EXCHANGE

ACTA
AUSTRALIAN CORPORATE TREASURY ASSOCIATION

MAGAZINE


PARTNERS IN REAL-TIME PAYMENTS
Make the transition with fully integrated real-time ready payables and receivables platforms, transition guides, and scam and fraud protection for better cash flow visibility, operational efficiencies and customer-centric payment options.
Ask us for a real-time readiness assessment today.
westpac.com.au/realtimepayments

Contents

Message from the President

As I pen my final message as President, I do so with immense pride and a quiet sense of reflection. Coming off the back of an extraordinary 2025 ACTA Conference, I'm genuinely moved by the energy and commitment I've witnessed. The feedback has been overwhelmingly positive, and I want to extend a heartfelt thank you to our generous sponsors and tireless contributors who brought it all to life.

This year's conference where we heard all about AI and its transformative impact—was timely and thought-provoking, especially against the backdrop of a rapidly evolving geopolitical landscape. It was a powerful reminder of the importance of stepping away from the day-to-day to connect, reflect, and collaborate across our treasury community and banking partners.

A special congratulations to our award winners announced at the Gala Dinner. These honours recognise not just standout achievements, but the consistent professionalism, insight, and impact you bring to the treasury community. It's a moment to celebrate the kind of excellence that lifts the whole sector—and inspires others to aim higher.

Looking ahead, I was thrilled to announce 2026 Conference details in Melbourne and importantly the ACTA leadership transition. With Simon Milne to continue as our CEO, and Ed Waters joins the Board as President-in-waiting. This marks a new chapter, and I'm confident the momentum we've built is in capable hands.

That said, with a new team comes the opportunity to refresh ACTA's Vision and Purpose. Following a board strategy day, prior to this year's conference, the Board approved a new Vision, Purpose and Strategic Pillars (as outlined on the following page) which provides ACTA as an organisation the ability to continue to serve not only the corporate treasury community but the broader finance community.

VISION:

To build a stronger Corporate Treasury community.

PURPOSE:

To be the peak professional body for the Australian treasury community—providing connection, education, knowledge sharing, and professional development.

STRATEGIC PILLARS:

1. Increase awareness and knowledge through education
2. Drive engagement and connection across the finance and treasury community
3. Advance the practice of treasury and financial risk management
4. Be the "voice" for the interests of corporate treasury

It's an exciting time for ACTA as we build on a strong foundation to continue to build a stronger Treasury Community for the benefit of members and also sponsors.

Reflecting on my tenure, I'm most proud of reigniting our sense of community—of giving back, growing membership, and fostering connection. From launching the treasury awards including the Crisil Coalition Greenwich banking awards. This together with expanding sponsorships, to establishing a Tech Director role and working with an amazing Board, it's been a journey of purpose. The Treasurers Summit, State Chapter events, and Essential Treasurers program have all been milestones in our evolution. Introducing corporate memberships and deepening sponsor partnerships has made us stronger, together.

Thank you for the privilege of serving on the Board and as being President. ACTA is more connected, more vibrant, and more future-ready than ever. Please, contribute to ACTA and build your personal and professional brand and work with others across the treasury community.

Warm regards,

Alice Van Der Geest

PRESIDENT, ACTA

CEO's Address

It's a privilege to step into the role of CEO at ACTA and take on the responsibility of continuing to build a stronger, more connected corporate treasury community for the benefit of our members and sponsors.

While ACTA exists to serve its members, the support we receive from the broader finance community plays a critical role in enabling us to deliver the quality events, services, and initiatives you've come to expect. I look forward to working closely with our partners and supporters to enhance opportunities for connection, knowledge sharing, and professional development across the sector.

Looking ahead to next year's conference in Melbourne, you can expect to see increased engagement and collaboration as we work to shape a program that reflects the most pressing and emerging industry themes. The pace of change in our profession is rapid—as highlighted by the shift in focus since the 2025 Conference—and your input is essential to ensuring ACTA continues to deliver relevant, forward-thinking content across all of our platforms, including in-person events, networking forums, and our growing webinar program.

It was fantastic to see strong attendance at the 2025 Conference, but as raised in the fishbowl session, there's room to grow. ACTA is here for you, and participation—whether through events, conversations, or contributing ideas—is central to strengthening our treasury community.

My door is always open, and I welcome the opportunity to connect with members and sponsors on how we can further support and elevate the profession together.

I look forward to the year ahead.

Simon Milne

ACTA CEO

The Future of AI in Treasury and Beyond

After an energising and practical keynote at the 2025 ACTA Treasury Conference, we sat down with [Lucio Ribeiro, Chief AI Officer at TBWA and Forbes Technology Columnist](), for an in-depth Q&A on how AI is transforming business, what matters most for treasury professionals, and where the next wave of innovation is heading.

Q1: Let's start at the very foundation—how does AI, especially Large Language Models like ChatGPT, actually work?

Lucio:
At its core, AI—especially large language models (LLMs) like ChatGPT—is really a supercharged autocomplete system. You give it a prompt, and the AI breaks it down into tokens (chunks of text, not just words), then predicts what comes next based on vast amounts of training data. It's fundamentally probabilistic: the model isn't "thinking," it's making an informed guess, but at such a scale that the results often feel remarkably human.

When it comes to images, it's similar but flipped: the system starts with a blank slate and iteratively removes or adds features until a coherent image emerges. This probabilistic approach is what allows AI to generate content, answer nuanced questions, and tackle complex tasks across text, image, and even audio.

Q2: How is AI adoption playing out in business right now, and what real benefits are you seeing?

Lucio:
We're seeing a dramatic uptake—around 70% of enterprises are piloting or actively deploying AI. The headlines might lag behind the reality, but beneath the surface, businesses are finding real, tangible value.

The biggest impact? Efficiency and cost-cutting. AI-driven fraud monitoring is reducing losses in real time. Cash flow forecasting is getting sharper and more reliable. And while it's less glamorous, companies are streamlining processes, sometimes even reducing headcount. The ROI is there, even if it's not always widely publicised. But make no mistake—AI is already delivering operational results, especially in areas like treasury, risk management, and decision support.

> "Around 70% of enterprises are piloting or actively deploying AI, with the biggest impact in efficiency and cost-cutting."
>
> *– LUCIO RIBEIRO, CHIEF AI OFFICER AT TBWA AND FORBES TECHNOLOGY COLUMNIST*

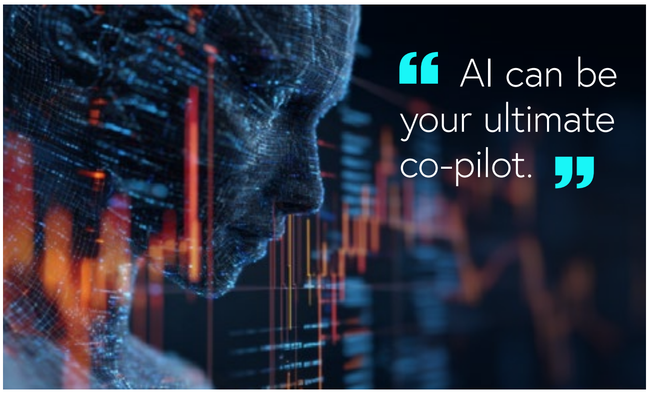
Q3: There's a lot of jargon out there. Can you break down the layers of a modern AI system for us?

Lucio:
Absolutely. Think of AI as a stack, with several key layers:

- **AI (Artificial Intelligence):** The broad field covering everything from simple automation to advanced reasoning.
- **Machine Learning (ML):** A subset that's fantastic for finding patterns—think fraud detection or classifying data.
- **Generative AI (GenAI):** This builds on ML, not just finding patterns but generating new content: text, images, audio.
- **Large Language Models (LLMs):** The "brain" behind GenAI, capable of understanding and generating human-like language.

Below these are the building blocks:

- **Hardware (like NVIDIA GPUs):** The computing muscle.
- **Cloud Infrastructure:** Where data and AI live—raising big questions about privacy and sovereignty.
- **Data:** The training fuel—could be books, the web, or even your company's files.
- **Parameters & Tokens:** Billions of settings and "chunks" that guide how the AI learns and processes information.
- **Temperature & Multimodal Capabilities:** These control the model's creativity and allow it to work across text, images, and more.



Q4: Data privacy is a hot topic. What should treasury teams be thinking about?

Lucio:
My golden rule: If you're not paying, your data is training the AI. Free versions of AI tools can and often do use your input to improve their models. Even with enterprise accounts that promise no training, your data may be stored temporarily—typically for 30 days.

So never upload anything sensitive—no PII (Personal Identifiable Information), confidential financials, or client data—unless you're absolutely certain about the platform's security and retention policies. For most corporates, sticking with solutions from your trusted cloud providers is safest, since they're built to meet enterprise security standards and compliance needs.

> "My golden rule: If you're not paying, your data is training the AI."

Q5: You mentioned a "co-pilot" approach. What are some practical examples of AI boosting productivity?

Lucio:
AI can be your ultimate co-pilot.

