COPUBLISHED ROUNDTABLE

Securitisation symposium

*In April, **KangaNews** and the Australian Securitisation Forum (ASF)'s **Women in Securitisation** subcommittee gathered market leaders to discuss the challenges facing the industry.*

PARTICIPANTS

- **Natalie Edwards** Chief Investment Officer MANNING ASSET MANAGEMENT
- **Melissa Foster** Director, Structured Funding and Capital WESTPAC BANKING CORPORATION
- **Debbie Long** Director, Treasury and Securitisation RESIMAC
- **Sally Ng** Director, Debt Markets Securitisation COMMONWEALTH BANK OF AUSTRALIA
- **Lillian Nunez** Investment Director, Debt Investments IFM INVESTORS
- **Karolina Popic** Partner ALLEN & OVERY
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MODERATORS

- **Helen Craig** Senior Content Manager and Deputy Editor KANGANEWS
- **Belinda Smith** Chief Executive ETICORE and Chair AUSTRALIAN SECURITISATION FORUM WOMEN IN SECURITISATION SUBCOMMITTEE

HOUSING MARKET

Smith *What sort of impact are perceptions of the Australian housing market having on offshore demand?*

◆ **NUNEZ** There are some concerns over the speed at which property prices are declining in some areas. This fall has been quite fast relative to past cycles and we do not know how much further it will go or for how much longer it will continue.

However, fluctuations in house prices do not necessarily have a direct impact on households. There are discussions about the negative wealth effect, but owner-occupiers have to live somewhere. Eastern capital cities comprise around 60 per cent of residential mortgage-backed securities (RMBS) portfolios and there is record low unemployment in New South Wales and Victoria, so there are positives to prop up the position.

This is also a different scenario from the foundations of the subprime crisis in the US, where owners threw away their keys and did not pay back their debt. There is full recourse to other assets in Australia.

◆ **POPIC** The full-recourse point is an important one and it ties into the investor-education piece. Since the financial crisis, we have been speaking to several offshore banks looking to invest in Australian RMBS. An absolute focus has been understanding the full extent of the lender's rights to go after the borrower. It is an important differentiator.

Craig *Do offshore investors have a sufficient depth of understanding about the Australian market backdrop?*

◆ **LONG** I think there is a lot of erroneous media that investors will latch on to. The housing market will always go up or down, but taking the time to explain to investors how we as an issuer are adhering to responsible lending practices enables them to become more comfortable.

To be clear, we haven't had feedback that investors don't want to invest based on the contents of a news article. But media does bring about questions that we feel are important to address.

◆ **FOSTER** We get the sense that offshore investors are broadly comfortable with the current house-price correction. In some ways it would be a harder conversation to have if house prices were still rising by 20 per cent a year. Now we are talking about an orderly correction after many years of growth and use of macroprudential measures.

◆ **NUNEZ** I would say, though, that the environment is a bit different now. Defaults are not rising materially but the loss-given-default scenario is different. We are mindful of this and of the impact it has on consumers.

Households are stretched and Australian households are among the most leveraged in the globe. There could be further implications for employment if this has a knock-on effect into retail and other sectors, and it makes us somewhat more cautious around where we are investing.

◆ **EDWARDS** I agree that we are seeing a weakening of macroeconomic indicators which we need to watch carefully – even with the extremely good structural protections inherent in RMBS.

REAL-MONEY ENGAGEMENT

Smith *For many years the Australian securitisation market has been trying to engage more with real-money investors. How would you go about trying to improve this engagement?*

◆ **LONG** At Resimac we accept that some investors will take time to become comfortable and understand the sector. This education process involves an open-door policy – which we have always maintained – for the purposes of onsite investor due diligence, attendance at conferences and conducting nondeal roadshows. We find that regular investor contact even outside of a deal is beneficial to the ongoing relationship.

We issue frequently but it takes time to get new investors across the line. The more time we spend educating investors the more it helps to provide confidence in our business. We may not see them in the next deal or even in the one after that, but we might in the deal we do next year. My sense is that investors have appreciated the time we have spent with them.

