



Fulvio Barbuio



Fulvio is a highly experienced Board Director and Senior Treasury and Finance Executive. Fulvio holds the position of Board Director of the Finance and Treasury Association (FTA) and here he shares his learnings from a 37 year career spanning several interesting and diverse industries.

Can you tell us about your background?

After completing a B Com (Honours) in Accounting and Finance my first role after graduation was as a management accountant. By chance they needed somebody to undertake treasury duties as well. The role also required me to report on Australian economic, corporate and political matters for the head office in Zurich. So together that gave me a broader view and appreciation of corporate activity beyond that of a traditional accounting job.

I then looked to obtain broader experience by working in larger organisations mainly in head office roles covering corporate finance and treasury, business planning, business development, strategic planning and risk management but also worked at the coal face supporting financial pricing in a sales team. My career also spanned several industries, including mining, energy, technology, utilities and media, in both the public and private sector and working for the likes of Esso (Exxon), IBM, Energy Australia (now Ausgrid). My last organisation was the Australian Broadcasting Corporation (ABC) where my final role was Head Corporate Treasury & Risk before I left the corporate executive world earlier this year after some 37 years.

While I have had broad finance experiences, treasury has always been at the core. The extensive nature of

the role with its internal and external relationships, engagement with fast moving financial markets and having a helicopter view of financial risk and how that can impact business value, combined with my other non-treasury experiences has made for a varied, interesting and satisfying career.

What are the fundamentals of treasury?

In its wider sense Treasury covers cash management, corporate finance and financial risk management. So, we are talking about things like, ensuring an organisation has sufficient financial resources (cashflow) to undertake its activities where and when it needs to either through internal sources (operations) or external funding (equity and debt). Managing financial risks that impact an organisation like foreign currency, interest rates, commodity price volatility and the like is also part of it. Other areas which Treasury has been involved with includes mergers and acquisitions, capital management, superannuation and broader risk management (including insurance) the latter being part of my last role at the ABC.

For me Treasury is more than just transactional in focus but rather can bring a broader lens to an organisation to enhance its enterprise value for the benefit of its shareholders and other key stakeholders.

Your career was very successful before you became a Board Director. How did that first Board appointment come about?

During the mid-point in my career I joined the Finance and Treasury Association (FTA), which is a membership body representing financial risk professionals from the buy and sell side as well as educators and others. After a while I put my hand up to be more actively involved and started presenting at FTA events, seminars and conferences, being on the annual conference organising committee for a number of years and being asked to join the National Technical Committee in 2011. It was during that involvement in 2014 that I was approached as to my interest in joining the FTA Board which I did. To that I have added membership of the Finance, Risk and Audit Committee and Chair of the Remuneration and Nomination Committee, all of which have provided an even richer Board experience.

For me my various involvements with the FTA have primarily been about giving back to the profession that had given me much during my working career. However, reaching the pinnacle of the Board was an added recognition of my contribution then but also what I could bring to the Board going forward. Apart from a number of things that a Board appointment brings to a Director, it highlighted to me the weight of responsibility to act ethically and in the best interest

of the members and I have taken this as a central principle in all my dealings.

Have you had mentors through your career? Do you act as a mentor now?

I've been generally quite self-directed and self-reliant in my working career and driven myself through hard work and discipline to meet challenges. So, I have not had ongoing mentors although there have definitely been confidants along the way that I've gained valuable insights from time to time. This approach may not suit everyone, and some people would definitely benefit from having ongoing mentors.

While I haven't been a formal mentor, in my latter corporate career I have 'mentored' younger staff in various situations/projects and have found it rewarding to again give back. Now, the FTA has a mentor program, and this is part of giving value to its membership, in particular younger risk management professionals with the idea that we are there to assist members at all stages of their career.

What is the biggest challenge of your career, how did you face it?

There have been a few, around implementing unfamiliar major projects, undertaking key high-profile business reviews and assuming a major finance





role managing a large group of staff. However, there was another type of challenge that I can relay which is instructional involving setting up a treasury operation essentially from scratch.

