

**MEDIA RELEASE**

## Late payment times fastest on record

**22 November 2018** – New Zealand businesses are paying overdue bills in the fastest time on record, according to [illion’s Late Payments analysis](#) for the September quarter 2018. At 5.2 days, the average late payment time for a New Zealand business has decreased 11.7 per cent year-on-year.

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.

### Late payment times down 11.7% year-on-year



Source: illion Data Registries

The only sector to see late payment times rise annually was businesses operating in the Finance, Insurance & Real Estate industry. This sector recorded a 1.7 per cent increase in late payments compared to the same period in 2017.

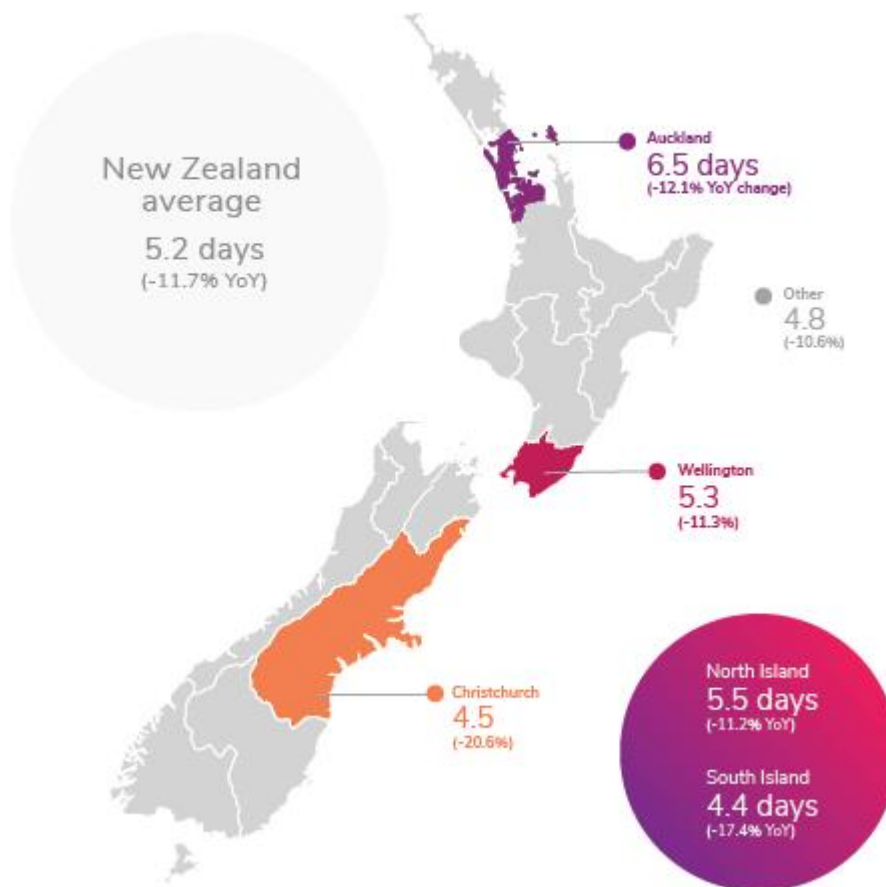
illion’s Economic Adviser, Stephen Koukoulas, said weakness in this area was a result of the softening housing market, which began in 2017.

“There was a broad increase in prompt payments in all sectors other than finance, insurance and real estate, whose weakness is linked to the softening in housing since 2017. Across all industries more than 81 per cent of invoices are paid on time, reflecting the strength in the New Zealand economy and indicating technology is an important driver encouraging firms to pay their bills in a timely manner,” Mr Koukoulas said.

Christchurch emerged as the first of the major cities to record the lowest regional late payment time since 2016, with times falling 20.6 per cent annually to 4.5 days. Larger businesses remain the worst for late payment times. This was reflected by Auckland, home to many of the largest firms operating in New Zealand, recording the worst late payment average of all regions at 6.5 days.

“Over the past year, late payment times has fallen sharply across all regions. Auckland remains the centre with the highest late payment times, which reflects the fact that there are more large firms there than in other cities and regions.” Mr Koukoulas said.

Late Payments by Region - September Quarter 2018



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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.