◆ **NUNEZ** I think this is a very responsible approach. As a real-money investor, it is very important for us, and the clients we represent, to be educated in advance. The days of "today is the roadshow, we'll be pricing a transaction tomorrow" are gone, especially in an environment where there is more caution around the business environment, geopolitical risk, economic growth and the housing market.

To this end, telling an offshore investor the real story around low unemployment, inflation, interest rates and house-price direction is very important because all they tend to see are the headlines. It is crucial for investors to drill down well beyond the headline news.

We receive calls from investors in our securities who have seen news headlines that are often alarmist and misguided. We need to be able to provide a rational response that provides the facts rather than an emotive headline.

◆ **FOSTER** I agree that it takes time to bring new investors into an RMBS programme, particularly offshore investors. We must provide education on the fundamentals first – the economy and the housing sector. This is followed by information about the issuer and then the deal itself.

It can take years to get some investors to this point. Even when they finally get there, issuers need to roadshow regularly and provide updates to their investor base.

Popic *The ASF has been heavily involved in Japanese investor engagement over the last decade. Is there more of a role for the industry association to play in educating offshore investors more broadly?*

◆ **LONG** We recognise the work the ASF already does. The rating agencies do this too, and it offers a valuable independent perspective. It requires an industry effort to increase the level of education.

◆ **EDWARDS** I agree that the results will be more effective if the message is spread by a wider range of parties. For example, Manning Asset Management focuses on the private-debt space

and there are a number of potential investments we can consider. The more background we receive on an issuer, its operations and the legal structure and underlying collateral of a deal to help us undertake our due diligence and get comfortable, the quicker we can make an investment decision.

Offshore investors likely have competing investments in different jurisdictions to consider and may not be as familiar as domestic investors with the background, intricacies and performance of the Australian securitisation market. Increased information and education from a range of sources on an ongoing basis should help build familiarity and comfort – with the broader market and the specific proposition.

Craig *Has tightened regulation around the provision of research made this education piece more difficult?*

◆ **WEIBEL** The amount and type of information about issuers and transactions that banks can put into the market is far more restricted today than it used to be. It is the same with regard to which people with which roles at the bank are allowed to author such information.

I used to write research articles in my role within a business unit rather than under an official research provision. That set up is unthinkable these days. The best we can do is go with the issuer to talk to investors about a transaction. This means it is far more challenging to engage investors on deals because they have little detailed knowledge of the issuer and only general material. We also have to be very clear that the general material we are presenting is not research.

"THE MORE TIME WE SPEND EDUCATING INVESTORS THE MORE IT HELPS TO PROVIDE CONFIDENCE IN OUR BUSINESS. WE MAY NOT SEE THEM IN THE NEXT DEAL OR EVEN IN THE ONE AFTER THAT, BUT WE MIGHT IN THE DEAL WE DO NEXT YEAR."

DEBBIE LONG RESIMAC

Balancing act

THE AUSTRALIAN BUSINESS SECURITISATION FUND (ABSF) IS A GOVERNMENT INITIATIVE TO INVEST IN WAREHOUSE FACILITIES AND SECURITISATIONS BACKED BY SME LOANS. IT WILL PROVIDE FUNDING FOR SMALLER BANKS AND NONBANK LENDERS TO ON-LEND AND ALSO AIMS TO CATALYSE A LARGER PRIVATE-SECTOR MARKET FOR SME LOANS.

Smith *How do you think the Australian Office of Financial Management (AOFM) should manage the fund best to support the availability of finance to SMEs and, in particular, to do so in a way that encourages the development of a market that does not need long-term government involvement?*

LONG The fund will be credited with A$2 billion (US$1.4 billion) between 1 July 2019 and 1 July 2023, with A$250-500 million per year being allocated for funding in a schedule which has been set by Commonwealth Treasury.

In line with the way it acted in supporting the residential mortgage-backed securities (RMBS) market following the financial crisis, I would like to see the AOFM being more flexible than prescriptive with its support. It would be better if it could offer as much support as possible in the fund's early existence and gradually exit after gauging the reception. We learned from the way the AOFM managed the RMBS portfolio that being more flexible than prescriptive best supports the sector.

