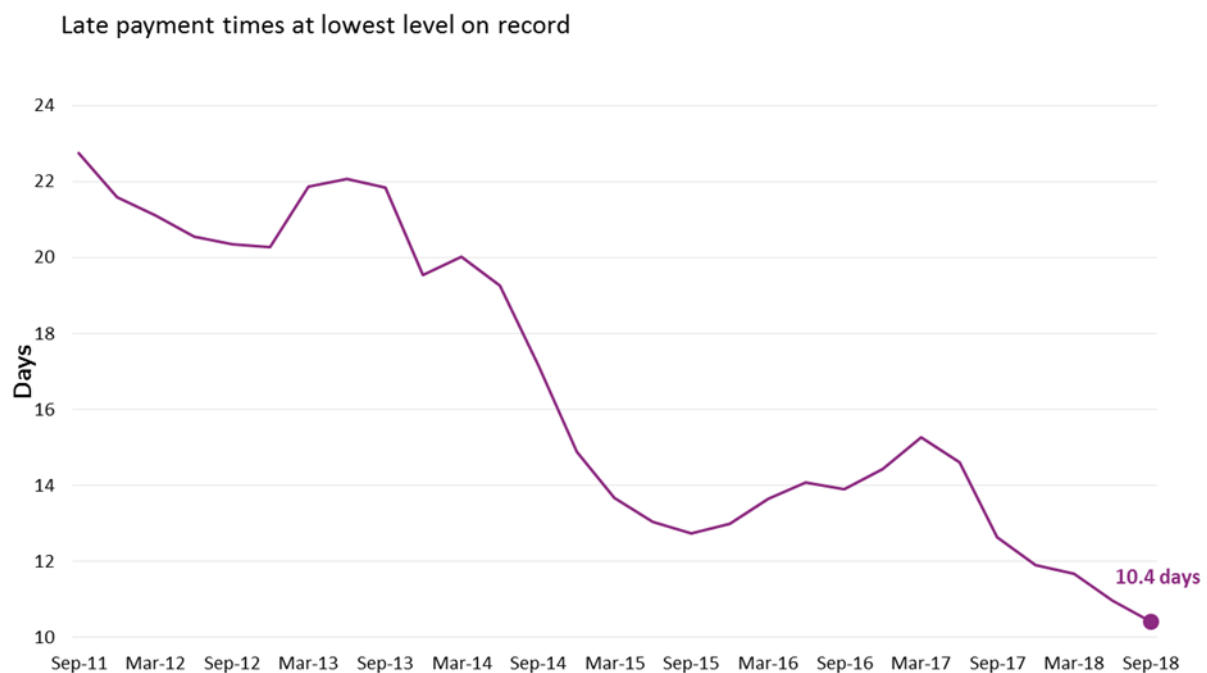


## MEDIA RELEASE

### Business paying bills in record time

**11 December 2018** – Australian businesses continue to set records for paying overdue bills faster, with [illion's](#) Late Payments analysis showing a new low of 10.4 days at the end of September 2018.

illion's [Late Payments analysis](#) uses the largest database of business-to-business payment information in Australia, capturing more than one million entities.



The latest result means the average late payment time fell 17.7 per cent compared to the September quarter 2017, when the average was 12.6 days. Despite the drop, there is still some way to go before all businesses are being paid on time.

illion CEO Simon Bligh said the strong focus on business payments, particularly for small business, was a key factor behind the continuing decline.

“Over past few years the Small Business and Family Enterprise Ombudsman, under Kate Carnell’s leadership, has increased awareness of late payments as a key issue impacting small businesses across Australia. It appears to be paying off, as late payment times have decreased across all industries and sectors.”

illion Economic Adviser Stephen Koukoulas said the most recent data reflect the low interest rate environment and mild inflationary pressure, encouraging cashed up businesses to settle bills faster than ever.

“Late payments are an indicator of the financial health of the business sector, with low payment times associated with sound conditions. The most recent data, which show late payments times falling to a record low, confirms strong cash flows in the business sector. A mix of low interest rates and well contained cost increases are encouraging firms to pay their bills in a speedy fashion.”



The retail sector continues to struggle, recording the worst late payment time among all industries at 13.5 days. Despite lagging other sectors, retail businesses still saw late payments decrease by 14 per cent year-on-year. Companies operating in the utilities sector weren't far behind at 13.3 days, while the forestry sector was fastest at 5.5 days.

Mr Koukoulas said, "In the context of weak wages growth, high levels of household debt and signs of weakness in housing, late payment times remain highest in the consumer sensitive retail and utilities sectors. These trends are likely to remain in the near term. Late payment times for mining have fallen sharply over the past year as the sector has registered a strong lift in activity on the back of buoyant commodity prices."

The difference between the best and worst late payment times, according to business size, remains indicative of the power imbalance highlighted by the Small Business and Family Enterprise Ombudsman. The largest businesses remain well behind Australia's smaller entities. At its most extreme this amounts to a difference of 6.7 days, with the average for companies with more than 500 employees currently at 14.6 days, while businesses with between 6 and 19 employees average 8 days.

-ENDS-

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**Notes to editors**

Late Payments provides a quarterly report with a breakdown according to sector, size, age and location of entities. Late Payments analyses trade information from illion's Commercial Bureau, the largest database of business-to-business payment information in Australia, capturing more than one million entities. Monthly trade transaction files are collated and advanced analytics is used to provide a summary of how late entities pay for goods and services after payment is due.

Business-to-business payment information reveals how an organisation is paying its existing obligations. It is a highly predictive data set and a critical element in credit risk scores and business failures forecasting. The predictive nature of trade data combined with its monthly availability enables businesses to properly assess credit risk with real time information.