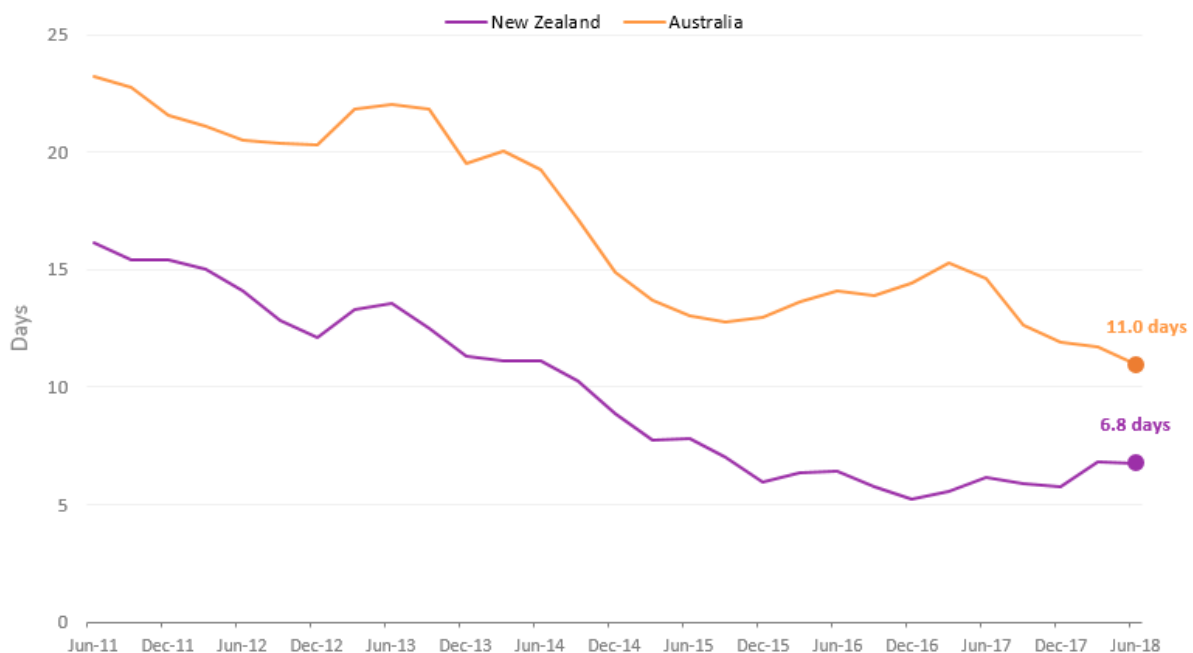


MEDIA RELEASE

Late payments up 10% in FY2018

25 September 2018 – New Zealand business paid overdue bills later in FY2018, with [illion's](#) Late Payments analysis showing a 10 per cent annual increase to 6.8 days at the end of June 2018.

Despite the rise, New Zealand's figure remains well below the Australian average of 11 days. The current difference between the two countries of 4.2 days is the closest it has ever been, after Australian businesses reduced late payment times by 25 per cent in FY2018.