WEIBEL I believe the ABSF is a very important initiative. It is an asset class that requires this level of support. Given this is taxpayers' money, I would expect the bulk of the capital to support senior and warehouse funding in the first instance.

Furthermore, I agree with Debbie Long that the AOFM providing the funds it can invest in a year in equal twelfths will not be the most effective use of the money. This is because the funding is most needed right now for issuers that aren't ready to go to public term markets due to lack of track record and depth of data history. As a result, flexibility of the government support scheme is particularly important.

EDWARDS For the ABSF to be sustainable, the AOFM needs to be careful that it does not disadvantage or supplant current real-money market participants and that it prices for risk appropriately – also noting taxpayers' money is being used. This latter point may be somewhat of a challenge given the more esoteric nature of this asset class and the likely limited track record of newer entrants.

There are a few barriers to securitisation for smaller or newer companies that may not have considered this funding route before. These include understanding the terminology, technology and operational implications. In addition, the level of detail and transparency required in the data may be challenging for some of these firms.

This can be a significant barrier to entry. So support and education are also needed for the sector as well as the important funding the ABSF is providing.

Craig *The other challenge, as Natalie Edwards points out, is the idea of the government using taxpayers' money to support the small-business community. The support is obviously understood – the funding cost for small businesses should be cheaper. But what happens to the cost of funding when the government steps away?*

EDWARDS This is true – it will be a delicate balancing act to ensure it has the desired effect. But it is an important initiative.

"For the ABSF to be sustainable, the AOFM needs to be careful that it does not disadvantage or supplant current real-money market participants and it prices for risk appropriately."
NATALIE EDWARDS MANNING ASSET MANAGEMENT

Our approach now is to meet investors – directly or as part of a roadshow with an issuer – to share any insights. We now demarcate clearly any research under the official provision at all times. Reports from rating agencies are therefore appreciated by the industry as a source of information, independent of parties immediately associated with deals.

◆ **FOSTER** There is a lot of publicly available data on securitisation, such as loan-level data. There is also rating-agency analysis and some houses provide analyst research. What has reduced is the intermediaries that bring it all together. Investors require very detailed data for their credit work and because regulation requires it, but the operating environment has become far more complex.

◆ **LONG** We have found that it is helpful for investors if one of the banks brings an economist to a meeting. This means the investor isn't relying only on the issuer's view. The bank economist can provide the house view and the investor appreciates having a quasi-independent assessment.

"THERE IS A LOT OF PUBLICLY AVAILABLE DATA ON SECURITISATION, SUCH AS LOAN-LEVEL DATA. THERE IS ALSO RATING-AGENCY ANALYSIS AND SOME HOUSES PROVIDE ANALYST RESEARCH. WHAT HAS REDUCED IS THE INTERMEDIARIES THAT BRING IT ALL TOGETHER."
MELISSA FOSTER WESTPAC BANKING CORPORATION

Craig *Many Australian issuers have done a lot of work on offshore investor engagement and some are offering foreign-currency tranches in their deals. How far along is the progress of global investor engagement?*

◆ **LONG** The offshore component comprises more than 50 per cent of our issuance, so the international investor base is significant. We invest a lot of time and resources cultivating foreign-currency demand and we would like to see the major banks issue RMBS into offshore markets to support the work we have done. I appreciate they have other funding options, but global investors ask about this and it would be a significant driver of market development.

◆ **FOSTER** From a securitisation perspective, Australia is one of the larger nonagency securitisation jurisdictions. More than 75 per cent of the investors that participated in our most recent RMBS were from offshore.

However, offering foreign-currency issuance has always been tricky for us due to the cost of the cross-currency swap. Also, as Debbie Long points out, as a major bank other products – such as covered bonds – are more cost effective. This is not to say this dynamic couldn't change going forward.

◆ **NUNEZ** Australian securitisation is a great diversifier for global investors. We have been engaging with offshore clients for a while now and they are attracted to the sector from a relative-value perspective. Notwithstanding some negative media, they see good baseline economic factors that support the RMBS market compared with assets they have access to in other markets.

