

Parliamentary Joint Committee on Corporations and Financial Services
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Questions on notice relating to Greensill

REFERENCE: Question on Notice (Written, Committee Secretary, Letter dated 21 May 2021)

QUESTION No.: 30

Following the collapse of Greensills, the committee is seeking information on the status of supply chain financing in Australia, including:

QoN030-01 - How extensively is supply chain financing used?

QoN030-02 - In which sectors of the economy is it used?

QoN030-03 - What types of invoices are involved (e.g. goods, services, wages)?

QoN030-04 - Is supply chain financing used in public sector payments for wages or other services?

QoN030-05 - How common is it for supply chain financiers to provide:

- factoring;
- reverse factoring; and
- both factoring and reverse factoring to the same client.

QoN030-06 - How common is it for supply chain financiers to finance prospective invoices?

QoN030-07 - What are the advantages, disadvantages and risks of using supply chain financing?

QoN030-08 - How common is it for supply chain financiers to provide/use structured financing, such as securitisation?

- What leverage levels are reached?
- What additional risks arise?
- How common is it for the trade insurance to be used in relation to supply chain financing?

QoN030-09 - For a client, how do the terms and conditions of supply chain financing differ from a business loan?

QoN030-10 - What are the implications of supply chain financing for transparency in financial reporting and accounting and auditing standards?

ANSWER

Financial market regulation, including supply chain financing, does not sit within the responsibilities of the Department of Industry, Science, Energy and Resources portfolio. We understand from the Committee that similar questions have been directed to the responsible agency which is Treasury.