

Robbins, Amanda

From: Grech, Godwin
Sent: Monday, 23 March 2009 11:53 AM
To: Robbins, Amanda
Cc: Thomas, Andrew; Martine, David; Murphy, Jim
Subject: RE: Car dealer crisis please help!! [SEC=UNCLASSIFIED]
Security Classification: UNCLASSIFIED

FYI in case Kay Hull asks you where this is at - I have spoken with the dealer - [REDACTED] - and explained to him where things are at.

I told him not to waste any more time with St George and Esanda as they are not interested in regional dealerships. I told him to contact Capital Finance and to let me know if he gets resistance.

I reiterated that access to the SPV is not automatic - the business case has to be viable (he has apparently lost money in 2 years out of the last 7 - I assume the drought has affected business prior to the GFC).

I also told him that if he did qualify - the SPV could only provide finance for 12 months.

He understands all this and is trying to buy a bit of time to negotiate a merger of his business with another dealership in his town.

Godwin
23 March 2009

From: Robbins, Amanda
Sent: Friday, 20 March 2009 12:21 PM
To: Grech, Godwin
Cc: Thomas, Andrew
Subject: FW: Car dealer crisis please help!! [SEC=UNCLASSIFIED]
Importance: High

Godwin, Can you please contact the dealer to explain the process for OzCar? Note Kay Hull is an opposition MP, so I would appreciate your letting me know how it goes so we can get back to her.
Thanks and happy to discuss if necessary
Amanda

From: Hull, Kay (MP) [mailto:Kay.Hull.MP@aph.gov.au]
Sent: Friday, 20 March 2009 12:17 PM
To: Robbins, Amanda
Subject: Car dealer crisis please help!!
Importance: High

Hi Amanda

We have a crisis in car dealer finance for many dealers covering around 80-90 dealers in NSW as determined by the NSW MTA.

It appears that there is no finance for these dealers as a result of GM removing their finance. The dealers have been working with MTA to try to get other finance options through St George and Esanda however the dealers have now been told by Esanda that the applications that have been

18/06/2009

put to the finance companies particularly from marginal rural and regional dealers as a result of the ongoing drought, have not been approved because the Special Purpose Fund is not operating.??

The real crisis I have is one dealer at the moment in ~~Cootamundra~~ who has been in a family business for 100 years and who has been dramatically affected by the drought period so much so that he has qualified under the drought program. He is at this moment in Sydney trying to get some help but to no avail. He cannot sell cars because the banks are not wanting to fund the sales or the floor plan, that means that the 10 full time jobs will go as early as the end of this month. He has been battling with this since GM removed finance.

I have spoken this morning with Andrew Thomas in your office and explained the urgency of this issue. I would so appreciate some assistance in someone ringing the dealer to guide him through the options that he may not know about as per my discussion with Andrew.

The dealers name is;

~~XXXXXXXXXX~~ (~~XXXXXXXXXX~~ HOLDEN)

MOBILE 0418 668 ~~XXXX~~

BUSINESS 02 6942 ~~XXXX~~

Could you please advise me of any action that may be taken or that you instruct to be taken

Thanks so much for your time

Cheers

Kay Hull

Robbins, Amanda

From: Hull, Kay (MP) [Kay.Hull.MP@aph.gov.au]
Sent: Friday, 20 March 2009 12:30 PM
To: Robbins, Amanda
Subject: RE: Car dealer crisis please help!! [SEC=UNCLASSIFIED]

Thankyou so much Amanda. I so appreciate it
Cheers Kay

From: Robbins, Amanda [mailto:Amanda.Robbins@TREASURY.GOV.AU]
Sent: Friday, 20 March 2009 12:28 PM
To: Hull, Kay (MP)
Subject: RE: Car dealer crisis please help!! [SEC=UNCLASSIFIED]

Kay,
I will refer your request to the appropriate person in the department, who will get in touch with Mr [REDACTED]. I have asked them to keep me informed, so I will let you know when I hear anything.
Please do not hesitate to contact me if you need to follow anything up.
Regards
Amanda

From: Hull, Kay (MP) [mailto:Kay.Hull.MP@aph.gov.au]
Sent: Friday, 20 March 2009 12:17 PM
To: Robbins, Amanda
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Importance: High

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The dealers name is;

19/06/2009

[REDACTED] ([REDACTED] HOLDEN)

MOBILE 0418 668 [REDACTED]

BUSINESS 02 6942 [REDACTED]

Could you please advise me of any action that may be taken or that you instruct to be taken

Thanks so much for your time

Cheers

Kay Hull

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Grech, Godwin

From: Thomas, Andrew
Sent: Friday, 27 February 2009 5:46 PM
To: Grech, Godwin
Subject: RE: John Grant update: Godwin's Meeting with Ford Credit
[SEC=UNCLASSIFIED]

Security Classification: UNCLASSIFIED

Thanks Godwin, great work

Just so you are aware, these e-mails are also going to the Treasurer's home fax.