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

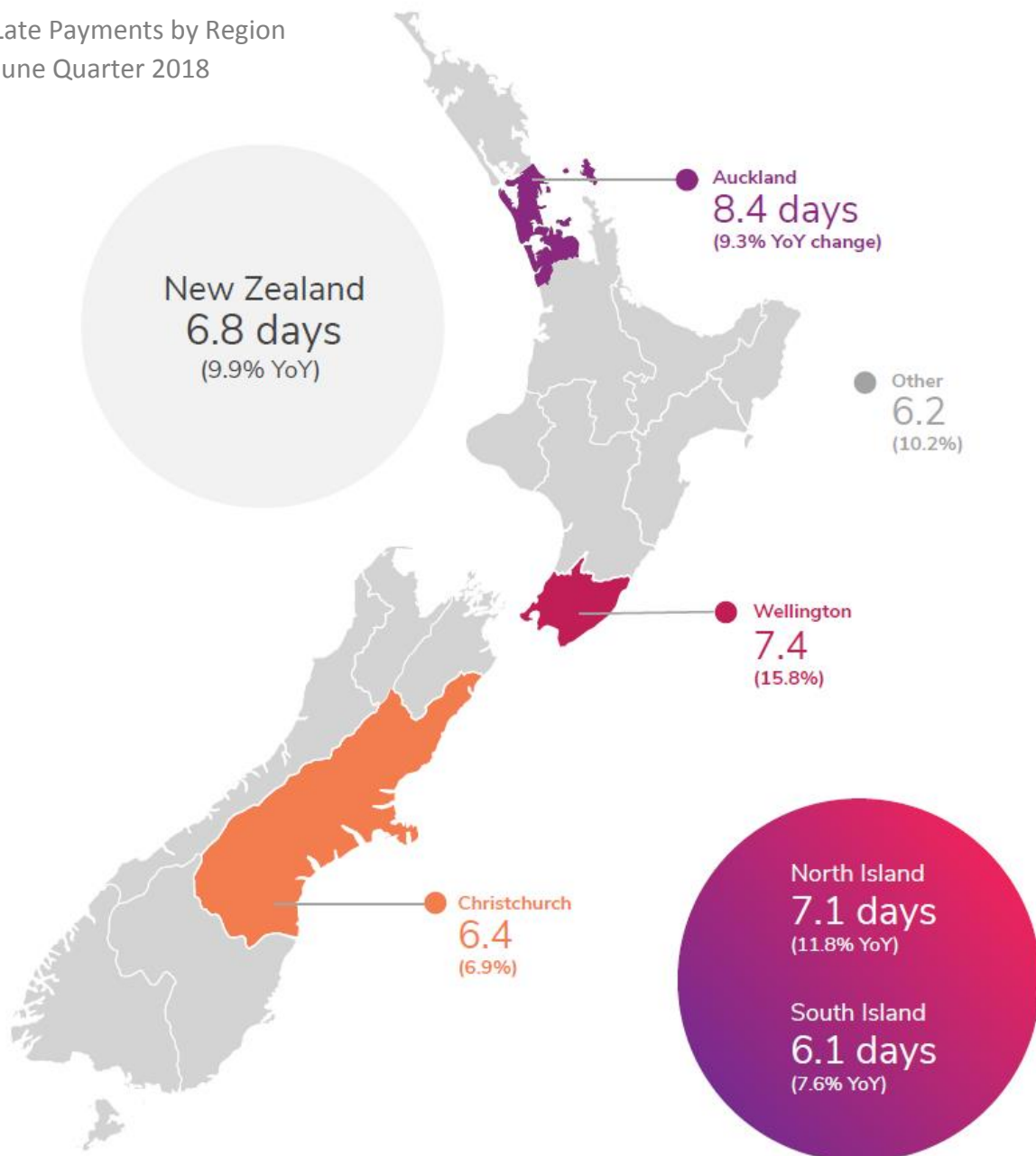
illion's Economic Adviser, Stephen Koukoulas, said that while the business sector remains healthy, benefiting from low interest rates and solid economic growth, risks appear to be building.

"Reflecting the more problematic performance of the New Zealand economy through the middle of 2018, late payment times have been edging higher over the past year. While the absolute level of late payments remains relatively low at 6.8 days, it has increased marginally from the historically low point registered at the end of 2016," Mr Koukoulas said.

Wellington saw payment times rise by 15.8 per cent during the year, while Christchurch had the lowest annual increase. The North Island, weighed by Auckland's consistently above average late payment times, remains the worst broad region, recording an 11.8 per cent increase during the year.

"An important aspect of the regional late payments data is how little divergence there is between the highest and lowest times. This difference is relatively low and probably reflects a more stable state for the underlying fundamentals of the New Zealand economy," Mr Koukoulas said.

Late Payments by Region
June Quarter 2018



Late payments in the Agriculture industry fell the most during FY2018 and the sector has seen late payment times fall by 62 per cent over the past five years. By contrast, wholesalers saw late payment times surge 13.7 per cent during the year to 9.7 days, the highest average for the sector since June 2015.

“Over the past year, only two sectors recorded a fall in late payment times – agriculture and utilities. For agriculture, which has a heavy reliance on exports, the lower level for the New Zealand dollar is likely impacting positively on cash flows. The late payments data contrast with a range of recent business surveys which have been pessimistic in recent quarters,” Mr Koukoulas said.

-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.