The organisation in question had established a relatively new unit providing financial services to the organisation's customers and I was hired to take the unit's treasury operation to a whole new level to support plans for rapid growth. The challenge was multifold involving introducing new concepts, practices, disciplines and bringing on board local unit, organisation and parent management who had been unfamiliar with funding and related techniques for financial services.

I first needed to mould my existing treasury knowledge to fit a financial services business (which had not been my background) and then sell this by strong advocacy through unit then local then parent management. The imperative here was that the unit's business growth demanded urgent funding attention. Along the way I had challenging conversations with local management unfamiliar with the unit's unique business/treasury model especially when initial corporate bond issues were part of the plan. I also introduced new approaches to asset/liability management.

The way I navigated this to success including implementing my funding plans and making local

management allies from doubters was to spend time to engage face to face with management to ensure they understand the strategy and were comfortable with it, which led to their support and trust.. I also elicited the assistance of external advisors and parent management to support me in convincing management of my approach. To some extent I had to push through but always in the firm belief that my approach was correct and would be proven so – which it was.

More generally, in challenges I have faced I have always had self-belief and a willingness to get other key stakeholders support by developing personal relationships which can sometimes seem undervalued as an enabler, but I can attest to their potency. This has also helped the bruise 'healing' process.

A sizable part of your career was spent at the ABC where responsibility would have fallen with you to brief the Board (directly and indirectly) on certain financial matters - can you share with us your learnings?

Through my various roles at the ABC I engaged the Board about treasury, finance and risk management matters variously through reporting and or face to face briefings.

In the reporting side there were contributions to more global financial Board papers, treasury focused Board papers and risk management Board papers in addition to Board treasury briefing notes. In these



circumstances the goal, with management guidance, was to provide a balance of detail but also focused content with the aim always to be crystal clear about what was being either explained or asked for to and from the Board. In most cases more information was not necessarily best but rather about providing enough information to support the briefings objective to a group of individuals on the Board that were very capable but also had limited time to engage on many matters.

From my face to face briefings with the Audit, Risk and Finance Committee of the Board, I learnt the value of pre-meeting briefings with the Chair and independent NED to get a read on key issues and develop a healthy but none the less arm's length relationship with the key members of the Committee. Briefings with the Committee were best approached by of course being fully prepared and on the understanding by the Chair that papers were taken as read.

So, my job always was to identify any new matters that did not make the paper in time and point out the two or three key messages that I wanted to leave the Committee with. Papers for noting were frowned upon and seen as 'on the fence' so the focus needed to be an affirmative one asking the Committee to do or decide something. Lastly, it was important to let the Committee members debate and argue robustly the issues at hand avoiding the temptation to intercede or interject but rather to wait for questions to come from the Committee and then deliver very focused answers.

You have now a been Board Member for 4 years – what do you consider are the big challenges facing Boards today?

Good question. There will always be challenges for Boards in an ever changing business and social environment. However, in my opinion I'd focus on four being short-termism, risk management, entrepreneurialism and ethics/governance.



Short-termism has a number of causes but in the end can deflect focus away from creating an organisation that can deliver ongoing value to shareholders and in so doing benefit other key and broader stakeholders. Boards need to take a leading role in challenging this short-term focus and advocate for more long term thinking and application.

Risk management, governance and ethical behaviours have become focal points in recent times especially through the Banking Royal Commission. These matters need constant focus to ensure confidence and trust in Boards and can't be shied away from.

Finally, entrepreneurialism and thinking needs to be promoted including within existing organisations to ensure that innovation and growth are championed for broad benefit. This does not mean throwing the dice and caution to the wind but rather balancing this with fit for purpose risk management and governance. As to proper ethical behaviour, this is nonnegotiable. Boards have to be attuned to this fine balance to deliver for shareholders and stakeholders in the long term.

Part of addressing these and other issues is having the right blend of people on the Board to lead from the top.