Cheers

Andrew

Andrew Thomas
Departmental Liaison Officer (Economic)
Office of the Treasurer
Phone: 61 2 6277 7340

From: Grech, Godwin
Sent: Friday, 27 February 2009 5:16 PM
To: Thomas, Andrew; 'Wayne Swan (+617-3861-XXXX@treasury.fax)'
Cc: Chalmers, Jim; Barrett, Chris (Treasurer's Office); Robbins, Amanda; Henry, Ken; McCluskey, Sharon; Murray, Richard; Martine, David
Subject: RE: John Grant update: Godwin's Meeting with Ford Credit [SEC=IN-CONFIDENCE]

Andrew

Just to let you know that I have spoken again with John Grant this afternoon to clarify progress.

Grant said that he had a good meeting with Ford Credit on Thursday and they told him that while they are generally concentrating on Ford dealerships (I know for a fact that they still have a number of non Ford dealers on their books) - they were prepared to take him on assuming the numbers add up.

Grant's accountant is currently preparing the financial information that Ford Credit have asked for which should go off on Monday.

I told Grant to keep in touch and to let me know if Ford show concerns or resistance. (I will not speak with Ford again on this unless it is absolutely necessary to push it through).

Grant seemed genuinely grateful for our efforts to date.

He also said that he wants to come to Canberra to meet me (and I assume you). Although I said nothing, I don't think that would be a good idea until this is settled.

I will keep you informed.

Godwin
27 February 2009

11/06/2009

From: Grech, Godwin
Sent: Monday, 23 February 2009 8:23 PM
To: Thomas, Andrew; 'Wayne Swan (+617-3861[REDACTED]@treasury.fax)'
Cc: Chalmers, Jim; Barrett, Chris (Treasurer's Office); Robbins, Amanda; Henry, Ken; McCluskey, Sharon; Murray, Richard; Martine, David
Subject: John Grant update: Godwin's Meeting with Ford Credit [SEC=IN-CONFIDENCE]

Andrew

As promised, I raised the case of John Grant with the CEO of Ford Credit, Greg Cohen, during my meeting with Ford Credit in Melbourne today.

I met with Ford Credit as part of the ongoing negotiations I have been having - along with Credit Suisse - to come up with a possible response to Ford Credit's request of 14 January 2009 that the Government arrange for Ford Credit to access up to \$500 million for around 12 months to allow it to continue to run its wholesale floorplan financing business in Australia.

As you know, Ford Credit will shut down the business if they cannot secure access to capital.

I believe that we are getting close to a 'solution' which I will be putting to the Treasurer (and probably SPBC) within the next 2-3 weeks.

Re John Grant - Cohen gave me an undertaking that Ford Credit will actively look at taking Grant on (this would be for the Kia component of his business).

Although Ford Credit do have independents on their book, i.e. non Ford dealerships, they have been rationalising these in recent months to ensure that they can hold on to their Ford dealers.

However, Cohen said that if Grant is running a sound business Ford Credit will likely be interested (the fact that Grant only has a \$1.5 million floorplan also helps, i.e. it is small).

John Grant called me earlier this afternoon (from Auckland) - to say that Ford Credit had been in contact with him after my meeting.

Ford Credit and Grant are to commence serious dialogue this Thursday.

Grant seemed pleased.

I told him to keep me in the loop.

I also told him that if the Ford Credit option does not get up; I will work with Capital Finance.

I have already alerted Credit Suisse that Cap Fin may need to be engaged on this - but have instructed them to do nothing until the Ford Credit option is fully explored.

I will keep you informed.

Godwin
23 February 2009

From: Thomas, Andrew
Sent: Friday, 20 February 2009 7:27 PM
To: Wayne Swan (+617-3861[REDACTED]@treasury.fax)
Cc: Grech, Godwin; Chalmers, Jim; Barrett, Chris (Treasurer's Office); Robbins, Amanda
Subject: John Grant update [SEC=UNCLASSIFIED]

Treasurer

Both Godwin Grech and I have spoken to John Grant this evening.

11/06/2009

Immediate action

Godwin will arrange for Capital Financial to contact John in the next couple of days. Capital had been very aggressive in the market, so is a good chance to take on John's business.

As a fallback, Godwin will also raise John's case with Ford Credit when he sees them in Melbourne on Monday.

John has not been yet been in contact with either. We are confident we can arrange for John to be taken up by one of these two.

Both Godwin and I will keep in close contact with John over the coming week.

Current situation

John currently has finance for his Kia dealership with GE, which has been extended until 31 March.

He will need to find alternative finance given GE's intended withdrawal. (He is happy with his current arrangements for his caravans through GE Commercial and is not seeking to change these.)

