



FTA

FINANCE & TREASURY ASSOCIATION

ANNUAL

REVIEW

2020

ABOUT THE FTA

The Finance and Treasury Association (FTA) is the peak professional body in Australia for professionals working in the treasury, and financial risk field. Our membership is represented by individuals and businesses from ASX and Privately owned corporations, SME's, sole proprietorships, financial institutions and others, with representation from the most senior to those starting their career. We seek to provide valuable opportunities to connect, develop, and engage our members and partners. We do this via Continuing Professional Development and a network to share knowledge to our community in formal, informal and online environments.

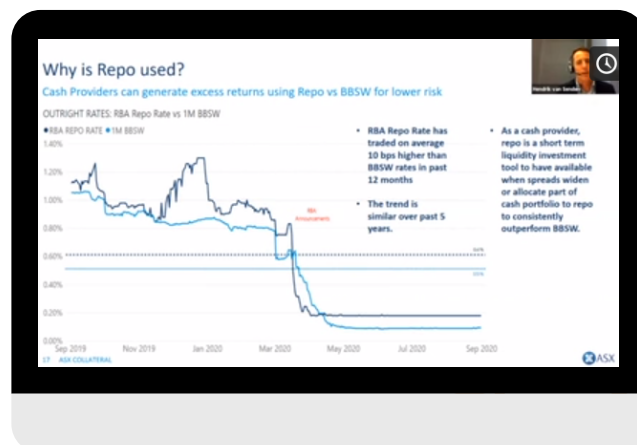
The **purpose** of the FTA is *to be Australia's Treasury Community*, while living the **vision** of being recognised and respected by business and government in Australia as the trusted voice of the Treasury profession. Our community sets high standards of treasury excellence, bringing success to organisations.



Succinct, relevant updates, and workable action items arising from it.



Informative, relevant



CHAIRMAN'S UPDATE



Despite the impact of COVID-19, I am very proud of our performance in FY2020. The FTA lived its purpose of being Australia's Treasury Community organising numerous webinars and zoom calls to get the community together and discuss important treasury issues during a difficult time. The business world and government were once again reminded of the value of the treasury profession. We continued to strive towards our vision of being a respected, trusted voice for the treasury profession and setting the benchmark for treasury excellence. We have strong cash and capital reserves to see us through this crisis, and we are well placed to deliver on our strategy. I would like to thank my fellow board members, FTA Staff and the many volunteers who support the FTA. I would also like to thank our sponsors and service providers who support us at our activities, and last but not least our members who continue to support us.

Die Hard Who will buy Australia's government debt? by Tommaso Pini

FINANCIAL REVIEW
www.af.com.au | Wednesday 1 April 2020 | \$4 | A6

► Frydenberg re-commits to 2022-23 tax relief ► 277,000 businesses sign up for jobs subsidy ► Budget shortfall could hit \$200b

Deficit blowout threat to tax cuts

Philip Gonyea and Matthew Crouson
The Morrison government says it will proceed with hundreds of billions of dollars in legislative income tax cuts and other spending, as economists warn of a budget deficit of up to \$200 billion and debt rising to \$1 trillion in 2022-23.

As 277,000 businesses sign up for the \$20 billion JobKeeper wage subsidy, the government has committed to the 50 billion additional income tax cuts in stages two and three. Income tax cuts which began in 2019 and 2020 remain.

Based on the conservative emergency stimulus and the economic outlook, leading economists forecast a budget deficit of up to \$200 billion over the next 18 months by as much as \$400 billion, more than \$1 trillion, with \$200 billion in deficit to reach as much as \$200 billion.

RBC Capital chief economist Dr Greg King says the government's plan to cut a budget deficit of \$200 billion in 2022-23 is "a very bold move".

"We now think \$150 billion is the maximum amount of tax cuts that the government can afford to cut in FY20 and FY21, and the FY22-23 budget deficit is likely to be \$200 billion," he says.

But the government said it remained committed to its program, including the tax cuts which have already been legislated.

The Coalition has been criticised for the cost of the tax cuts, which will be \$100 billion over the next five years, and a "wasteful" program, according to opposition leader Anthony Albanese.

"The government is spending \$100 billion on tax cuts, which is a massive amount of money, and it's not clear what the benefits will be," he says.