There is compelling value in Australian RMBS when we compare risk and reward on a relative-value basis. It is easy to see why offshore investors are attracted to it, particularly in the senior mezzanine tranches. We engage with offshore clients around this part of the capital structure and believe this is a great opportunity for issuers.

◆ **EDWARDS** It is worth reiterating to offshore investors the very robust credit performance in Australian securitisation before, during and since the financial crisis.

◆ **FOSTER** As Westpac Banking Corporation issued its first RMBS 30 years ago, we have a reasonably long history of issuance and performance. This helps attract new investors.

◆ **POPIC** From a legal perspective, Australian issuers are well versed in global regulation and ensuring that, where possible, they do not leave offshore investors behind by not meeting their basic requirements. This has been demonstrated most recently with the new EU regulation that came into effect in January. All public issuance by nonbanks this year has been compliant, to appeal to the widest possible investor base.

SECONDARY LIQUIDITY

Craig *Part of the challenge in attracting real money is secondary-market liquidity, which is perceived as being inferior in securitisation relative to vanilla bond product. Can the industry do anything to promote liquidity?*

◆ **WEIBEL** I would argue that secondary liquidity is not as bad as some people make out. The securitisation universe is smaller and, accordingly, so is liquidity. It is obvious that liquidity disappears when times become tough. But it is no different with corporate bonds. It doesn't matter where you go, liquidity sometimes disappears very quickly.

However, anything the industry can do to help clarify and improve the integrity of its data could help support liquidity. Lack of data means pricing levels are not always obvious and there can be uncertainty around how levels are set.

"WE ARE SEEING MORE PRIVATE WAREHOUSING TRANSACTIONS WITH DIFFERENT ASSET CLASSES. ALTHOUGH THESE ASSET CLASSES ARE NOT YET PUBLIC DEALS, TO GET TO CRITICAL MASS TAKES TIME AND I AM HOPEFUL THAT AT SOME STAGE WE WILL SEE THESE MORE ESOTERIC ASSETS COME TO MARKET."
KAROLINA POPIC ALLEN & OVERY

◆ **LONG** We recognise liquidity as an inhibitor to investors. While bank-provided rate sheets are helpful, some investors have to be able to obtain a genuine bid for their held paper for their accounting purposes.

We understand that larger deal sizes – and therefore more investors – tend to help with liquidity. So is making historical deal information and data publicly available so the potential secondary-market investor can conduct analysis.

It's possible that the liquidity issue has led to the large portion of our investors that are buy-and-hold, and that this of itself contributes further to the issue of illiquidity.

◆ **NUNEZ** Liquidity is in the eye of the investor. We are always mindful of ensuring our end-investor clients are aware there may be less liquidity in securitisation than cash-type products. It is important to be open around the bucket the asset class falls into and that clients know they should probably be looking elsewhere if they require daily liquidity.

However, we continue to find that securitisation has natural liquidity in its amortising structure. RMBS with a four- or five-year weighted-average life will pay down quickly. In this respect it compares favourably with a longer-dated infrastructure asset, for example. If the investor is aware of the lack of liquidity on a daily or weekly basis, natural amortisation can work to generate stable cash flows.

Popic *Would issuing bullet bonds via a product like a master trust improve liquidity?*

◆ **WEIBEL** Part of the liquidity story is how readily a product is traded. Unlike a corporate bond – where the main driver is its rating and thus pricing decisions are swiftly made – trading in securitised bonds requires an understanding of the underlying transaction structure. Accordingly, a bullet structure on a securitised bond may not achieve much by way of increased liquidity in and of itself.

However, the relevance may well lie with its impact on swaps. Bullet bonds that are not pass through, possibly have fixed coupons and can be denominated in another currency significantly widen the investor universe.

◆ **NUNEZ** Again, it comes back to the requirement for liquidity on the investor's part. Bullet maturities or soft-amortisation assets can work to provide offshore investors certainty on repayment profiles. But it is important to understand transaction mechanics and cash flows to ensure this works for their individual needs.