St George and Esanda have indicated that they are not looking to taking John's business on to their books.

St George ha indicated he is too small for them just now, give the number of new dealers they are taking on, but have indicated they may be interest down the track.

Esanda has indicated that it is not comfortable with Kia dealerships as standalone entities. In doing so they also suggested this may exclude him form the SPV.

Being a Kia dealer should not exclude John from the SPV. Currently being financed by GE or GMAC and being a good business should be enough and John has assured us he fits these criteria.

Godwin expects the SPV to be in place shortly, with final agreements likely to be reached as soon as this coming week.

In John's case, we will only need to use the SPV if we are unable to arrange something with Capital Finance or Ford Credit.

Cheers

Andrew

Andrew Thomas
Departmental Liaison Officer (Economic)
Office of the Treasurer
Phone: 61 2 6277 7340

Grech, Godwin

From: Thomas, Andrew
Sent: Friday, 20 February 2009 7:27 PM
To: Wayne Swan (+617-3861[REDACTED]@treasury.fax)
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Andrew

Andrew Thomas
Departmental Liaison Officer (Economic)
Office of the Treasurer
Phone: 61 2 6277 7340

11/06/2009

Grech, Godwin

From: Thomas, Andrew
Sent: Friday, 20 February 2009 5:28 PM
To: Grech, Godwin
Cc: Chalmers, Jim; Coghlan, Matthew; Coghlan, Matthew; Robbins, Amanda
Subject: RE: Esanda Finance [SEC=UNCLASSIFIED]
Security Classification: UNCLASSIFIED

Godwin

We really appreciate this. Grateful if you can keep us in the loop as to how this unfolds over the next few days.

It would be useful if you could provide me with a bit of background about how John Grant might not fit into the SPV. On the phone he suggested that being a Kia dealer was enough to exclude him.

Also, assuming John goes not get a deal with Capital Finance or Ford Credit, how would we get him into the SPV – i.e. what is the proves.

I have CC'd Amanda Robbins as she is also working on this issue

Cheers
 Andrew

Andrew Thomas
 Departmental Liaison Officer (Economic)
 Office of the Treasurer
 Phone: 61 2 6277 7340

From: Grech, Godwin
Sent: Friday, 20 February 2009 5:19 PM
To: Thomas, Andrew
Cc: Chalmers, Jim; Coghlan, Matthew; Coghlan, Matthew
Subject: RE: Esanda Finance [SEC=UNCLASSIFIED]

Andrew

I have spoken with John Grant and given him a good run down of where things are at. I told him that I will arrange for Capital Finance to get in touch with him.

I also flagged a fall back - but I will not set that out here. Suffice to say it involves Ford Credit.

I am meeting Ford Credit in Melbourne on Monday and will raise Grant's case.

I undertook to speak again with him early next week.

GE have extended their finance to him until 31 March.

By the way - he has no issue with the caravans, he is happy to keep those with GE Commercial. He is only seeking a new finance provider for the KIA car dealership part of the business.

He sounded quite buoyed by the end of our conversation.

Godwin
 20 February 2009

From: Thomas, Andrew
Sent: Friday, 20 February 2009 4:48 PM
To: Grech, Godwin
Subject: FW: Esanda Finance [SEC=UNCLASSIFIED]

Andrew Thomas
Departmental Liaison Officer (Economic)
Office of the Treasurer
Phone: 61 2 6277 7340

From: Chalmers, Jim
Sent: Friday, 20 February 2009 2:33 PM
To: 'Ripoll, Bernie (MP)'
Cc: Thomas, Andrew
Subject: RE: Esanda Finance [SEC=UNCLASSIFIED]

Margy

Haven't forgotten - has just been impossible to get him out of the cabinet committee he's been in since 8am.

In the interim, have forwarded to Andrew Thomas in our office, who knows most about such things.

Will try and get Wayne to call when he can, but possible it could be tomorrow.

Thanks for your patience.

Jim

From: Nugent, Margy (B. Ripoll, MP) [mailto:Margaret.Nugent@aph.gov.au] **On Behalf Of** Ripoll, Bernie (MP)
Sent: Thursday, 19 February 2009 12:11 PM
To: Chalmers, Jim
Subject: Esanda Finance

Hi Jim
Bernie has requested that Wayne give Bernie a call, he would like to speak to him about the emails below from John Grant, Principal of Ipswich Central Motors in regards to Esanda finance. Bernie is contactable on his mobile.

if require more information please contact me in the electorate office.

Thanks Jim

Regards

Margy

Margy Nugent

Electorate Officer

Website: www.bernieripoll.com.au

Office of Bernie Ripoll MP Federal Member for Oxley

Phone: (07) 3818 3900 | Fax: (07) 3818 1181



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11/06/2009