- **Perplexity AI:** Think of it as Google plus ChatGPT—perfect for deep research, live web answers, and generating board-ready recommendations with all sources linked.
- **Google NotebookLM:** Upload docs or PDFs, and it'll summarise, generate mind maps, or even produce audio versions so you can absorb info on the go.
- **Gamma:** Instantly creates pitch decks and presentations from plain language prompts.
- **ChatGPT for Data Analysis:** Upload Excel files and let the AI forecast cash flow, spot variances, and suggest mitigation strategies—with results ready for your CFO.
- **AI-generated avatars (like HeyGen):** Quickly turn scripts into video updates, in any language, saving weeks of production time.

Q6: What's the single most important AI skill to develop today?

Lucio:
Prompting. Learning how to communicate with AI—giving clear, specific instructions—boosts the quality of output by 50–60%. Good prompting means being specific, giving examples, and iterating based on feedback.

Don't be afraid to use longer prompts (OpenAI says 86 words is a "sweet spot" for richer results), specify output formats, and even instruct the AI to avoid certain buzzwords if you want more natural language.

Q7: You outlined three prompt techniques. Can you recap those?

Lucio:
Sure:

- **Persona, Context, Output:** "Act as a CFO, summarise our Q2 cash flow for a board report, and present it in bullet points."
- **Chain of Thought:** Break down complex tasks into steps: "First, analyse the data; then build a projection; finally, generate recommendations."
- **One/Few Shot:** Give specific examples of the output you want, then ask the AI to mimic that style for a new request.

If you ever get stuck, you can even ask the AI to write a better prompt for you—but tailoring it yourself is always best.

> "Learning how to prompt AI boosts the quality of output by 50–60%."

Q8: Where is all of this heading—what's the "next big thing" in AI?

Lucio:
We're moving from "puzzle" (AI piecing info together) to "chess" (AI reasoning and debating options internally before responding). The next frontier is "agents"—AI bots that act independently, manage tasks, and even transact on your behalf.

For example, Visa is piloting credit cards for bots so AI agents can handle payments and workflow autonomously. The future isn't just about using AI, but about managing and collaborating with these agents as part of the team.

Thanks again to Lucio Ribeiro for these practical insights—and for helping make AI less intimidating and more actionable for treasury leaders everywhere.

Fast, Safe, Smart: The Potential Business & Customer Benefits of PayTo

Australian businesses are on the cusp of a potential payment evolution with the roll-out of PayTo® — a smart and secure way to authorise and manage transactions in near real-time. Here, we look at how early adopters Dymocks Tutoring and More Telecom are embracing it.

PayTo is a payment method that makes payments potentially faster, safer and more seamless, resulting in a better experience for both businesses and their customers. In a pilot program led by CommBank, two Australian businesses – a telco and an education provider – adopted the tech, finding business benefits that offer a positive outlook for their respective industries.

The technology allows businesses to securely obtain authorisation for recurring or one-off payments directly from customers' bank accounts via the customers' banking apps or online banking.

Authorisation for PayTo withdrawals can be established digitally with the paying customers' account details verified in near real-time, paving the way for near instant funds collection and settlement.

PayTo in Practice

CommBank is piloting PayTo with Australian businesses More Telecom and Dymocks Tutoring to make PayTo available to their customers. PayTo helps reduce the administrative burden for these businesses, and gives their customers greater security, transparency of payment status and control over their payments than what they currently have.

Alison Chang, General Manager, Real Time Payments and Payments as a Service, CommBank, says PayTo supports several use cases and can be used where a business receives recurring or one-off payments in varying amounts, which in the past have been made using direct debit or cards.

> “PayTo can be integrated into a business for their end customers to pay for utilities, fund a digital wallet, transfer funds in me-to-me transactions, buy things in an app, online or instore, as well as subscribing to services.”
>
> *– ALISON CHANG, GENERAL MANAGER, REAL TIME PAYMENTS AND PAYMENTS AS A SERVICE, COMMBANK*

The Security Advantage

PayTo has several advantages over existing payment methods such as direct debit, including better security, instant visibility over the status of payments, and easier reconciliation and back office functions.

Firstly, because the payment is authorised through the customer's online or mobile banking app, both the customer and business benefit from the secure authentication practices used by banks.

Secondly, there is an additional layer of protection when payments are made using the New Payments Platform (NPP), Australia's fast payment infrastructure, which centrally stores within a secure and encrypted database details of the PayTo agreements. This helps to safeguard banking details from unauthorised parties that attempt to decode the information.

Thirdly, PayTo supports almost instant confirmation of customer account details and funds availability at the time of payment.

These all help to reduce the likelihood of failed transactions, chargebacks or disputes that can arise due to fraud, insufficient funds or incorrect account details.

The payments have automated transaction reconciliation with payments tied to the PayTo agreement, making for easier payment reconciliation. There are also flexible payment fields and additional data that help to reduce payer errors.

Businesses can reduce their administrative burden by replacing paper direct debit agreements with PayTo's digital and data-rich alternative. This, in turn, makes PayTo payments easier to establish, amend and reconcile.

PayTo also supports payer customer self-service, as payer customers can view and manage their PayTo agreements through their banking app. Payer experiences are also improved with the option to use PayID, making it easier for customers to provide their payment details without having to share their BSB and account number.

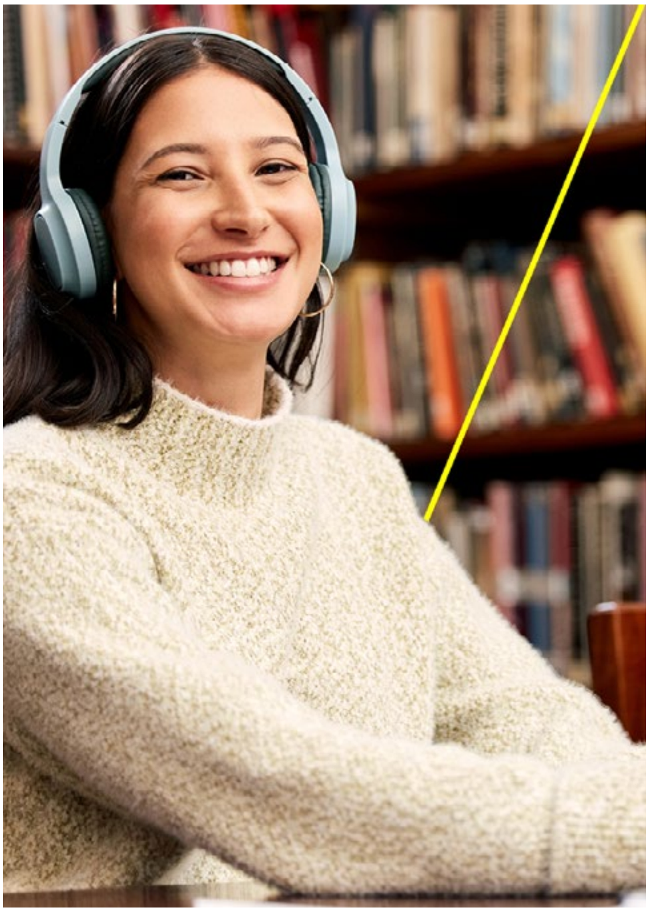
While PayTo improves payments security and user experience, it is important that businesses and payers remain vigilant for scams and frauds. PayTo payments are processed in near real-time and do not have consumer protections like card schemes, which can make it difficult to recover funds for payers.

CASE STUDY 1: FASTER TUITION PAYMENTS

Dymocks Tutoring, a Sydney provider of in-person and online tutoring to school students, is piloting PayTo to collect fees for recurring weekly and full term tuition as well as one-off payments for self-paced courses or holiday programs. Dymocks Tutoring's current bank transfer payment collection method could take up to one week to clear before it knows whether or not there has been an issue with the payment.

"This makes it difficult to onboard the customer effectively and without delay," says Mark Buckland, CEO, Dymocks Tutoring. "As PayTo is a near real-time payment solution, it dramatically reduces the delays caused by our current bank direct debit solution."

Buckland says PayTo allows Dymocks Tutoring to set up a digital PayTo payment arrangement on the spot and know when it has been accepted. By integrating through Application Programming Interfaces (APIs) which is a set of routines, protocols, and tools for building software applications[1], Dymocks Tutoring would know when a PayTo agreement has been suspended or cancelled, or when a payment has failed.



Improving Payments Experience

As the PayTo payment is tied into the business payment architecture, API flags enable Dymocks Tutoring to almost immediately update and reconcile enrolment and accounting records, which significantly reduces manual handling.

PayTo's near real-time payments also provide a better experience for Dymocks Tutoring customers — no delay with enrolments once they have paid, almost immediate debit of funds so they have certainty the payment has been made, and the ability to authorise PayTo agreements and manage them online or from the convenience of their banking app.

"One of our motivators has been an increasing concern from customers about the security of their data and payment details," says Buckland. "In an era of ever-increasing data breaches, customers are understandably hesitant to provide payment identifiers and want to be more in control of their financial arrangements. We see PayTo as a perfect way to give customers the control and certainty they seek all through a system they already have confidence in."

