

## MEDIA RELEASE

### Small business leads pack to settle bills faster

**22 May 2018** – Australian businesses are settling outstanding bills faster, with [illion's](#) Late Payments analysis showing a new record low at 11.7 days at the end of March 2018.

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

Small businesses, particularly those with less than 50 employees, are the country's best payers, while big businesses (those with 500+ employees) continue an 18<sup>th</sup> consecutive quarter streak recording the slowest late payment times. One-third (31.2%) of businesses fail to pay their bills on time.

Late Payments times by Size – Q1 2018



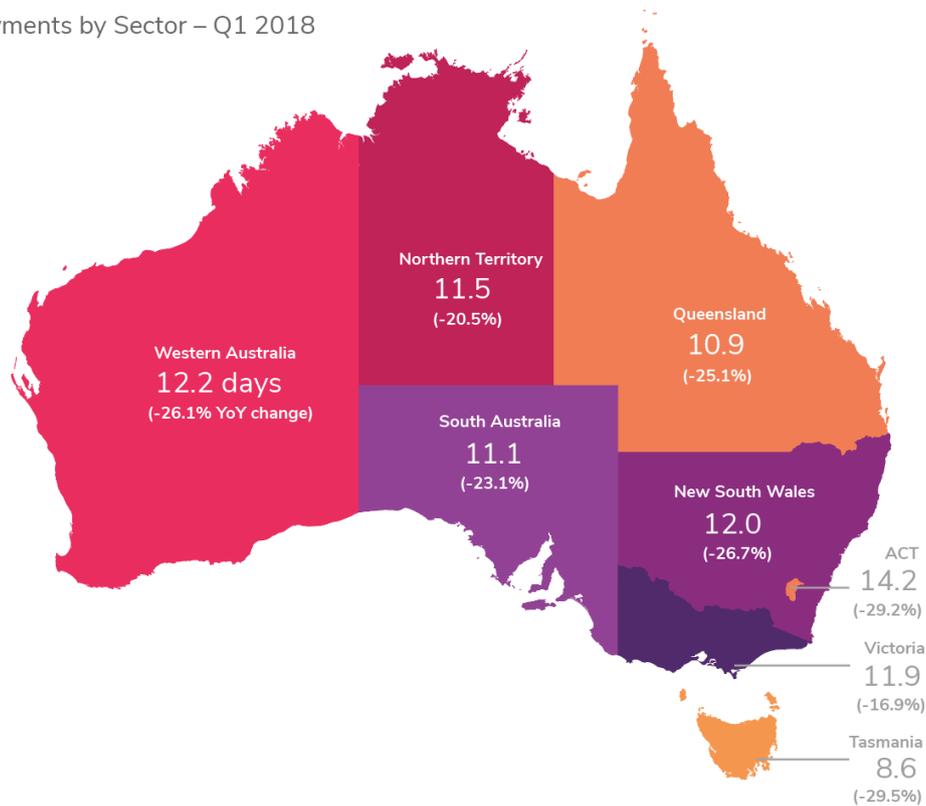
illion CEO, Simon Bligh, said “Late payment times have fallen to a record low in our latest analysis, which also reveals more invoices than ever are being paid on time. The March quarter results confirm the underlying strength in the economy. While payment times dropped annually across all regions, sectors and business sizes, the big end of town are still squeezing the small guys and there is no sign of a culture change.”

Stephen Koukoulas, illion Economic Adviser, said the new low builds on a long run of decline, reflecting the business sector's strong cash flow position and generally buoyant conditions.

“Many businesses are cash rich as a result of record low interest rates and low wage growth, even if the average level of firms selling prices remains contained. It is noteworthy that the decline in late payments in recent years reflects broadly the decline in interest rates over those years.”

While late payment times fell in every state and territory in the 12 months to March 2018, the ACT remains the laggard at two days slower than the second-slowest region, Western Australia. Late payment times are lowest in Tasmania at just 8.6 days.

Late Payments by Sector – Q1 2018



Mr Koukoulas said, “Tasmania continues to show improving economic conditions, while the generally tardy nature of the government sector is dragging on the ACT’s standing.”

While late payments fell across all sectors, the smallest inroads were seen in the retail industry, with late payment times falling just 4.6% year-on-year to 15.5 days.

Mr Koukoulas concluded, “This reflects the generally poor conditions in the sector because of weak growth in consumer spending in the past year.”

## Late Payments by Sector – Q1 2018



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### Media enquiries

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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.