

## Why quarterly reporting is undesirable post-pandemic: David Gonski AC

**Quarterly reporting puts unreasonable pressure on CEOs and senior leadership teams to perform in the short-term when they need to be more focused on the longer term, according to David Gonski AC, Chancellor of UNSW Sydney.**

As Australia's big banks navigate multiple challenges including the COVID-19 pandemic and related issues around liquidity and risk – as well as more systemic problems highlighted by the Banking Royal Commission, reporting timeframes for big organisations such as banks need to be more realistic, said Mr Gonski.

In banking and other sectors, he observed that the focus has been more short-term than it perhaps should have been.

“The concept that happened a few years ago, where we would have quarterly results, I think was most unfortunate,” said Mr Gonski, who also serves as Chairman of a number of organisations including the Australia and New Zealand Banking Group.

“I know that quarterly results have come back a bit now because of COVID-19, and that's very explicable and correct.

“But I hope that once the pandemic is over, we will move away from that – because running a company purely to report every 90 days is too short-term.”

Any large organisation – whether they be for profit or not-for-profit, has to be run on a balanced basis, according to Mr Gonski, who stressed the importance of good, open discussion with shareholders, customers and staff about long-term goals.

This should be balanced with a good system of announcements in the shorter-term – particularly in the current economic environment.

“You have to make sure that is as reasonable as possible to keep all your stakeholders happy,” said Mr Gonski.

“Superb business leaders know what the right balance is given the right set of situations and those who put it out of balance can do real damage to the company.”

### **COVID-19, leadership and executive pay**

COVID-19 has had an unprecedented impact on Australia's economy, with Australia's banking and financial services sector stress-tested like never before.

As such, the pandemic has highlighted the importance of a strong banking system, according to Mr Gonski.

“I liken the banking system to the arteries of a good society,” he said.

“And provided there is blood, or in our case, cash and liquidity, going down the arteries, then society can thrive and continue – rather than what we saw in 2007 and beyond which was a situation more akin to a heart attack on an economic basis.”

Mr Gonski underscored the importance of good executive leadership – in good times and bad – for Australia’s banks.

He pointed to CEO and MD of the Commonwealth Bank of Australia (CBA), Matt Comyn, as an example of that leadership.

“As Chancellor of the University of New South Wales I think kudos should go to our alumni who aspire to these leadership roles,” he said.

Comyn – who has a Master of Commerce and Finance from UNSW Sydney – has had a “fantastic education from our university”, said Mr Gonski with a smile.

“You’d expect me to say that, but as I watch him, I’m not only proud that we have trained him; I’m proud that we can train a person of that standard.”

Comyn, who is presenting for [UNSW Business School’s Meet the CEO event on Wednesday 23 September](#), is an excellent example of an executive leader managing through challenging times, according to Mr Gonski.

He also pointed out that many do not understand the pressure such business leaders face.

“I’ve been a Chairman of a bank, but I’ve never been a CEO of a bank. I have great praise for those who take that on,” he said.

“There’s a lot of discussion about how well paid they are, but seldom do people discuss how difficult these roles are.”

CEOs not only have to manage large numbers of staff, but they also have to manage a wide and demanding range of stakeholders – “all in a very, very public setting”, said Mr Gonski.

“While I’m not suggesting for a minute that one should feel sorry for them, I do think that we should all be aware that these are not easy jobs.

“It is not just a matter of being paid well to sit in that chair, rather, it’s a matter of being paid well to do a job that is very challenging and very consuming in all aspects.”

*For the full media release please [visit the UNSW Business School newsroom](#).*

*Matt Comyn, CEO and MD of CBA will [present in a live webinar](#) on Wednesday 23 September at 12:30pm AEST. In an interview with Mark Scott AO, Matt will discuss his 20-plus years’ experience in banking including his appointment to CEO two years ago after intense scrutiny of Australian banks during the Banking Royal Commission, how CBA is regaining customer and community confidence, and more recently, the true cost of the coronavirus pandemic for CBA and its customers. For more information [please visit the event registration page](#).*