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\$1.5 billion a year and the stage three cuts are \$2 billion by the end of the decade year. Under stage three, the per cent rate will drop to 15 per cent, and the top rate will drop to 30 per cent.

The cuts are expected to cost \$100 billion over the next five years.

Hard choice ahead
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Cash-strapped firms seek debt protection

Exclusive
Patrick Durkin
Cash-strapped companies that miss cash-calls on \$200-billion bond issues may be able to get debt protection from the government, according to a source familiar with the industry.

The source says that the government is considering a package of measures to help companies that are struggling to meet their debt obligations.

The package could include a temporary suspension of interest payments on the debt, or a restructuring of the debt to reduce the principal amount.

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Markets battered to worst March ever

The sharemarket has recorded its worst performance for the month of March on record, falling 2.2 per cent, and down 10.5 per cent since the start of the year.

The top finance officials, who do not normally speak publicly, are pushing to advance the issue up the Treasury's agenda as Mr Frydenberg grapples with three major stimulus packages, including the \$100 billion wage subsidy announced on Monday.

From page 1 Cash-strapped firms seek debt protection

and smaller businesses, the pandemic's impact is extending to larger businesses as the \$1.4 billion bailout sought by Virgin Australia reveals.

FTA president and banking partner at Deloitte, Steven Curlico, said a billion-plus businesses whose revenue had fallen by less than 50 per cent were still exposed to covenant breaches. The crisis presented the real threat of a liquidity crunch, with dire consequences for big employers that are not assisted by the JobKeeper package.

The companies have been working constructively with local banks but many have debt instruments through syndicated foreign loans, domestic bonds and offshore private and public capital market debts. They warn a lack



The Star group has joined calls for protections for businesses. PHOTO: COLE BENNETTS

A lack of cash flow may trigger defaults and action including wind-ups.

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The call comes as the corporate regulator announced it would provide temporary relief to allow "low doc" capital raising including placements, rights issues and share purchase plans for listed companies that have suspended for up to 10 days.

"Capital markets have been highly volatile, investment grade credit ratings are under threat and banks are overwhelmed in triaging requests from corporates seeking assistance in terms of liquidity," the FTA letter said.

The letter, co-ordinated by the FTA and its heavy-hitting board, calls for implementing the stay under various federal and state laws including the Corporations Act. It argues the move would provide immediate relief to corporates with a significant number of employees or those running essential and other services for the economy.

"Funding documents are not set up to specifically contemplate an event like COVID-19," said FTA board member Alice Van Der Geest, who is also treasurer at Melbourne Airport.

"We need to ensure the ongoing viability of corporate Australia to allow businesses to withstand the short-term financial impacts of this unique crisis and still be there to come out the other side."

"This is a technical issue but it has big implications for business and job protection in the current environment."

The letter also flags that major companies may require a mechanism whereby incremental liquidity requirements can be obtained—through either direct government funding or government guarantees of incremental loans

Private hospitals join the coronavirus fight

Private hospitals have joined the coronavirus fight, with the government announcing a \$100 million package to support the sector.

The package includes funding for private hospitals to help them manage the surge in coronavirus cases.

The government also announced a package of measures to help private hospitals that are struggling to meet their debt obligations.

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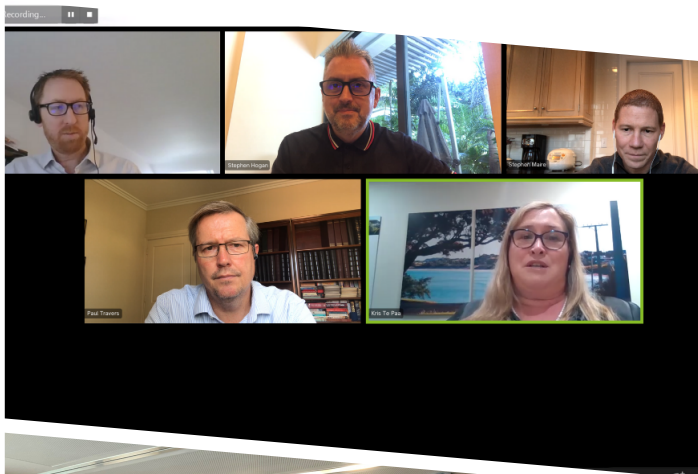
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CEO'S UPDATE



I don't have to tell anyone that 2020 has been an interesting year. While this Review is based on the year up to June 30, it would be remiss of me not to talk about the past 9 months. I'm incredibly proud of our organisation. The work done over the past few years to build our balance sheet certainly became vital, as it did for many of our members.