> “As PayTo is a near real-time payment solution, it dramatically reduces the delays caused by our current bank direct debit solution.”
>
> *– MARK BUCKLAND, CEO, DYMOCKS TUTORING*

> PayTo is the latest innovation for us in our continued journey to offer Australians more time back at home and at work, particularly for small business, instead of them spending hours trying to stay connected and pay their bills.
>
> *– RYAN MARKS, CHIEF INNOVATION OFFICER, MORE TELECOM*

CASE STUDY 2: GIVING TELCO CUSTOMERS TRANSPARENCY

More Telecom, an Australian telecommunications company, also sees significant benefits to their customers from the PayTo payment service. "PayTo is the latest innovation for us in our continued journey to offer Australians more time back at home and at work, particularly for small business, instead of them spending hours trying to stay connected and pay their bills," says Ryan Marks, Chief Innovation Officer, More Telecom.

More Telecom plans to eventually replace its direct debit payment facilities with PayTo. It also intends to offer PayTo at online checkout as an alternative to credit card payments to new customers signing up to its services. Currently, new customers need a credit card to sign up. More Telecom intends to make PayTo available to customers without credit cards, giving customers reassurance that they're not providing credit card details online.

With PayTo, the business customers will receive notification of when payments are made and any pause or cancellation of payments, which improves transparency and efficiency for business customers using PayTo. "This efficiency also enables More to provide a better experience for the customer in relation to payment queries and billing issues, in a faster and easier way," says Marks.

A National Payments Ecosystem

PayTo was developed by Australian Payments Plus (AP+), a member-owned organisation comprising Australian banks, some of Australia's largest retail merchants, payment providers and payment processors. PayTo is a key component of a broader initiative to transition all payments to the NPP. AP+ has a dedicated team of nearly 40 people driving this effort, supported by a structured program to facilitate the industry's transition.

The initiative supports NPP participants and other financial institutions in migrating direct-entry payments to the NPP. It also focuses on broader industry readiness, providing education and change management support.

Beyond Direct Debits

Along with replacing direct debit payments, Oli Mitchell, Product Management Lead, AP+, says, "PayTo can be used by businesses to manage disbursements such as payroll, dividends and accounts receivables, by employers sending superannuation payments, and by purchasers completing property transactions".

"The product is inherently flexible," says Mitchell. "It can be used with multiple frequencies — one-off, periodic or ad hoc — and with multiple amounts — fixed usage-based or capped — and so the use cases are similarly diverse."

Because PayTo agreements can effectively be used as "payment authorities", they can also be used by businesses to outsource routine payment processes, Mitchell says. For example, a business might set up a PayTo agreement with their payroll provider for the payroll provider to handle payroll up to a pre-approved limit, or their accountant to handle invoice payments.

By Alison Chang – General Manager, Real Time Payments and Payments as a Service, CommBank

THINGS YOU SHOULD KNOW

[1]Microsoft: Application programming interfaces (APIs)

This article is intended to provide general information of an educational nature only. It does not have regard to the financial situation or needs of any reader and must not be relied upon as financial product advice. You should consider seeking independent financial advice before making any decision based on this information. The information in this article and any opinions or conclusions are reasonably held or made, based on the information available at the time of its publication.

Celebrating Excellence in Treasury: Highlights from the ACTA Awards

The 2025 ACTA Awards were a highlight of the 37th Annual ACTA Treasury Conference, held on 29th May at the Manly Pacific Hotel in Manly, NSW. The event brought together leading professionals from across the corporate treasury landscape to recognise and celebrate outstanding achievement, innovation, and leadership within the industry.

Proudly supported by sponsors including Bank of America, Commonwealth Bank, ANZ, HSBC, and J.P. Morgan, this year's awards honoured individuals and teams who have made exceptional contributions to the profession and to the Australian Corporate Treasury Association (ACTA) itself. From game-changing payments innovation to community leadership and large-scale sustainability-linked financing, the winners exemplify the very best of treasury in action.

Here's a closer look at the 2025 ACTA Award winners and their remarkable accomplishments.

INNOVATION OF THE YEAR

Sponsored by:
Bank of America

Winner:
BP Australia

BP Australia was recognised for its pioneering adoption of the New Payments Platform (NPP) as the default for all transactions—revolutionising B2B payments. The integration of ANZ's NPP toolkit, Swift Fileact, and Fin enabled real-time, straight-through processing that significantly improved cashflow management, enhanced supplier relationships, and reduced errors through automation.

Janani Selvakumar was honoured for her leadership in advancing the Women in Treasury initiative. Her dedication, creativity, and energy have elevated the group's visibility and enriched the treasury community through inclusive programming and meaningful engagement.

COMMUNITY IMPACT AWARD

Winner:
Janani Selvakumar MCTA, Assistant Treasurer – Woolworths

Alyce Ly has transformed Endeavour Group's treasury operations—streamlining liquidity forecasting, reducing finance costs by over 10%, and automating key functions using their Treasury Management System (TMS). Her strategic contributions are helping drive data-driven decision-making and operational efficiency across the business.

EMERGING TREASURY PROFESSIONAL

Sponsored by: Commonwealth Bank

Winner: Alyce Ly, Senior Treasury Analyst – Endeavour Group Limited

TEAM MEMBER OF THE YEAR

Sponsored by: ANZ

Winner:
Taylor McDonald, Treasurer, Capital & Operations – Ampol Limited

Taylor McDonald stood out for leading multiple initiatives at Ampol, including securing a $100 million green loan, issuing $600 million in subordinated notes, and implementing treasury innovations like virtual accounts and ISO 20022 transition. His work exemplifies a high-impact approach to treasury leadership.

TREASURER OF THE YEAR

Sponsored by: HSBC

Winner: Lilly Cheung, Group Treasurer – Transgrid

Lilly Cheung led Transgrid through a landmark year of strategic financing, including Australia's largest-ever corporate hybrid transaction and critical funding for major infrastructure projects like HumeLink and VNI West. Under her leadership, Transgrid raised nearly $13 billion in debt and equity and transformed the treasury function with robust governance, investor engagement, and risk management practices.

TREASURY TEAM OF THE YEAR

Sponsored by: J.P. Morgan

Winners: AirTrunk and Flight Centre

AirTrunk was recognised for leading some of the most significant global transactions in 2024, including a A$24 billion acquisition and a record A$4.6 billion Sustainability Linked Loan. Their sustainability initiatives have positioned them as global leaders in the data centre sector.

Flight Centre Travel Group demonstrated a remarkable turnaround, delivering AU$320 million in profit and record-breaking transaction volumes. Their treasury team was instrumental in driving capital management, digital transformation, and FX and risk strategy—positioning the business for long-term growth.

PRESIDENT'S AWARD

Winner: Naomi Braham – ACTA

The President's Award recognises an individual who has made a lasting and meaningful contribution to both the Australian Corporate Treasury Association and the broader treasury profession.

This year's recipient, Naomi Braham, has dedicated over 15 years to supporting and strengthening the treasury community in Australia. Throughout her tenure, Naomi has played a critical role in driving operational excellence, delivering outstanding member service, and fostering long-standing stakeholder relationships.

Her unwavering commitment, attention to detail, and deep care for ACTA members have made her a trusted and respected presence across the sector. Naomi's tireless work behind the scenes has helped ensure the Association's growth, stability, and member satisfaction—leaving a profound legacy of professionalism and impact.

Looking Ahead

The ACTA Awards continue to celebrate excellence in leadership, innovation, and collaboration within the treasury community. This year's winners remind us of the remarkable talent and commitment driving the profession forward. Congratulations to all the recipients for their inspiring achievements and contributions.

Treasury Management in an Unpredictable World

Global commerce is at a crossroads. Businesses must navigate an increasingly unpredictable trade environment – and while they can do little to sway the decisions of governments and central banks, they can and must adapt.

Our conversations with business and finance leaders of international corporates indicate that they recognise this imperative, making agility and resilience core elements of their operating strategies.

At HSBC we believe there are three macro trends at work today which finance and treasury functions must position for; and these three trends surface the most in our discussions with our clients.

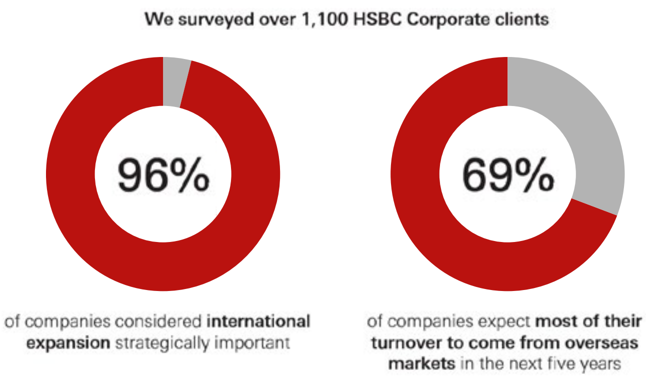
The first is the balance of trade and investment between countries and industries, shaped by the trade policies such as tariffs being implemented globally, the impact on activity in these trading corridors, and the accelerated growth in corridors such as China-ASEAN, China-Mexico and India-West.