It is worth noting, though, that IFM Investors (IFM) does not view a master-trust structure as an acceptable vehicle for the issuance of notes for many assets that are securitised – including mortgages.

Smith *Are offshore investors concerned about liquidity in Australian securitised product? How do issuers respond?*

◆ **LONG** It is a question they ask. But it tends not to be because their intention is to sell the bonds. Rather, it is so they can genuinely mark their books.

◆ **FOSTER** We try to keep our transactions consistent. We want them to be predictable and vanilla so investors are required to carry out minimal credit work to be able to understand the differences between pools, and for consistency to support performance over time.

◆ **NG** In trying to engage new real-money investors we have, in the past, structured transactions to their specific requirements. For example, there might be a particularly short tranche to attract an Asian or Japanese investor. But we generally see issuers routinely using very similar structures.

EXPANDING THE ASSET BASE

Smith *There has been a lot of talk for a long time about broadening the asset base of Australian*

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LILLIAN NUNEZ IFM INVESTORS

asset-backed securities (ABS) product, yet what we have is still predominantly an RMBS market. Will a more diverse asset base naturally evolve and can anything be done to expedite it?

◆ **EDWARDS** We have seen a pull-back in lending to certain sectors and borrowers by some of the banks as a result of a number of factors – including the royal commission.

But companies still need funding and they have been seeking it elsewhere. Instead of taking out a bank facility, we have seen some organisations trying to pursue securitisation or warehouse funding for the first time.

Clearly the usual considerations of cost and terms and conditions apply, and securitisation is not suitable for every company or every form of asset. But it is one of a number of potentially viable and attractive funding tools.

Investor appetite is obviously crucial and organisations that pursue this path for the first time will need to spend time bringing investors up to speed. However, I believe securitisation will become more attractive to organisations that may not have previously considered it.

Smith *Do you expect this to emerge as true securitisation funding or in the form of structures related to securitisation?*

◆ **EDWARDS** Use of securitisation technology is growing. We are seeing structures that don't necessarily require or have all the bells and whistles of a standard public securitisation but still seek to give investors comfort around asset-level recourse – in particular, exposure to asset-class performance.

◆ **POPIC** Notwithstanding that our public market is dominated by RMBS and auto ABS, we are seeing more private warehousing transactions with different asset classes. Although many of these asset classes are not yet public deals, to get to critical mass takes time and I am hopeful that we will see these more esoteric assets come to market at some stage.

Ng *Are these structures rated?*

◆ **POPIC** Sometimes, but often not.

◆ **NG** The rating criteria for esoteric asset classes in Australia are not as developed as jurisdictions with a history of issuance in volume and appetite from investors. The US is a great example.

This needs to change, and there is much talk of challenger banks and fintechs coming into the Australian market. But to do so they need access to asset-performance history and volume. Without this, it is difficult for many to justify the cost and time of setting up securitisation structures and ratings. Significant interest from institutional investors is less likely without the rating.

◆ **WEIBEL** Latitude Financial Services was able to start issuing credit-card ABS in Australia immediately because the company had many years of data. Where firms don't have access to this granularity of data, public securitisation won't be a viable first funding option.

But there are others, including traditional warehouses and club deals with two or three parties. By the time these companies have been operating for four years they will have data with which to seek a rating and term funding with an institutional investor base. In this sense, our role is to hand-hold.

It is clear that there are many different forms of structured funding available to potential issuers and our industry should have greater confidence to use them. We have received considerable reverse enquiry of this nature in the last couple of years. These are tools we understand, so let's use them for a market segment that will benefit until these companies mature and can access public term funding.

◆ **LONG** Funding for credit cards and autos has predominantly come from the banks, hence we haven't seen much public issuance. However, the royal-commission era has caused banks to attempt to divest certain parts of their businesses and, over time, nonbanks are beginning to take on these assets. In the longer term I feel confident that the range of asset classes we see in public securitisation will grow.

Craig *Some institutional investors, including IFM, have investments in unrated warehouse assets. Is this predominantly a way of getting access to higher-yielding alternatives or to enable priority access to term funding further down the track?*

◆ **NUNEZ** We have multiple reasons for investing into warehouses, which reflect the different evolutionary stages of the warehouse and the underlying issuer's business.

