauling product traceability—tracking origins, ensuring transparency and resilience, implementing robust data systems—the company risks obsolescence. Food manufacturers are demanding extensive farm data, including information on Scope 3 emissions, pesticide use, ethical standards, audit records and more, to meet expanding sustainability targets, consumer expectations and regulatory compliance.

But the evolving world presents both challenges and vast opportunities. We're on the brink of a seismic shift in value—what PwC calls value in motion—in the roughly US$10 trillion global food system. New value pools will emerge, some existing ones will expand, and others will vanish. Players across all sectors, from start-ups to giants, public and private, will converge. And businesses will be challenged to rethink nature's role in their sustainable growth.

An ecosystem perspective

Food and agriculture leaders should no longer think about the value chain as simply upstream suppliers and downstream customers. Rather, their efforts should include (1) recognising the interconnected network of companies, governments, farms and consumers that collectively influence a fragmented market, and (2) developing new ways to exchange value as business models evolve. They also must look for opportunities in adjacent industries that are converging with food, such as waste management, last-mile logistics and carbon marketplaces.

Early movers are already realising value:

- **End-to-end (E2E) transparency.** A recent farm-to-factory study PwC conducted for a food retailer in the UK showed that greater transparency in the supply chain could lead to a 2–5% uplift to sales if the retailer adopted dynamic pricing campaigns that discounted products close to their expiry date. It could also produce margin improvements by reducing food waste and optimising transport and inventory costs. This includes achieving up to 75% reduction in food waste at the retailer stage and knock-on ecosystem effects of 25% reduction at the processor and producer stage, contributing to a boost in quality and ESG credibility across players.

- **Vertical integration.** A German retail and tourism co-operative recently eliminated intermediaries from its supply chains, sourcing directly from Spanish producers—a pivotal vertical integration move in an industry in which time-sensitive commodities such as strawberries can make or break consumer trust. In China, dairy companies have shifted from sourcing milk from individual farms to producing their own. By directly managing milk production, these companies not only ensure quality and food safety but also create a new revenue stream from the excess supply.

- **Ecosystem collaboration. Companies that have embarked on a collaboration journey are seeing tangible benefits.** For instance, the top 20% of the most profitable consumer packaged goods (CPG) companies are twice as likely to boost revenues through ecosystem collaboration as are the remaining 80% of their competitors. These top performers report that at least 60% of their revenues already come from ecosystem participation. And they are 1.2 times as likely to engage with adjacent industries, such as waste management, healthcare and logistics, which creates opportunities to test new business models and access new customers, technology and skills.

Six transitions for change

PwC has identified six dimensions critical to driving systemic change in the food domain. These present clear challenges, but they also offer a perspective of the market segments where growth—if done right—may be most impactful and rewarding.

Healthy and sustainable diets. Innovations in personalised nutrition plans and foods with specific health benefits are contributing to an initial shift towards healthier consumer choices. There's also more demand for eco-friendly foods such as plant-based protein and dairy alternatives. PwC's Voice of the Consumer Survey 2024 shows that 52% of people want to eat more fresh fruits and vegetables, and 22% are looking to cut back on red meat. If healthier diets are to catch on, consumers need access to affordable new foods. Food companies are key in driving adoption and demand for alternatives. Meanwhile, innovations in healthcare are changing how people think about what they eat and drink. Recent PwC US analysis suggests 30–35% of Americans are interested in GLP-1 receptor agonist drugs for weight loss, potentially shaking up how food companies connect with consumers for years to come.

Minimisation of food loss and waste. The World Food Programme estimates that global food waste and loss amounts to US$1 trillion annually and contributes 10% of greenhouse gas emissions. PwC's own analysis attributes this partly to underinvestment in supply chains, and partly to slow adoption of digital tech, including precision agriculture and supply chain tracking. Up to 40% of food loss occurs in the post-harvest, processing and distribution stages, and consumer waste accounts for 10–30%. There are regional disparities; consumer food waste is more prevalent in developed countries, whereas in developing countries, losses occur more often during transport due to poor refrigeration. If these issues were fixed, and taken together with changes in people's diets and successful management of other food security factors, the world could feed an additional 2 billion people, roughly in line with the expected population growth by 2050.