Second is an elevated interest rate environment. Previous predictions of sustained rate cuts are being revised: instead, some jurisdictions may even see rates rising again to tackle potential inflation.

Third is increased volatility (e.g. FX) and counter party risk given the uncertainties around trade flows and divergent interest rate trajectories across currencies.

Each of these trends has consequences for treasurers.

Changing trade patterns will lead to altered supply chains and a need for new counterparties as companies not only amend their sourcing locations and product mix but also expand into newer markets. The good news is that corporates are not giving up on globalisation – in our HSBC survey[1] of over 1,100 customers, 96% still consider international expansion important, to facilitate growth, economies of scale, and risk diversification. Managing these supply chain shifts will be increasingly important.



SOURCE: A Global Advantage: Leveraging your networks for international growth report

A higher-for-longer rates environment will raise external financing costs, while the expected volatility in foreign exchange markets will impact foreign currency assets and liabilities. This will require careful identification of exposures and proactive risk mitigation. For companies conducting businesses internationally, volatility will also result in greater complexity in underlying cash flows.

All these influences will likely increase pressure on margins, and therefore return on investment. That will make cash a scarce strategic corporate resource – one that treasury functions will be expected to manage with skill and agility. It's an expectation that invites decisive change.

3 TRENDS

- Impact of changing trade policies
- Elevated interest rate environment
- Increased FX volatility and counterparty risk

3 INSIGHTS

- Capital preservation of cash assets
  De-risk through centralisation
- Make cash work hard for the business
  Ease margin compression through financial efficiency gains
- Build a future-oriented treasury
  Use digital tools to gain global real-time insights

Actionable Insights for Treasury

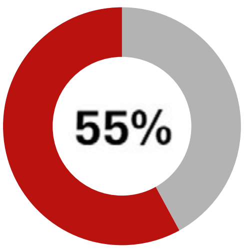
While geopolitical and economic uncertainty is top of mind for corporates, they have swiftly focused on the trade policy implications to their business. In nearly all conversations with corporates, the importance of cash as a precious resource – and its appropriate management – surfaces repeatedly.

There are three prominent themes and corresponding actions to consider that are intrinsically linked to treasury.

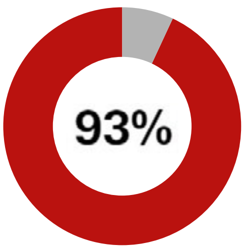
The first theme is capital preservation of cash assets, which in turn means the de-risking of cash. Exposure to country risk, currency depreciation and counterparty1 defaults is never more important to manage than during a period of uncertainty. At the same time, cash must be available at the right place and the right time for the smooth operation of the business.

It is useful for a treasurer to ask themself: if the board asked me to give them a view on the cash position for a global company as of today or even yesterday, could I do it? And do I only have optimal but not excess cash in markets that are becoming more volatile due to policy changes?

We also observed this in HSBC's Corporate Risk Management survey[2] where nearly 55% of CFOs interviewed highlighted cash flow forecasting and monitoring as the most important aspect of their Treasury management and also the area to improve upon.



of CFOs said **cash flow forecasting and monitoring** as the most important aspect of treasury



of CFOs say their business has suffered **avoidable losses from inaccurate forecasting** in the past two years

SOURCE: HSBC Corporate Risk Management survey

This is easier said than done, but there are practical steps a treasury can take, such as mitigating FX risk and enhancing cash visibility / forecasting through centralisation. This could mean using in-house bank structures or even changing invoicing currencies to rationalise FX management and centrally executing payments for group entities.

Doing so brings swift and tangible benefits, as one of the world's largest building materials group found when it simplified its global banking infrastructure, spanning 170 entities in 19 countries, using HSBC's Liquidity Management Portal. This helped the group optimise its FX, improved its efficiency and mitigated risks allowing them to operate more dynamically in real time.

The second theme is the opportunity cost of cash, especially in the context of inflation and higher-for-longer rates. Is cash working hard enough for the business? How do you mitigate the operating margin compressions caused by higher input costs with financial efficiency gains? We know this is a top-of-mind issue, as 58% of CFOs at HSBC's surveyed2 corporates said inflation-linked higher interest and its impact was among their top macro concerns.

Cash can be made to work harder by optimising liquidity across entity structures using automated cash concentration and freeing up trapped cash across jurisdictions or even calibrating treasury investment policies to optimise returns. Take the example of a Middle Eastern fertiliser producer that set about automating and centralising liquidity structures with HSBC's assistance, moving liquidity away from local exposures to the central headquarters. It used cash concentration to minimise idle balances and trapped cash, lowered borrowing costs by promoting self-funding, and reduced dependency on borrowing and overdraft facilities.

The third theme is about the need to build more future-oriented treasuries: those that don't just respond to the news of the hour, but can adopt an all-weather operating strategy, one built upon agility and the creation of long-term value. Such a treasury can withstand volatility – and will need to, as volatility is here to stay.

A future-oriented treasury is a digital treasury, using new tools to achieve global, real-time insight over cash positions and financial exposures. Forecasting by overlaying external variables and embedding AI tools helps a treasury function to understand what the precise liquidity and funding needs will be if a particular scenario plays out.

> "Cash is king, now more than ever."

An Increasingly Vital Function

This resilience and adaptability is doubly important as treasurers are playing an increasingly strategic role within their organisations. They are expected to report to boards and risk committees on risk management and operational readiness. Treasury teams are no longer just custodians of cash — they are enablers of business growth.

I would suggest all corporates re-assess the effectiveness of their group-wide liquidity management, remembering that now more than ever, cash is king: the lifeblood of any organisation at a time of volatility.

This is also the time to think long-term and build a digital treasury infrastructure designed to increase your circle of influence to manage volatility, now and in the future.

The best time to start a digital-led treasury transformation journey was five years ago: such a journey would have prepared corporates for today's risk environment. But the second best time is now – and we are very happy to play a role in supporting the journey with our insights, innovative solutions and international capabilities.

By Manish Kohli – Head of Global Payments Solutions, HSBC Group.

To read our latest treasury insights and find out how HSBC can support your treasury transformation, visit our website at business.hsbc.com.au/insights

REFERENCES:

[1] A Global Advantage: Leveraging your networks for international growth report

[2] HSBC Corporate Risk Management survey

The Strategic Treasurer: Evolving Influence in a Shifting Risk Landscape

Insights from Leading Treasury Professionals at the 2025 ACTA Conference.

In today's complex economic environment, corporate treasurers are stepping further into the spotlight—not just as financial gatekeepers, but as strategic influencers across the enterprise. From embracing data-led insights to navigating decentralised structures and influencing procurement, the modern treasurer's reach has extended far beyond traditional funding and FX risk.

This evolving mandate was front and centre during the recent "On the Couch" panel discussion at the 37th Annual ACTA Treasury Conference, hosted by Paul Travers FCTA, Non-Executive Director and Director of Learn Treasury. Joining him were three seasoned treasury professionals:

Michael Braude, Treasurer, George Weston Foods
Paula Dupuy, Vice President – Group Treasurer, Aristocrat Leisure Limited
Darren Beatty, Head of Treasury, Charter Hall

Together, the panel explored the practicalities of risk management, the importance of simplicity in communication, the treasure trove of opportunity in procurement contracts, and what it truly means to lead strategically in today's treasury landscape.

"On the Couch" panel discussion host Paul Travers FCTA, Non-Edecutive Director and Director of Learn Treasury.

Keeping it Simple, Keeping it Strategic

"Simplicity" became an unexpected cornerstone of the discussion—particularly when it comes to how treasury communicates risk and insight across the business.

"Keep it simple. Keep it simple, honestly," said **Darren Beatty**, in reference to building internal dashboards and delivering live data to investment and sector teams. "There's a whole layer of other complexity and data that you can go into… but at least there's a starting point."

This principle of 'simple-first' does more than improve communication—it opens the door to better collaboration and long-term planning.

"If we can be forward-looking in every sense, that's going to help us in terms of planning and where we need to be, and dealing with the cycles that we're in," Beatty added.

> "Procurement is the gift that keeps on giving."
>
> *– MICHAEL BRAUDE, TREASURER, GEORGE WESTON FOODS*

The Procurement Goldmine

While treasury professionals are often focused on external financial markets, much of the discussion highlighted a huge and often underexploited opportunity within the organisation itself: procurement.

"Procurement is the gift that keeps on giving, literally," said **Michael Braude**. "Every time you look at an agreement… you're basically giving your access to wholesale FX markets or commodity risk management to a supplier to clip the ticket—and you can't even validate what they're doing."

Braude shared a case study from George Weston Foods, where a casual comment about early supplier payments sparked an internal analysis. The result? Over \$350,000 in annual interest cost due to inefficient payment runs. This example underscored the broader potential in working capital optimisation and the role technology and analytics can play.

"If we had the ability to do analytics like that more easily through technology… there's so many opportunities," Braude said. "But it's getting the intel to unpick them."

This theme—of unearthing risk and opportunity in forgotten or misaligned contracts—was echoed by **Paula Dupuy**, who recalled her time at Lion. "I went through the top 20 contracts for the procurement business and identified exposures where we were being clipped unnecessarily," she said. "Now we've got the tools to overlay more sophisticated analysis. The potential is huge."