For some mature businesses that have been operating in the market for a number of years, we are in their warehouse for some extra spread and to participate in the term-outs when

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TRUDY WEIBEL DEUTSCHE BANK

Industry outlook

THE ROUNDTABLE DISCUSSION BROUGHT TOGETHER A RANGE OF WOMEN WHO HAVE BUILT SUCCESSFUL CAREERS IN THE SECURITISATION INDUSTRY. THEY SHARE THEIR JOURNEYS AND THEIR VIEWS ON HOW BEST TO BUILD DIVERSITY IN THE SECTOR.

Smith *We have an experienced group of participants at this discussion. What first attracted each of you to a career in financial markets?*

LONG I completed a PhD in an unrelated topic and realised that the isolating nature of academia wasn't for me. But I had very much enjoyed the economics aspect of my studies and thought that finance as an alternative to academia would be a good choice. Similar I'm sure to others, I really fell into the securitisation industry through my first job.

NG I came to Australia as a foreign student and was looking for a job to support my studies financially when a British investment bank offered me a full-time role. The institution I joined was initially small but very inclusive. As I was undertaking a commerce degree, I was invited to stay on after I graduated.

Securitisation is a very exciting industry to be involved in. I have been very lucky throughout my career in finance to work with people who have always been supportive of me.

POPIC I always thought I would work in a bank. As I progressed through my combined commerce and law degree, I found more and more that as I interviewed with banks I was asking about their legal department. It dawned on me that it was the law that was attracting me to banking.

Eventually I fell into securitisation. I enjoy working in the industry. It is very collegiate and solutions-oriented.

I feel the same as Sally Ng does, in the sense that I have been very lucky with the organisations and people I have worked with – they have been inclusive and I have felt like it was a meritocracy.

EDWARDS I trained as a chartered accountant and a chartered tax adviser, so I like numbers and structure diagrams! I was offered a role in the whole-business and commercial mortgage-backed securities team at Royal Bank of Scotland in London in 2003.

There is always new activity happening in securitisation, be it legislative or regulatory change, issuer activity, credit appetite, new investors and asset classes, performance trends or different structuring techniques. Nothing stays static, which for me is great – it keeps things challenging and interesting.

NUNEZ My first role was in a family accounting business, after which I joined the accounting team at Credit Suisse. An opportunity to join the credit team arose, providing analysis on mining companies and corporates. I found it very interesting reviewing businesses to understand their aims and objectives, and potential risks and rewards.

After six years at Credit Suisse, I moved to ME Bank's securitisation business and then to its newly formed investments arm, which later transferred to IFM Investors (IFM).

WEIBEL The securitisation industry has complex structures and those who succeed in it are more often than not people who can work these through. If an industry is merit-based, women have a better chance to succeed. It's not a matter of who shouts loudest or of having the right connections.

Craig *How would participants characterise the industry's evolution in respect of diversity during your careers?*

FOSTER I began in securitisation at Westpac Institutional Bank in a predominantly male team, and the team I work in now is mostly female. Across both teams, the increase in flexibility in the workplace has helped to support better diversity.

One example is paternity leave. This was previously a luxury whereas maternity leave was accepted. It is now more accepted for men to take new-family-related leave. This has helped to keep women in the industry and connected with it – and able to juggle work and life more effectively.

LONG I agree that there is probably more flexibility in the securitisation segment of the finance industry than in, say, trading – which remains more male-dominated.

Through my career I have noticed that the male-female ratio within the teams I have worked in has more or less equalled out, but gender diversity is still lacking at a more senior level. I am not sure this is due to deliberate discrimination, but lack of diversity at a senior level is certainly noticeable.

POPIC We have good, senior female role models in securitisation. I think this is one of the defining aspects of our industry. From the start of my career, I worked with senior women at some of the banks who were instrumental in shaping the securitisation market and were aspirational. It was encouraging

we need extra stock. For smaller players that do not term out, we will be there for the extra spread and diversification into either different asset types or different originators.