Effective and regenerative agriculture. The next revolution in farming requires innovation on multiple fronts, combining natural soil management with advanced technologies. Precision farming and regenerative farming practices, such as smart irrigation systems, soil health monitoring and drone-based crop surveillance, are key. These methods rely on detailed farm-level data to optimise crop growth, food quality and sustainable production. AI could transform crop breeding through advancements in phenomics, gene discovery and gene editing to boost plants' natural defences against pests and adverse weather. Programmes such as the Sustainable Soybean in the Cerrado, supported by PwC Brazil, show how targeted support can drive a wider variety of agricultural innovation.

Conserved ecosystems and strategic land use. Intensive agriculture, erosion and climate change are cutting land productivity, while urban sprawl, overgrazing and improper land use mean growers need to produce more with less land. The UN estimates that a soccer pitch's worth of fertile topsoil erodes every five seconds; one-third of the world's soil is already degraded. Palm oil plantations, soybean farms and grazing land for cattle are major deforestation drivers in the Amazon and Southeast Asia, disrupting climate patterns. Food companies can help by ensuring deforestation-free supply chains and investing in new ingredients and technology. For instance, alternatives to palm oil—the world's most widely used vegetable oil—are being developed from agri-food waste and precision fermentation.

Clean energy systems. The energy transition is vital to the food system, which currently uses around 30% of global energy. Sustainable farming and the wider adoption of renewable energy can also help cut costs, boost efficiency and open new revenue streams. A circular farm model involves 'value stacking,' using biogas from waste and solar or wind power to generate electricity for farm use and surplus to sell back to the grid. Supermarkets have been proposed as community hubs for renewable energy. PwC's analysis of a global food and beverage company's data showed that clean energy systems could save and generate nearly US$300 million annually, about 60% of the company's total electricity costs.

Healthy oceans and blue foods. Oceans play a critical role in supporting global ecosystems and livelihoods, and practices such as using seafood in feed for land animals. They also offer immense potential for sustainable innovation and climate impact, such as restorative aquaculture, algae farming for CO2 sequestration and low-impact fisheries. A survey by PwC Norway found that closed marine cages, sea-based fish farms that limit waste emissions and help stabilise water temperatures, will outpace conventional salmon production by around 2050. Forty-two percent of industry representatives identified sustainable production as one of the top three drivers for increased seafood demand, compared with 29% in 2017.

Enabling the transition

Financing

The support systems for these transitions are as important as the technological developments.
And one crucial support is financing that attributes value to nature, accounts for the interplay between different types of financial instruments—including insurance, loans and subsidies—and meets the challenges of fluctuating market dynamics and traditional farming methods. For instance, significant up-front investment in precision farming and soil health monitoring is necessary to scale regenerative agriculture.

PwC's State of Climate Tech 2024 found that the agriculture, food and land use sector accounted for two-fifths of deals supporting adaptation and climate resilience—more than any other sector. Examples include a start-up using AI to aid the discovery of crop genes that promote resistance to threats such as drought and heat; another start-up is working on technologies to detect stress in plants.

Technology

FarmTech innovations such as sensors, satellites, drones and AI are revolutionising productivity, enabling precision farming, and supporting the selective use of fertilisers and pesticides. Emerging technologies including vertical farming (which so far has been used primarily to produce leafy greens) use AI, the internet of things (IOT), and robotics to optimise growing conditions and boost yields; investment and scale is needed to grow a wider variety of crops. FoodTech is advancing animal-free proteins and other ingredient replacements; leading companies are gaining brand recognition and expanding manufacturing. Some are looking to AI to boost ingredient innovation for better taste and texture.

At the same time, there is a significant need for technology tailored to small and marginal farms, often in the developing world, which account for 84% of the world's 570 million farms. Farmers in the poorest parts of Africa still lack access to basic 20th-century agricultural technologies such as fertiliser, tractors and irrigation. A just transition is crucial in this context, ensuring that farmers and rural communities are provided with the resources, training and support needed to adopt sustainable practices without economic disadvantage, including equitable access to much-needed technology.