> "We're building an internal data lake… with an AI engine that runs across the whole enterprise."
>
> *– DARREN BEATTY, HEAD OF TREASURY, CHARTER HALL*

Using Technology—With Caution and Strategy

Technology is unlocking opportunities—but also raising new questions around data governance and security.

Darren Beatty explained how Charter Hall has addressed this challenge by integrating treasury's data responsibilities into the broader organisational risk framework.

"The technology and/or information risk framework doesn't sit specifically in treasury," he said. "It's part of our group risk framework, and managed by our group head of IT and compliance. But treasury is absolutely key to it."

He went on to describe Charter Hall's in-house strategy around AI and data lakes: "We're building an internal data lake of all our data, and then running an AI engine over it to extract information—entirely within the four walls of the business."

This deliberate integration ensures that as treasury is consuming technology,it happens in lockstep with their enterprise-wide risk governance approach.

Building Strategic Influence

> "Let's demystify treasury to work to our advantage."
>
> *– PAULA DUPUY, VICE PRESIDENT - GROUP TREASURER, ARISTOCRAT LEISURE LIMITED*

The panel was unanimous on one point: strategic treasury is about people just as much as it's about numbers.

Paula Dupuy reflected on the power of demystifying treasury. "I hear a lot of people saying, 'Let's keep the mystery of treasury.' But I'm all for extending and sharing—versus keeping it tight," she said. "Let's demystify treasury so as to work to our advantage, and the business's advantage."

Strategic influence, then, comes not from a mandate, but from relevance and engagement. "It's not an unchallengeable position," said Beatty. "There's always going to be challenge from senior executives or the board. It's about being able to substantiate why you've recommended what you have."

Michael Braude took this idea further, reflecting on his own role advising six separate businesses under a decentralised model.

"You can't take it personally if they don't follow your recommendation," he said. "You've got to be engaging, credible, and relevant. If they don't think you know what you're talking about… or you're a pain to deal with, you won't get there. But if you can nail those three things, the rest will follow."

> "If you can be engaging, credible, and relevant—you'll go far."
>
> *– MICHAEL BRAUDE, TREASURER, GEORGE WESTON FOODS*

Left to right: Darren Beatty, Paula Dupuy and Michael Braude.

Lessons from the Long Road

As the session neared its end, Paul Travers posed a personal question: *What do you wish someone had told you when you started in treasury?*

Braude didn't hold back. "Use liquidity when it's there. Don't assume it will always be available. Understand futures and yield curves. Be politically aware—know the 'politicians' in your business. Don't play in crowded spaces. Take responsibility for your own development. Be engaging, credible, and relevant."

> Be humble. Don't burn bridges—you may need to walk back across them.
>
> *– DARREN BEATTY, HEAD OF TREASURY, CHARTER HALL*

He also shared a lesson from sport that resonated in a professional context. "Ivan Cleary's book is called *Not Everything Counts, But Everything Matters*. It might not count in the short term, but if you let things slide, it changes your mindset."

Dupuy's advice was equally practical: "Just don't assume anything. And keep that curious mindset. Meet people, learn things. Treasury should be about sharing, not secrecy."

Beatty's contribution was short but powerful: "Be humble. Don't burn bridges—you might have to walk back over them."

Final Thoughts: Treasury as Trusted Partner

To close the session, Travers offered a reflection that tied the conversation together: "The treasurers doing really well work *within* their businesses. They take the knowledge they gain from the markets and their partners, and apply that within the business. Not the other way around."

The message was clear: being a strategic treasurer isn't about holding power—it's about building trust, using data meaningfully, engaging collaboratively, and being ever-curious about the world both inside and outside the organisation.

And while the tools, systems and risks may change, the core principles remain: relevance, engagement, credibility, and a willingness to share what you know.

> Don't assume anything. Keep asking questions and stay curious.
>
> *– PAULA DUPUY, VICE PRESIDENT - GROUP TREASURER, ARISTOCRAT LEISURE LIMITED*

Are You Ready for the Real-Time Payments Revolution?

By adapting early to real-time payments, Australia's largest corporations will stake a competitive advantage and enjoy the benefits of improved customer-centricity and operational efficiency.

Close to 100 per cent of Australian consumers are using real-time payments through the **New Payments Platform (NPP)**, but penetration among businesses remains some way off ubiquity.

"If you're a business-to-consumer (B2C) company and you're not thinking about real-time, you're at risk of being overtaken by your competition," says Kathryn Carpenter, Managing Director of Domestic Payments and Liquidity for Global Transaction Services at Westpac.

With the advent of the NPP in 2018, consumers are now commonly using the unique identification capabilities of **PayID** and using digital wallets on smart phones.

Over 26 million PayIDs[1] have been registered and more than 100 payment providers offer services through the NPP, which now manages more than 30 percent of all account-to-account transactions in Australia.

Drivers of Change

Consumer adoption is one key driver of the real-time revolution. Another is value, and the opportunity to generate operational efficiencies and insights, leaving behind the cost and risk of legacy and manual payments.

The third is industry, with the **planned phase-out of the Bulk Electronic Clearing System** (BECS, also known as direct entry). In use since the 1970s the direct entry BECS infrastructure accounts for around AUD $17 trillion in payments each year[2], so it's still deeply embedded in Australia's payments processes.

"Its decommissioning could cause a huge disruption for businesses over a relatively short period of time – but it's also an opportunity for those who move early," says Carpenter.

"The risk in adopting late is that you materially increase the costs of the change, and you may miss out on opportunities."

In this new world of payments, corporate treasurers will work with systems freed from the burden of batch-processed payments and will be able to transcend time zones.

The ability to access data at any time will deliver unparalleled transparency on an organisation's financial position. "These changes create strategic opportunities for corporate treasurers," says Carpenter.

Success in Transition

As businesses turn their attention to the change ahead, Carpenter says Westpac clients can take advantage of the bank's real-time readiness assessments to help determine how best to manage the transition.

The assessments span technical integration and change issues, processes and policies, through to safety and security measures.

Real-Time Transition

There are already options in the market that will help corporates transition to real-time payments.

The launch of **PayTo** for billers in 2024 has enabled the migration of existing direct debit mandates from direct entry in a simple and smooth transition, and in an environment of enhanced security.

Unlike BECS direct debit, PayTo is designed to be end-to-end online (on-line banking native). Digitised records with easy accessibility mean that no wet signature and no paper records are required.

> "Remove the hassle."

Westpac has launched **Dynamic Virtual Cards (DVCs)** for institutional, corporate and government customers, enabling fast and secure online and 'tap and go' payments. These non-physical cards can be generated while people are in the field or working remotely.

"Our DVC capabilities deliver real-time visibility over how a treasurer can manage travel, entertainment, or supplier payments," says Carpenter. "Integrating with leading expense management systems, they remove the hassle of one-to-one card management and reconciliation."

Westpac is a digital leader in developing proprietary platforms, including **PaymentsPlus** for payables and **QuickStream** for receivables.

It's currently the only Australian bank offering a single end-to-end integrated service that brings together all key payment solutions with the NPP's more recent industry-wide options.

> "Westpac is a digital leader in developing proprietary platforms, including PaymentsPlus for payables and QuickStream."

Delivering Real-Time Advantage

The bank is releasing **Westpac One**, a new core banking platform for institutional and large corporate customers.

Westpac One is designed to upgrade corporate treasuries for the next wave of digital innovation.

A native cloud-based solution, it will offer one platform for all transaction banking, combining payables, receivables, reporting and control for corporate treasuries in a holistic real time operating environment.

Using **Westpac One's Treasury Co-Pilot**, treasurers can experience the advantage of real-time data integrated into payment systems that operate to pre-set policy rules aligned with the corporate's operational needs, risk position and investment priorities.

"Westpac One is the ultimate combination of real-time treasury automation," says Carpenter.

Kathryn Carpenter – Managing Director of Domestic Payments and Liquidity for Global Transaction Services at Westpac

SOURCES:

[1] Source: AP+ 31 March 2025 and RBA Payments data

[2] Decommissioning of the Bulk Electronic Clearing System: RBA Risk Assessment March 2025

Mastering Working Capital Management to Drive Business Growth

In an era where financial agility is paramount, effective working capital management has become a cornerstone for business success.

At a recent panel discussion moderated by Dr. Kurt Smith, a Director of Marengo Capital, industry leaders from Lion, Fortescue, and J.P. Morgan shared their strategies for optimising working capital to enhance financial performance and enterprise value. Their insights provide a roadmap for companies seeking to navigate the complexities of today's financial landscape and position themselves for long-term success.

Left to right: Amy Eckhoff, J.P. Morgan, Dale Luong, Lion, and Lee Trewartha, Fortescue speak on a panel at the ACTA Conference in Sydney about working capital management.

The Critical Role of Working Capital

Working capital, the lifeblood of any organisation, is the difference between a company's current assets and liabilities. It funds day-to-day operations and includes cash, inventory, trade receivables, and payables. The cash conversion cycle (CCC) provides a clear measure of efficiency, indicating how quickly a company can convert invested cash into cash from sales. A shorter CCC means more efficient cash use, freeing resources for investments and debt reduction.

