



Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Fitt

Further to my appearance on 1 June 2021 before the Senate Economics Legislation Committee for Budget Estimates 2021-22, I write to correct a statement I made.

As stated in Estimates the Treasury had two teleconference calls with Greensill Capital in the context of COVID-19, both on 2 April 2020, after an enquiry from Greensill Capital was referred to the Treasury by the Government.

In response to questions about whether Mr Lex Greensill joined any of the teleconference calls with Treasury on 2 April 2020 I said that I did not think that he had.

While Mr Greensill was not included in the electronic meeting invitation from Greensill Capital for the second and final teleconference call, subsequent to my appearance at Estimates I have spoken to Treasury officials who were on that call and their recollection is that Mr Greensill joined the teleconference.

The engagement with Greensill Capital happened shortly after the Government had, among other measures, announced two finance related programs as part of its response to support the economy in light of COVID-19: a \$15 billion fund administered by the Australian Office of Financial Management to support access to funding to smaller lenders via the securitisation market on 19 March (the Structured Finance Support Fund), and a Small and Medium Enterprises (SME) Guarantee Scheme to share risk on SME loans by lenders on 22 March.

Greensill Capital was not involved in the design or establishment of either of those schemes.

The first teleconference call involved Ms Meghan Quinn (then Deputy Secretary, Macroeconomic Group), Ms Julie Bishop and Greensill Capital's Managing Director, Asset Distribution – Australia/NZ. As Ms Quinn explained at Estimates, that call was an opportunity to better understand Greensill Capital's areas of interest and direct them to the appropriate area of Treasury. The SME Guarantee Scheme was discussed as part of that call.

The second teleconference call was attended by Mr Ian Beckett and Mr Aidan Storer (then Division Head and Principal Adviser in Financial System Division respectively), and an Executive Level manager from the Financial System Division. Attending for Greensill Capital was Mr Lex Greensill, as well as the Managing Director, Asset Distribution – Australia/NZ, and the head of Greensill Capital's Australian office. That call explored in more detail Greensill Capital's business model, and its ability to access funding for its products. The Structured Finance Support Fund was most relevant to the funding issue.

Treasury engaged with over 85 individual credit providers in the course of approving lenders as participating lenders under the first phase of the SME Guarantee Scheme, of which 44 were approved to participate. Greensill Capital was not one of them. In respect of the Structured Finance Support Fund the Fund has provided support to 38 non-ADI lenders and one ADI lender. Greensill Capital has not been a beneficiary of that support.

I trust that the correction to my evidence and the additional information will assist the Committee.

Yours sincerely



James Kelly
First Assistant Secretary
Financial System Division

4/6/2021