In India, where smallholdings are prevalent, less than 50% of agriculture is mechanised, compared with 75% in other developing countries. Small farms need affordable, appropriately sized equipment to boost productivity without the financial and logistical challenges of large-scale machinery. The 'Uberisation' of farm equipment is starting to improve access by offering on-demand rental farm machinery through mobile apps or call centres.

Government

Tax breaks, subsidies and guarantees have already resulted in major investments in renewable energy and clean transportation worldwide. The food transition will require similar levels of support, with a focus on outcomes-based policies that reward sustainable results, such as improving soil health and reducing water use.
Carbon credits for sustainable farming and subsidies for agri-food tech innovation can motivate companies to act. Farm assessments that give sustainability certifications can help farmers access premium markets and extra funding. Awareness campaigns about healthy diets, food waste reduction, and clear labelling for sustainability and nutrition can help consumers make better, more informed choices. Support for investment in infrastructure is also needed, including R&D to develop new solutions such as pilot farms that show innovation in action and food-processing zones to attract private investments. In the UAE, publicly backed aggregators provide training, quality controls and added services to farmers, improving transparency and cutting out middlemen.

Taking action

By embedding themselves within collaborative ecosystems and leveraging technology and data differently, companies can prepare now to drive innovation, transparency and value creation in the future.

Below are four key actions for executives to consider:

1. Understand future ecosystems

Executives should anticipate how the global food system will evolve as a result of environmental pressures and technological advancements. Embracing the power of technology and data will help leaders map out scenarios and identify key players, dynamics and vulnerabilities across the ecosystem. Come to grips with regional disparities and how they affect your business. Talk to your R&D organisation, which often can see these trends better than others; challenge procurement on which suppliers to work with. Strategic foresight will help build resilience into supply chains in an increasingly complex landscape.

2. Decide how to play

With a clear vision of future ecosystems, executives should determine the best ways to participate and create value. This involves identifying core capabilities and exploring various roles—whether as innovators in food production, providers of precision farming services or leaders in health and nutrition. These decisions will guide deals and investments to access new talent, capabilities and markets.

3. Reinvent business models

To thrive in the reconfigured food system, companies are considering transitioning from traditional, linear models to integrated, circular ones that prioritise climate resilience, resource optimisation and data-enabled transparency. Making business model reinvention real might include shifting from product-based to services-based value propositions, such as a retailer focusing on providing weekly meals, or a fertiliser company shifting to offering farming-as-a-service. Innovative business models, such as those used by new players scaling regenerative agriculture globally through global soil data, will enhance profitability and contribute to environmental stewardship and social equity.

4. Build momentum

Embedding scenario planning and strategic foresight in the business is not a one-off exercise. Establish continuous monitoring to remain agile, as disruption is the only certainty in today's volatile market. Strategically decide when to scale investments in new business models and strengthen supply chains by diversifying and building resilient relationships. Trade-offs are unavoidable: clearly articulate when and how you make them. Leading companies are already partnering within and beyond the food sector, engaging stakeholders including employees, customers, retailers, financiers, insurers and governments.

A collaborative approach not only enhances value but also drives business models that emphasise environmental stewardship and economic viability. Businesses that work together can adapt and thrive, ensuring a robust, equitable and resilient global food system.

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https://www.pwc.com/gx/en/issues/business-model-reinvention/how-we-feed-ourselves/reconfiguring-global-food-system.html

Indonesia

CMA Batch 16 Intensive Face-to-Face Program Completed

Another CMA program was conducted at Ciputra Hotel in Jakarta on February 8-14, 2025. This was the 16th CMA intensive program organised by Dr Ana Sopanah of RAD Indonesia. She was joined by Mr. Daniel Godwin Sihotang of PT Lean Visi Indonesia. The program was facilitated by Professor Janek Ratnatunga, the CEO of ICMA Australia and Dr Chris D'Souza, ICMA COO/CFO.