Despite revenues being severely impacted, we have been able to work within the confines of restrictions to continue delivering quality CPD to our members. Treasury shines in a crisis, and that has never been more true than in 2020 - well done to all of our Treasury community, from all of our team to you. Thanks to our members, partners and the entire Australian treasury community, we look forward with great anticipation to the next twelve months!



Treasury Function

Typically part of the finance function and usually reports to the CFO.
Treasury functions can be:

- Decentralised**
Developed to business units or regional treasury functions
- Cost Centre**
Treasury is an 'overhead' and is focused on risk management
- Centralised**
Agent or 'Central banker'
- Profit Centre**
Treasury is expected to contribute to organisation's profitability as well as manage risk

OUR YEAR

OBJECTIVES




- Grow
- Develop
- Partnerships
- Advocacy and brand
- Operational Excellence

ONLINE MEMBERSHIP RENEWAL

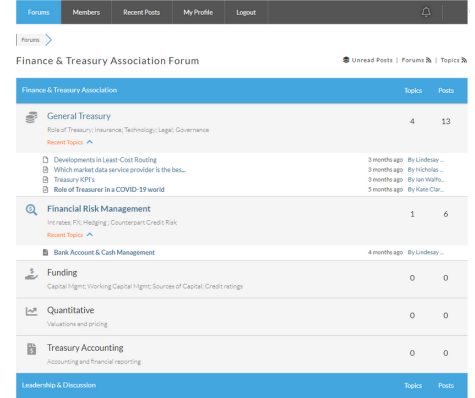
MEMBERSHIP RENEWAL

Select your membership from the list below to get started. All membership renewals will be reviewed by our team and meet the requirements for the given level.

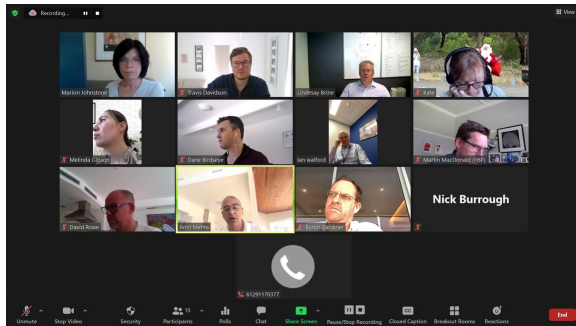
You have no active subscriptions. Select one below to get started.

 <p>SENIOR EXECUTIVE AUSTRALIA</p>	 <p>SENIOR EXECUTIVE AUSTRALIA</p>	 <p>SENIOR EXECUTIVE AUSTRALIA</p>
<p>CFTP MEMBERSHIP \$495.00 / year</p> <p>Purchase Membership</p>	<p>CFTP MEMBERSHIP (LOA) \$235.00 / year</p> <p>Purchase Membership</p>	<p>CFTP MEMBERSHIP (RETIRED) \$190.00 / year</p> <p>Purchase Membership</p>