Dr. Kurt Smith emphasised the strategic importance of working capital, stating, "Working capital is a key performance indicator for CFOs and boards, and it's something you definitely want to support rather than impede. Poor management can raise red flags and impact credit ratings."

Lion Group's Strategic Approach

Dale Luong, Head of Treasury at Lion, shared the company's strategic approach to working capital optimisation. "In 2024, Lion undertook a deep dive into its working capital efficiency across all business areas with the objective of improving key financial metrics," Luong explained.

By establishing performance benchmarks and focusing on reducing the CCC and cash requirements, Lion aimed to enhance its financial agility. Lion's strategy involved several key areas: accelerating cash collections through streamlining collection processes and automation, balancing inventory levels to prevent stockouts, and negotiating longer payment terms with suppliers.

"Technology was a key enabler for Lion," Luong noted, highlighting the role of ERP systems and AI in real-time decision-making. "Our ERP systems integrate financial data, inventory, and supply chain data for real-time decision-making, allowing us to optimise our operations."

The results were significant, with a 10-day improvement in the CCC, leading to substantial cost savings. "A 10-day savings means you use less funding for every production cycle," Luong explained.

> “If your working capital is $100 million and your cost of debt is 5%, you're looking at a saving of about $140,000 per cycle.”
>
> *– DALE LUONG, HEAD OF TREASURY AT LION*

Fortescue's Focus on Optimisation

Echoing the importance of strategic planning, Lee Trewartha, Treasurer at Fortescue Ltd (Fortescue), shared insights into the company's focus on working capital management. Fortescue's journey involved phases from expansion to optimisation and investment. "During the optimisation phase, repaying debt became the highest priority for Treasury," Trewartha emphasised, underscoring the need for efficient cash flow management.

> Technology plays a vital role in optimising operations, to streamline processes and improve efficiency.
>
> *– LEE TREWARTHA, TREASURER AT FORTESCUE LTD (FORTESCUE)*

Fortescue's approach included structured trade finance and liquidity management to maximise debt repayments. The company also focused on understanding customer contracts and pricing periods to manage cash flow effectively. "Understanding the customer mix and the terms embedded in contracts was crucial for managing cash flow," Trewartha noted.

In the investment phase, Fortescue leveraged a period of strong free operating cashflow for system upgrades and financial digitisation. "We automated a lot of the documentation that we were handling within our trade finance operations," Trewartha explained, highlighting the role of technology in optimising operations. "This allowed us to streamline processes and improve efficiency."

J.P. Morgan's Perspective on Real-Time Treasury Ecosystems

Amy Eckhoff, Global Head of Liquidity Product Solutions at J.P. Morgan, provided a broader perspective on the evolving landscape of working capital management. "There's a shift from treasury optimisation to a real-time treasury ecosystem," Eckhoff noted. This shift involves achieving 100% visibility of accounts and linking into real-time payments and cash positioning.

Eckhoff emphasised the importance of integrating payment flows with liquidity and treasury, especially in restrictive markets. "Turning cash into a strategic utility from a working capital perspective is crucial for managing costs," she stated, underscoring the need for advanced cash management tools to automate flows and manage FX costs effectively. "Clients are increasingly focused on cost optimisation, efficient cash management, and automation."

> Turning cash into a strategic utility from a working capital perspective is crucial for managing costs.
>
> *– AMY ECKHOFF, GLOBAL HEAD LIQUIDITY PRODUCT SOLUTIONS, J.P. MORGAN*

J.P. Morgan's approach includes advanced cash management tools, such as embedded cross-currency sweeps, to automate flows and manage FX costs effectively. "These tools allow companies to manage their cash positions more strategically and reduce idle cash," Eckhoff explained.

As the business landscape continues to evolve, embracing real-time treasury ecosystems and advanced cash management tools will be essential for staying competitive and achieving sustainable growth. As Dr. Kurt Smith stated, "Effective working capital management is not just a financial necessity but a strategic advantage. It requires collaboration across various business units and a commitment to continuous improvement." As companies strive to master working capital management, the lessons shared by these industry leaders provide valuable guidance for achieving financial agility and long-term success.

Private Credit in Australia: What Corporate Treasurers Need to Know

If you find traditional bank lending markets are tightening and capital markets remain out of reach, corporate treasurers have an alternative to explore: private credit, a flexible, strategic funding option. But what exactly is private credit—and how can it fit into your capital structure?

In this article we'll explore private credit, drawing on our panel discussion at the ACTA Conference in 2025 where our panel of industry experts with decades of finance experience and insights explored its nuances, regulatory environment, and strategic implications for borrowers, investors, and corporate treasurers.

What is Private Credit?

Private Credit in Brief: Non-bank, negotiated loans often used for bespoke financing needs—typically higher yield, more flexible, and less liquid than traditional bank loans.

Over my 30 years in finance, I have seen credit and lending evolve banks providing most business credit, with the largest issuing public debt, to a world where it seems almost everyone else except a bank will provide credit.

The financial crisis in 2008 changed the lending landscape. As banks retreated from what they viewed as higher risk lending in response, insurance, pension and private wealth investors looked to boost returns and entered credit markets. Private credit is now a big part of the higher yield loan market in the US, going beyond joining banks in syndicated loans to providing loans without banks.

For an Australian flavour, the Reserve Bank of Australia has a useful definition of Private Credit:

> *Private credit is bilaterally negotiated lending to businesses arranged by non-banks. The lenders in the private credit market are typically asset managers that intermediate between end investors and borrowers.*[1]

For borrowers, Private Credit provides an avenue to borrow for projects or investments which may be considered too risky for bank lending but too small for public debt markets. Investors see private credit as providing a return-boost while providing some protections against loss.

[1] Andre Chinnery, William Maher, Diego May and Josh Spiller, Reserve Bank Bulletin – October 2024 "Growth in Global Private Credit" 17 October 2024

How is Private Credit different to Bank Lending?

Private credit is usually quicker to obtain, more flexible (fewer covenants) and is usually not relationship based.

While traditional bank lending is very much relationship-based and dependent on add-on services, private credit markets are focussed on the material elements of a transaction and business. Private credit funds tend to dig deeper into key contracts and business fundamentals, filtering out less material details.

> "Private credit is predominantly a "buy and hold" market in Australia."

In Australia and APAC, private credit is predominantly a "buy and hold" market: investors hold loans to maturity. This contrasts with the U.S. and European markets, where secondary trading in private credit instruments is more common, allowing investors to exit positions if market conditions change.

The illiquid nature of Australian private credit necessitates thorough initial due diligence because exit options are limited. Indeed, private credit funds act quickly to protect their loan and while willing to consider capitalisation of interest payments (So-called PIK, or Payment-in-kind loans) they will step-in to a borrower's business or operations if necessary.

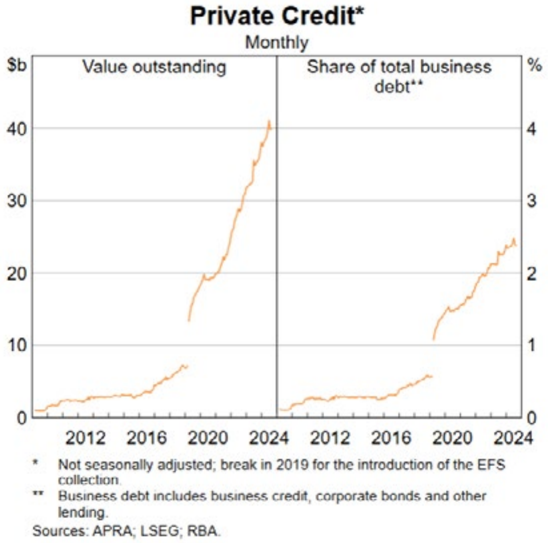
Private credit funds generally specialize in niche sectors, leveraging extensive experience—they rely on experienced credit executives and committees to evaluate risk, balancing swift decision-making and appropriate pricing for risk. In Australia, the focus has been on commercial property construction (due to Bank wariness and terms and conditions), borrowers considered too risky for banks or in industries Banks may be looking to exit (eg coal mining).

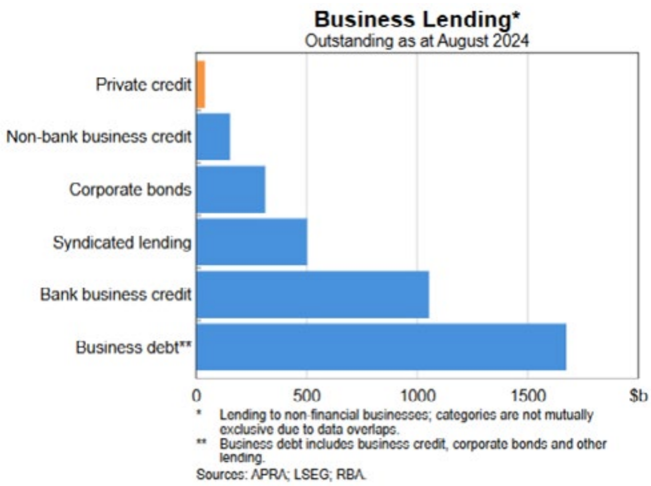
Despite the increased due diligence and deeper understanding of the underlying position, private credit is most often associated with more flexible conditions and loan covenants than bank lending.