For other businesses that are just starting their journey, we can be involved at a senior level to grow with the business over time. In this modern world of fintechs and market disruptors, this gives us access to asset classes that were previously inaccessible – and generally at a yield that is attractive to us.

These are often complex assets and businesses, and it takes time and resources to undertake the due diligence to fully understand the risks. It is not a quick and easy decision, but

and a differentiator for me. We continue to have prominent senior female role models and this has improved somewhat over the years. We are doing better than other areas but there is by no means parity in the ranks.
WEIBEL The securitisation industry isn't as large as some others and it doesn't have a notable hierarchy, so the usual gender stratification plays less of a role – from the bottom to the top women are fairly well represented. Proportionately, there are far fewer women in banking more broadly than there are in the securitisation sector.
NUNEZ There has been a change at IFM but it has been subtle and I agree that it comes down to different markets and different segments.

There is still a very small number of women in capital markets and we largely see men on trading floors. IFM is trying to change this dynamic and the firm is making great strides, but it is challenging. Part of the difficulty is having a pipeline of hires.

The solution is to build the pipeline. To do this we need to figure out how to engage young women leaving university. We need to make securitisation more appealing.

Craig *How might the industry go about making a securitisation career more attractive?*
NUNEZ It is important we make young women aware that the securitisation market is a positive career choice. Initiatives such as the "bring your daughter to work day" certainly help.

University students tend only to hear about large accounting and legal firms, corporate finance or investment banking. They don't hear about the nuance in our market, so making them more aware that our industry is interesting and dynamic is important.

"CommBank promotes a recruitment programme that draws from a diverse range of universities. We don't just want people who studied commerce or law at University of Sydney."
SALLY NG COMMONWEALTH BANK OF AUSTRALIA

EDWARDS I completely agree about raising awareness of securitisation as a career choice and the myriad of interesting opportunities it offers. I also think initiatives by the Australian Securitisation Forum are important in ensuring there is a forum for women to be heard and for the industry to be promoted.
LONG Women have children and are replaced by younger people, which may be why we don't see as many women in leadership positions. It is important to recognise that flexible working is not only acceptable but legitimate and viable.
FOSTER I think we need to embrace the idea that the best person for the job doesn't necessarily look like the same person as the one that just left it. It is important to break down what the job really needs.
NG This is a very good point. Commonwealth Bank of Australia (CommBank) promotes a recruitment programme that draws from a diverse range of universities. We don't just want people who studied commerce or law at University of Sydney. Graduates from other disciplines bring a different and welcome perspective.
WEIBEL Diversity in educational background works to the industry's advantage. Historically the industry wanted homogeneous types so people would work on a standalone basis. Nowadays it wants the opposite – for people to work more closely together.

Smith *What are the biggest remaining hurdles to achieving acceptable gender balance?*
NUNEZ We have to make more noise. Human nature leads people to pick similar people to interview for roles. One way IFM is trying to achieve acceptable balance is to aim for diversity in interview candidates – with the goal being gender balance in all interviews.
NG Our team consists of a diverse group of people from various backgrounds. CommBank encourages diversity when employees are invited to represent the company, internally or externally, as the bank wants to see individuals who represent our diverse workforce. This is a priority consideration.

In the past few years I have been conscious of more requests for female representation on panel sessions. The balance is improving, but it could move faster.
POPIC In the legal industry the number of female lawyers at junior associate level equals or exceeds male lawyers. But this is not being translated into the partner numbers.

Flexibility is an issue and we have taken steps on this front. But the thing that will move the dial is changing the way we support our women – including sponsorship internally, having open and honest conversations about career aspirations and finding a career trajectory that works for the individual. ■

we find alternative asset classes really quite interesting at the moment.
◆ **EDWARDS** Issuers are learning that they need to be patient, make sure their origination and servicing practices are robust and build their track record. An investor that does its due diligence and likes the investment proposition will be more willing to provide funding through warehousing or private placements.

I think, over time, more new issuers will come to the public securitisation market because securitisation is, at the end of the day, an attractive source of funding and a well-travelled route. ■