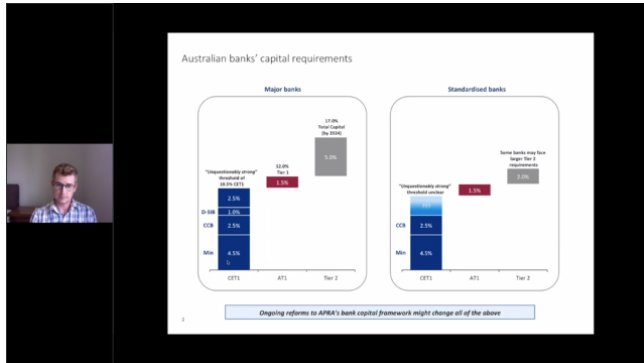
MEMBER FORUM



ONLINE MEETINGS & EDUCATION



Committee Meetings via Zoom

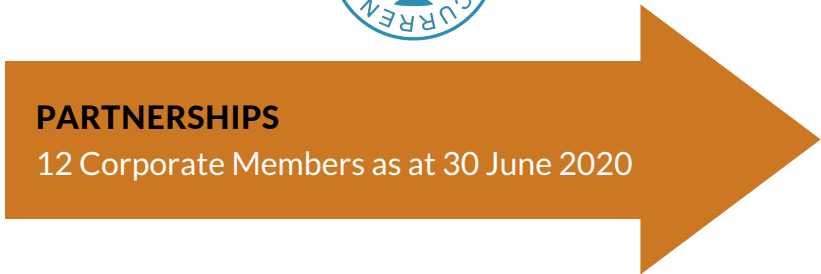


Bank Treasurer Workshops



Senior Treasurer Discussions

FTA PODCAST

MEMBER ADVOCACY



RBA Breakfast in Sydney - August 13, 2019

Cash-strapped firms seek debt protection

Exclusive

Patrick Durkin

Cash-strapped companies that miss out on the \$130 billion JobKeeper wage subsidy could still be wound up by major banks and debtors, a coalition of the country's leading finance and treasury executives warns.

Companies including those running critical infrastructure such as airports, ports, road and rail have written to Treasurer Josh Frydenberg urging him to issue protections, including a moratorium against banks enforcing corporate debt, amid a real and current liquidity crisis.

Handout



Finance Minister Mathias Cormann has ruled out taking equity in the troubled Virgin Airlines which was asking for a \$1.4b bailout as Qantas argued it should receive assistance too.

Companies p14

Represented by the Finance & Treasury Association, executives from top 200 public and large private companies have come together lobbying for the temporary stay and to call for alternative government-backed funding.

FTA board and committee members include Melbourne Airport, Star Entertainment, Stockland, Transurban, Coles, Orica, Amcor, Linfox and Australian Rail Track Corporation, among others.

"These solutions are required immediately as this is a real and current risk being faced by a large number of corporates," their letter to Mr Frydenberg, obtained by *The Australian Financial Review*, warns. "This has far-reaching impacts for Australian corporates."

While the government's response has so far focused on employee wages

Continued p6
▶ [Chanticleer Boards napping Back page](#)