A key consideration for borrowers to consider when considering private credit loans. The fund manager's fiduciary duty is to the investors in the funds. Borrowers should not treat the manager as if they were a relationship bank.

Market Characteristics: Australia and APAC vs. Global Markets

Quick Take: Private credit accounts for just 2.5% of total business debt in Australia—compared to over 10% in the U.S.





SOURCE: Reserve Bank Bulletin – October 2024

> "In Australia, the focus for private credit has been on commercial property construction."

Table 1: Features of Australian Private Credit

BUY AND HOLD	Australia's private credit market is still maturing and remains heavily dominated by buy-and-hold lending. Investors are less likely to trade loans actively in secondary markets compared to the U.S. and Europe, where liquidity in private credit instruments facilitates rapid refinancing and portfolio adjustments.
SCALE AND GROWTH	While private credit funds in Australia have grown substantially—Metrics Capital, for example, has expanded from around $5-6 billion in assets under management (AUM) in 2020 to approximately $23 billion recently[2]—the market is still small relative to offshore markets. Growth is robust but measured, with significant room for expansion before it approaches the size and influence seen overseas.
BORROWER PROFILES	Australian corporates tend to be more conservative regarding sub-investment grade debt issuance, particularly publicly listed companies which often strive to maintain investment-grade ratings. This contrasts with the U.S., where large corporates more readily access private credit markets at lower credit ratings.
SOURCES OF CAPITAL	Capital for private credit in Australia comes from a mix of domestic institutional investors, including superannuation funds and private wealth/family offices, and offshore investors. While there is strong offshore interest, regulatory and market capacity constraints limit the volume of capital able to enter the market.

[2] Metrics Credit Partners: metrics.com.au/about-us/ Accessed 25/06/2025

The Regulatory Landscape

The industry is already largely regulated: Providers generally are licenced by ASIC (Australian Securities and Investment Commission) while larger investors are regulated by APRA (Australian Prudential Regulation Authority). ASIC is also considering further protections for smaller investors.

Despite perceptions of private credit as an unregulated sector, the reality is more nuanced:

- Many private credit fund managers hold Australian Financial Services Licences (AFSL), subjecting them to regulatory requirements concerning conduct, conflict of interest management, and fair treatment of clients.
- Larger lenders must be registered with APRA (Australian Prudential Regulation Authority), subject tp regular reporting and oversight. When lending extends into consumer markets, consumer lending regulations apply, mirroring rules governing banks.
- APRA conducts stress testing across banks, non-bank lenders, and superannuation funds. Private credit exposure is included in this assessment but is currently viewed as posing limited systemic risk due to relatively small direct exposures. However, APRA retains the authority to apply macroprudential policies to non-bank lenders if needed.
- ASIC has a consultation to better understand private credit markets, focussing on assessing investor protection, particularly for retail investors. ASIC is particularly concerned about adequate disclosure, valuation methodologies, conflicts of interest related to fees, and reporting transparency.
- Design and distribution obligations require fund managers to ensure their products are suitable for target investors, with proactive suitability assessments before onboarding. This shifts responsibility for suitability away from investors and onto providers.

Transparency, investor education, and ongoing communication are vital to maintain confidence in the private credit sector. [3]

[3] Please see Alice Molan Fiona Smedley Paul Apathy Li-Lian Yeo: Private credit in Australia – the regulated "unregulated", Herbert Smith Freehills Kramer Insight, 6 Sep 2024 for more details.

Strategic Considerations for Corporate Treasurers

- Is the funding need long-term and fully drawn?

- Can the business tolerate higher cost for greater flexibility?

- Are bespoke structures relevant?

Corporate treasurers must evaluate private credit alongside all potential capital sources. The key questions include:

- What are the company's financing needs (e.g., working capital, acquisition finance, restructuring)? Private credit is not suitable for revolving credit needs, but is suitable for fully drawn term loans.

- Private credit can be flexible and often includes fewer conditions than traditional bank loans. Interest capitalisation can also be available. Do these benefits offset the typically higher cost compared to traditional bank facilities?

- Are there bespoke structuring options within private credit, such as subordination to senior lenders (mezzanine debt) or structurally subordinated loans (holdco debt), that fit with your corporate strategy?

Private credit is not a wholesale replacement for revolving credit facilities offered by major banks but excels at providing tailored solutions for companies whose needs are not met by traditional bank lending.

Flexibility, speed to market, and the ability to access bespoke financing structures are the major benefits. Debt remains a powerful tool alongside equity, often offering cost-effective and strategically flexible financing options. One way to consider private credit is as cheap equity, rather than expensive debt.

The Future of Private Credit: Growth and Challenges

- Continued Mainstreaming: Expect private credit to continue evolving from a niche alternative to a mainstream funding source, involved in a broader range of debt transactions. Institutional capital is increasingly available, and corporate treasurers are becoming more familiar with its capabilities. We expect to see this trend in Australia.

- Regulatory Evolution: Regulation change is expected to be incremental rather than dramatic. ASIC is likely to introduce reforms focused on retail investor protection and disclosure enhancement, while APRA will maintain its prudential oversight.

- Market Maturity and Size: There is considerable scope for growth in the Australian private credit market, but it remains behind the U.S. and Europe in scale and liquidity. As it matures, challenges will arise related to competition with banks, market liquidity, and the development of secondary markets.

- Borrower and Investor Education: Both borrowers and investors need a solid understanding of risk/return profiles, liquidity characteristics, and structural nuances. Maintaining investor confidence is critical to sustaining capital flows.

> Private credit is not a replacement for bank facilities, but a powerful complement.

Conclusion: Treasurer's Takeaway

Private credit is not a replacement for bank facilities—but it's a powerful complement. With the right structure and partner, it can unlock strategic flexibility and capital efficiency.

Private credit is reshaping the Australian and APAC funding landscapes by offering tailored, flexible financing solutions that complement traditional bank lending.

For corporate treasurers, private credit represents an important alternative pool of capital that should be assessed alongside other sources. For investors, particularly institutions, private credit offers access to diverse opportunities, albeit with attention to liquidity constraints and governance.

Looking ahead, the sector is poised for continued growth, underpinned by increasing institutional capital, supportive regulation, and deeper market understanding. With prudent oversight and active market participation, private credit will remain a vital and dynamic component of the financial ecosystem for years to come.

By Lindesay Brine FCTA – Associate Dean Curriculum & Learning (Postgraduate), Macquarie University

Making the Move to Real-Time Treasury Insights

For NAB corporate treasury clients working in complex operating environments, the latest real-time technologies are providing invaluable tools for strategic decision-making through rich data insights and precision forecasting.

"Data is the new currency of treasury," says NAB's Head of Liquidity Management Advisory Brett Healy. "Technologies like AI and machine learning are helping treasurers with insights to make better decisions faster, which is key to long-term financial resilience."

Healy says the recent acceleration in cash management innovation has removed many of the traditional barriers to cashflow optimisation for clients.

At NAB, this innovation comes through the Liquidity+ platform, which works to enrich and structure data, automate low value repetitive tasks and leverage machine learning to enhance forecasting and modelling processes.

For NAB client REA Group, a leading digital property business which operates realestate.com.au, switching on Liquidity+ has had a dramatic impact on efficiency and visibility. "What used to take us five or six hours a week in Excel - often with formula errors - now takes about 20 minutes," says Liz Wong, Senior Group Treasury Manager for REA. "That's freed up our team to focus on more value-add work instead of just crunching and reconciling numbers."

REA had previously relied on downloading statements from multiple portals and manually tagging transactions to build a view of cash. Liquidity+ has transformed this process - and enabled deeper insights into working capital flows.

"Working capital for us is quite lumpy and seasonal," Wong says. "Just getting visibility within the month, especially across our offshore accounts, has been a game changer." For her it means users will be able to ask questions in natural language like, "What are my top 10 working capital drivers this month?" and receive instant, accurate insights.

NAB's Healy also emphasises the immense value in forecasting, especially in areas like government finance involving major liquidity events like tax intake, grant disbursements and payroll. "Being off by even 1 per cent, is a huge number," Healy says. "Liquidity+ helps anticipate cash movements instead of just reacting to them. The sort of impact this delivers really is profound."

For more about how NAB Liquidity+ can help enhance liquidity and cash management for strategic success please speak to your banker or visit [NAB Cash Management].

Supercharging the Capital Stack: Treasurers Step Into a New Era of Funding Strategy

In an era marked by tightening credit conditions, regulatory reform, and an increasing appetite for yield, the capital stack is being redefined.

Once a rigid structure comprising straightforward layers of debt and equity, it is now being reimagined by forward-thinking Treasurers as a more flexible, strategic platform — one capable of fuelling long-term growth, improving risk profiles, and attracting a more diverse investor base.