The organisers and trainers of 16 th CMA program at the Opening Ceremony. From Left to Right: Mr. Daniel Godwin Sihotang, Dr Chris D'Souza, Dr Ana Sopanah Prof Janek Ratnatunga, and Pak Novi Dean of Pancasila University.

The organisers, participants and presenters of the 16th CMA Intensive Program giving the "C" sign for CMA!

The participants of the 16th CMA Intensive Program undertaking the manufacturing simulation game.

Participant Case Study Presentations. CMA Participants present 16 case studies in class.

Continuing Professional Development (CPD)

CPD Training was also conducted for ICMA members. They undertook Certification programs of the Academy of Finance and Management Australia (AFMA) organised by Dr. Ana Sopanah of RAD Indonesia. Dr Chris D'Souza, ICMA COO/CFO conducted the Certified Business Valuer (CBV); and Prof Janek Ratnatunga, ICMA CEO, conducted the and Certified Enterprise Risk Analyst (CERA) seminars. They were undertaken by CMAs as part of their CPD requirements.

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A WARM WELCOME TO OUR NEW MEMBERS (Dec - Feb 2025)

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Nero Pinto
Nga Man Lau
Panithan Sirirattanaphonkun
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Suchittra Songsuwan
Suksom Charoendeesawat
Sunil Varghese
Thuy Nguyen
Wang Hei Issac Lee
Wing Fung Raymond Savio Chan
Wing Sum Ng
Yilu Shen
Yulianti Yulianti

CMA EVENTS CALENDAR

- February 9-14, 2025:
CMA Program Workshop, Jakarta, organised by RAD Indonesia and Lean Visi Indonesia

- February 22-March 2, 2025:
5th post-Covid CMA Program Workshop organised by Academy of Finance, Sri Lanka.

- March 8-10, 15-16 & 22-23, 2025:
Tenth CMA Global Zoom Program in Strategic Cost Management & Strategic Business Analysis, Syme Business School, Australia. (Zoom).

- March 5-7 & 10-13, 2025:
Certificate of Proficiency in Strategic Cost Management, and March 10-12 2024: Certificate of Proficiency in Strategic Business Analysis SMU Academy, Singapore (13th Intake). (Zoom).

- April 26-May 4, 2025:
CMA Program Workshop organised by SMART Education Group, Dubai.

- August 2-8, 2025:
CMA Program Workshop, Jakarta, organised by RAD Indonesia and Lean Visi Indonesia.

- Aug 30- Sept 1; Sept 6-7 & Sept 13-14, 2025:
Nineth CMA Global Zoom Program in Strategic Cost Management & Strategic Business Analysis, Syme Business School, Australia. (Zoom).

- August 16-18 (SCM) and August 21-28, 2025:
The 3rd CMA Program Workshop, Bangkok, organised by the CMA(ANZ) Regional Office in Thailand.

- August 30,31 & Sept 1, Sept 6-7 & 13, 2025:
Tenth CMA Global Zoom Program in Strategic Cost Management & Strategic Business Analysis, Syme Business School, Australia. (Zoom).

- September 20-28, 2025:
5 th post-Covid CMA Program Workshop organised by Academy of Finance, Sri Lanka.

- October 11-13, 2025:
Certificate of Proficiency in Strategic Cost Management, SMU Academy, Singapore (13 th Intake). (Zoom).

- October 16-19, 2025:
Certificate of Proficiency in Strategic Business Analysis, SMU Academy, Singapore (13 th Intake). (Zoom).

- November 8-16, 2025:
CMA Program Workshop organised by SMART Education Group, Dubai.

PRIVATE PROVIDERS

Wharton Institute of Technology and Science (WITS), Australia

Syme Business School, Australia

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Singapore Management University Academy (SMU Academy)

Business Sense, Inc. , Philippines

HBS for Certification and Training, Lebanon

SMART Education Group, UAE

Institute of Professional and Executive Management, Hong Kong

AFA Research and Education, Vietnam

Segal Training Institute, Iran

Business Number Consulting, Indonesia

RAD, Indonesia

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