Australian Financial Review article - April 1, 2020

THE FIGURES

43
NPS

177.5
CPD HOURS
DELIVERED

282
CONFERENCE
ATTENDEES

53
TOTAL EVENTS

72%
INCREASE IN LINKEDIN
FOLLOWERS

2134
ATTENDEES ACROSS
ALL EVENTS

19/20

18/19

17/18

\$106K

OPERATING SURPLUS

\$21K

\$60K

\$178K

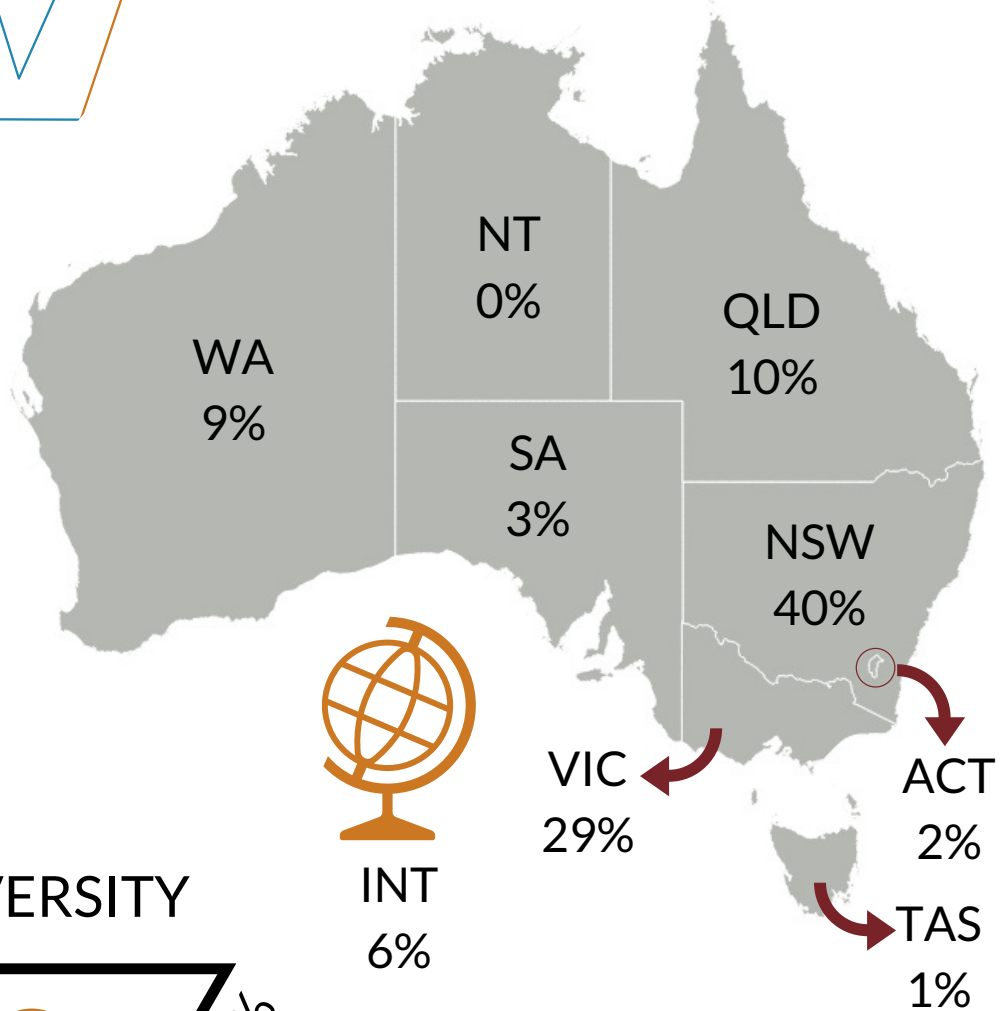
\$238K

\$344K

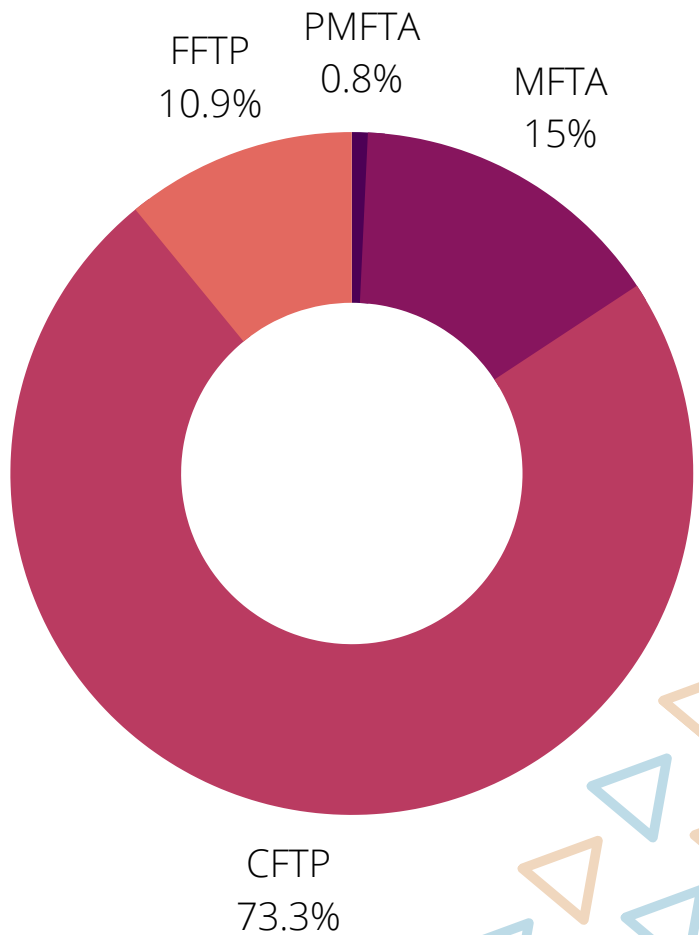
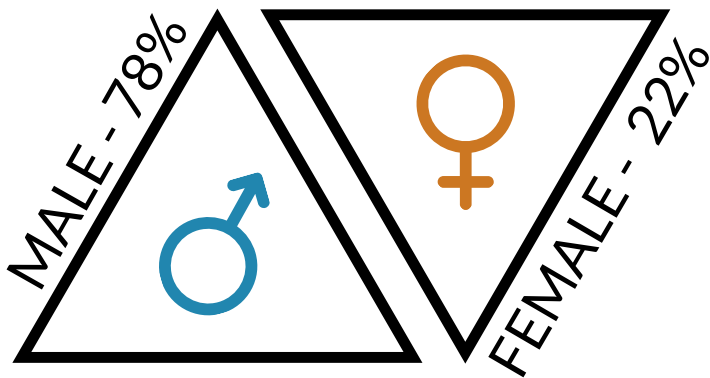
TOTAL EQUITY