At the recent session **Supercharging Your Capital Stack**, during the 2025 ACTA Conference, a panel of financial leaders came together to discuss how regulatory changes, corporate bond market reforms, and product innovation are opening new doors for Australian corporates.

What emerged was not just a technical briefing, but a strategic conversation: a shift from static capital sourcing to dynamic capital management. The message was clear — Treasurers have more options than ever before, and those who understand how to integrate them can unlock meaningful advantage.

Dr Kurt Smith, Director, Marengo Capital and Technical Director, ACTA.

Beyond the Traditional: Redefining the Capital Stack

Treasury has never been just about balancing the books. But today, it's increasingly about leveraging capital to advance business strategy. The capital stack — a term used to describe the mix of funding sources used by a company — is at the heart of this shift. Equity, senior debt, mezzanine finance, hybrid instruments, and now retail capital are each being reassessed for their role in future-proofing organisations.

Dr Kurt Smith, Technical Director at ACTA and Director of Marengo Capital, set the tone in his opening remarks:

> "These regulatory and market reforms aren't just changes on paper — they're enabling Treasurers to move beyond traditional wholesale debt markets and consider opportunities like retail investors and hybrid securities. It's about broadening your investor base and increasing your funding agility."

In today's climate of geopolitical tension, interest rate uncertainty, and evolving ESG mandates, that kind of agility is more than a nice-to-have — it's a competitive necessity.

> “The capital stack is being reimagined as a platform capable of fuelling long-term growth, improving risk profiles, and attracting a more diverse investor base.”

The Retail Renaissance

One of the most notable shifts explored in the session was the growing relevance of the retail investor. Historically underutilised by corporates, retail capital is now gaining traction thanks to reforms that improve transparency and reduce structural barriers to entry.

Rory Cunningham, Senior Manager – Business Development at ASX, highlighted the Australian Securities Exchange's evolving role in this space.

> "At ASX, we've always had a strong presence in fixed income through Austraclear. But what we're now seeing is a stronger desire — and regulatory alignment — to bring retail investors more meaningfully into the bond market. That's a major change, and one we're helping facilitate."

Austraclear processes over a trillion dollars' worth of securities, and ASX's ongoing work to modernise this system is laying the groundwork for broader access. For Treasurers, it's a signal to start exploring how public issuance, listed debt, and retail-facing structures can fit into a modern funding mix.

> “We're helping facilitate the change of bringing retail investors into the bond market.”
>
> *– RORY CUNNINGHAM, SENIOR MANAGER – BUSINESS DEVELOPMENT AT ASX*

Hybrid Securities: Bridging Debt and Equity

Hybrid instruments — those that combine characteristics of debt and equity — have long been a tool for banks and utilities. But they're now being explored by corporates across sectors, particularly those seeking balance sheet flexibility while maintaining investor confidence.

Kelly Amato, CFA – Senior Director at Fitch Ratings, noted the resurgence of hybrid securities in current market conditions.

> "We're seeing more interest in hybrids, particularly for non-financial corporates given bank hybrids are being phased out. They offer funding without necessarily diluting equity or affecting control, and they can be structured to qualify for equity treatment and therefore maintain favourable credit treatment for leverage metrics."

She pointed to the importance of transparency, clarity of terms, and whether features are conducive to maintaining them as a permanent part of its capital structure in determining how hybrids are rated. With interest rates holding higher and investors hunting for yield — suggests increased investor appetite for hybrids.

Left to right: Rory Cunningham, Senior Manager – Business Development, ASX; Kelly Amato CFA, Senior Director, Fitch Ratings; Lilly Cheung, Group Treasurer, Transgrid and Dr Kurt Smith, Director, Marengo Capital and Technical Director, ACTA.

Real-World Application: TransGrid's Perspective

As one of Australia's largest electricity transmission providers, TransGrid operates in a capital-intensive sector where strategic funding decisions are central to long-term planning. Group Treasurer Lilly Cheung provided insight into how reforms are being interpreted at the coalface.

> "At TransGrid, we're focused on supporting strategic growth — particularly the infrastructure needed for Australia's energy transition. That requires flexible, reliable capital, and these reforms offer new options for achieving that. But you have to take a proactive approach to capital management."

For companies like TransGrid, a well-calibrated capital stack is not just about efficiency — it's about national infrastructure, resilience, and sustainability. Cheung's comments underscored the broader implications of these reforms, especially for businesses supporting long-term public outcomes.

Regulation as Enabler, Not Obstacle

While compliance requirements are increasing, the panel made it clear that regulation — when well-designed — can be an enabler of innovation, not just a constraint. In fact, much of the progress in the Australian corporate bond market has been driven by efforts to simplify access for both issuers and investors.

Initiatives developed by the Australian Corporate Bond Market Reform Working Group to streamline documentation and lower the thresholds for retail bond issuance were flagged as game-changers.

> "Regulators and market participants are aware that the retail bond market has been underutilised by corporates in Australia. These changes are about levelling the playing field — particularly for mid-tier companies who previously felt shut out.," Cunningham added.

That levelling effect could dramatically alter the capital landscape, especially for private or unrated entities that have historically relied on bilateral facilities or syndicated loans.

> "These reforms offer new options for achieving flexible, reliable capital."
>
> *– LILLY CHEUNG, GROUP TREASURER, TRANSGRID*

A Call to Action for Treasurers

What does all this mean for the Treasurer? It means now is the time to shift from passive capital management to active capital strategy. It's about embracing optionality — not for its own sake, but as a way to build resilience, optimise funding costs, and better align capital with business objectives.

> "Treasurers need to understand that the capital stack is no longer a fixed formula," said Smith. "It's a strategic lever. The more informed and intentional you are in building it, the more value it can create for your organisation."

He also noted that education and market awareness are critical. Understanding how investors — institutional and retail — assess risk, return, and governance is key to successfully expanding your capital base.

> "The more informed and intentional you are in building the capital stack, the more value it can create for your organisation."
>
> *– DR KURT SMITH, DIRECTOR, MARENGO CAPITAL AND TECHNICAL DIRECTOR, ACTA*

Dr Kurt Smith, Director, Marengo Capital and Technical Director, ACTA.

Looking Ahead: Integration Over Innovation

While innovation is essential, the future of treasury won't be defined by any one new instrument or investor type. Instead, it will be defined by integration — the ability to assemble a cohesive funding strategy from diverse sources, each with its own risk profile, return expectation, and reporting requirements.

For many treasury teams, that will require upskilling, enhanced stakeholder engagement, and closer alignment with boards and executive teams. But the payoff is significant.

As Amato put it:

> “The Treasurers who will thrive in this next chapter are those who can confidently navigate between traditional and emerging structures — and explain to stakeholders why that mix is right for the business.”
>
> *– KELLY AMATO, CFA – SENIOR DIRECTOR AT FITCH RATINGS*

Conclusion: The Capital Stack as a Strategic Asset

The **Supercharging Your Capital Stack** session was a timely reminder that capital sourcing is no longer an operational task — it's a board-level conversation. Whether it's hybrid securities, retail investor engagement, or market infrastructure reform, the capital stack is becoming a canvas for strategic expression.

For Australian Treasurers, the challenge is not just to keep pace, but to lead the change. By proactively exploring the evolving funding landscape, embracing new sources of capital, and partnering closely with regulators, rating agencies, and exchanges, Treasurers can turn the capital stack into a competitive advantage — and in doing so, redefine the future of corporate finance.

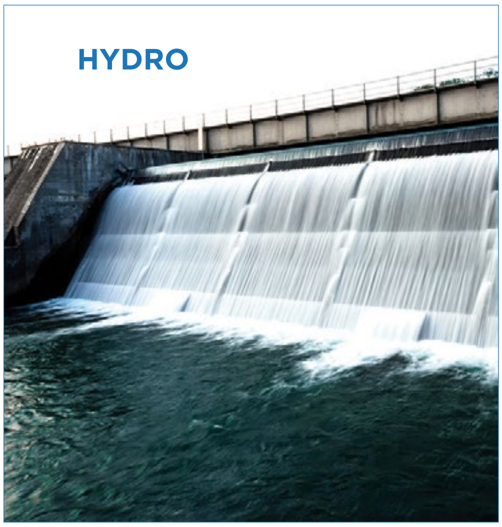
A WORLD OF OPPORTUNITY

For four decades, Assured Guaranty has helped to lower the cost of essential infrastructure.

Our credit enhancement allows borrowers more efficient access to capital markets. Lenders are guaranteed timely payment of scheduled principal and interest when due.

Financial guarantees can be provided across project, infrastructure and structured financings.

Image provided courtesy of the Port of Brisbane Pty Ltd.



ASSURED GUARANTY®

A STRONGER BOND

For more information in Australia, please contact:

Melissa Gribble, Managing Director - Head of Australia
mgribble@agltd.com
mob: +61 409 351 466

ACTA
AUSTRALIAN CORPORATE
TREASURY ASSOCIATION

VISIT US ACTATREASURY.COM.AU

CALL US +61 (03) 9132 5240

WRITE US PO BOX 417
Collins Street West
Melbourne VIC 8007
Australia