ALL FIGURES ARE CORRECT AS OF 30 JUNE 2020

MEMBERSHIP



GENDER DIVERSITY



THE FTA

STAFF



CEO
Ben Leaver



Membership Manager
Naomi Braham



Marketing & Events Manager
Travis Davidson

THE BOARD



President
Steven Cunico FFTP



Director
Biki Markov FFTP



Director
Fulvio Barbuio FFTP



Director
Sarah Scopel CFTP



Director
Alice Van Der Geest FFTP



Director
Clive Richards FFTP



Director
Melinda Gibson CFTP



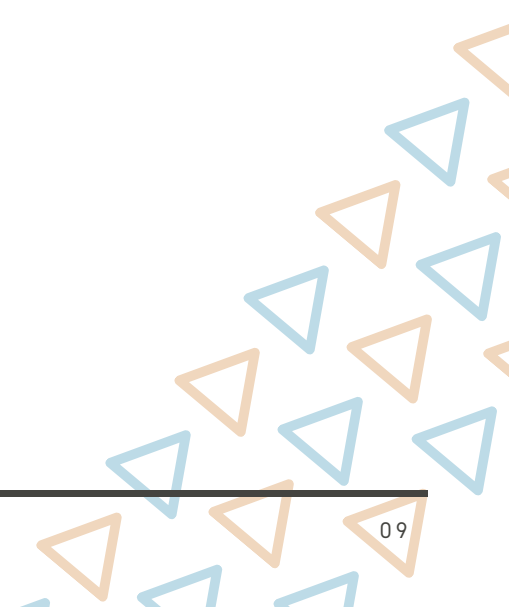
Director
Kurt Smith CFTP

THANK YOU TO OUR CORPORATE MEMBERS FOR YOUR SUPPORT IN 19/20





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Finance and Treasury Association

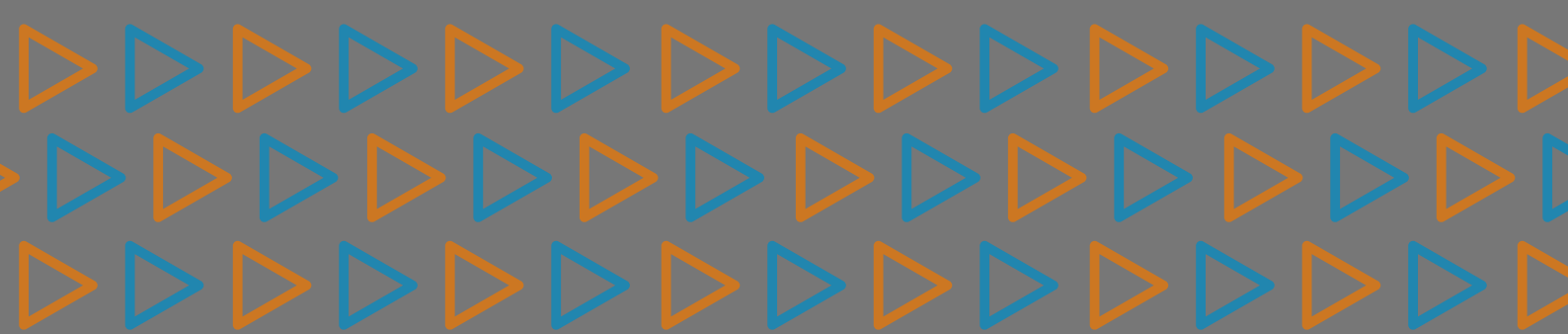
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