MEDIA RELEASE

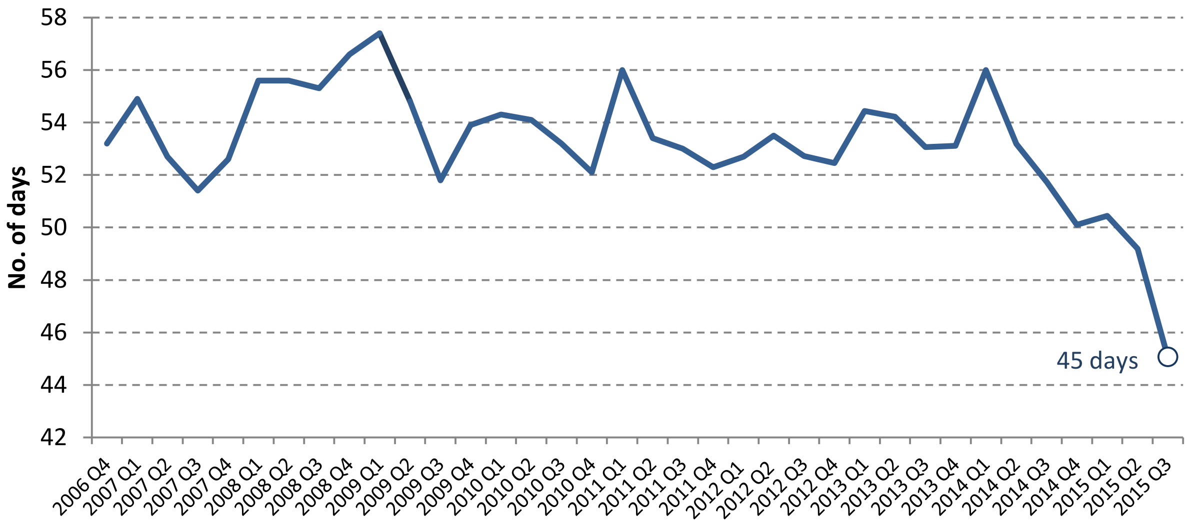
Immediate release: 27th October 2015

Payment times plummet

Australian businesses settled their invoices at a new record-setting pace of 45.1 days on average in Q3 2015. This compares to 49.2 days in the previous quarter and 51.7 days in the same period last year, as revealed by Dun & Bradstreet's latest Trade Payments Analysis. The result suggests businesses have exceptionally healthy cash flows as a result of the favourable credit environment, spurred by the Reserve Bank's October decision to leave the cash rate unchanged at 2.0% for the fifth month in a row.

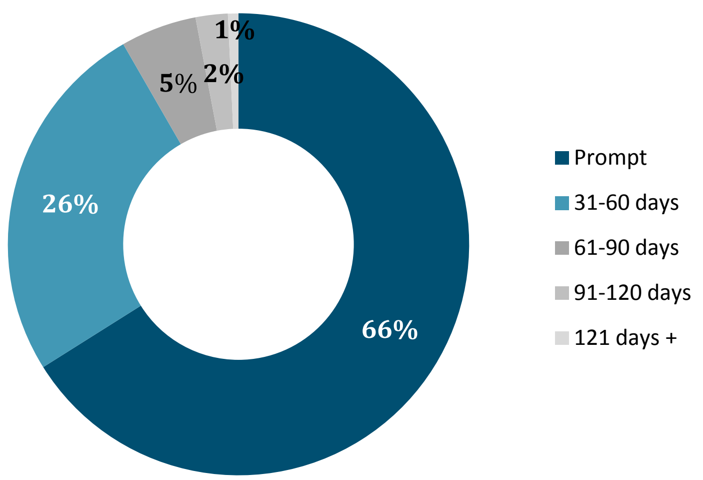
According to Stephen Koukoulas, Economics Advisor to Dun & Bradstreet, "The spectacular decline in average invoice payment times since the middle of 2014 suggests firms are experiencing favourable cash flows. A combination of savings from record low interest rates, reasonable income growth and on-going economic expansion mean that firms are well placed to pay their bills more quickly than at any time in many years."

Average invoice payment times: Australia



Despite an average payment time that was four days faster than the previous quarter, the headline Q3 result was not reflected in the percentage of businesses settling their invoices within 30 days, which fell from 68% in Q2 to 66%. Meanwhile, 26% of businesses paid their invoices in 31-60 days, compared to just 21% in the previous quarter.

Invoice payment times: Q3 2015



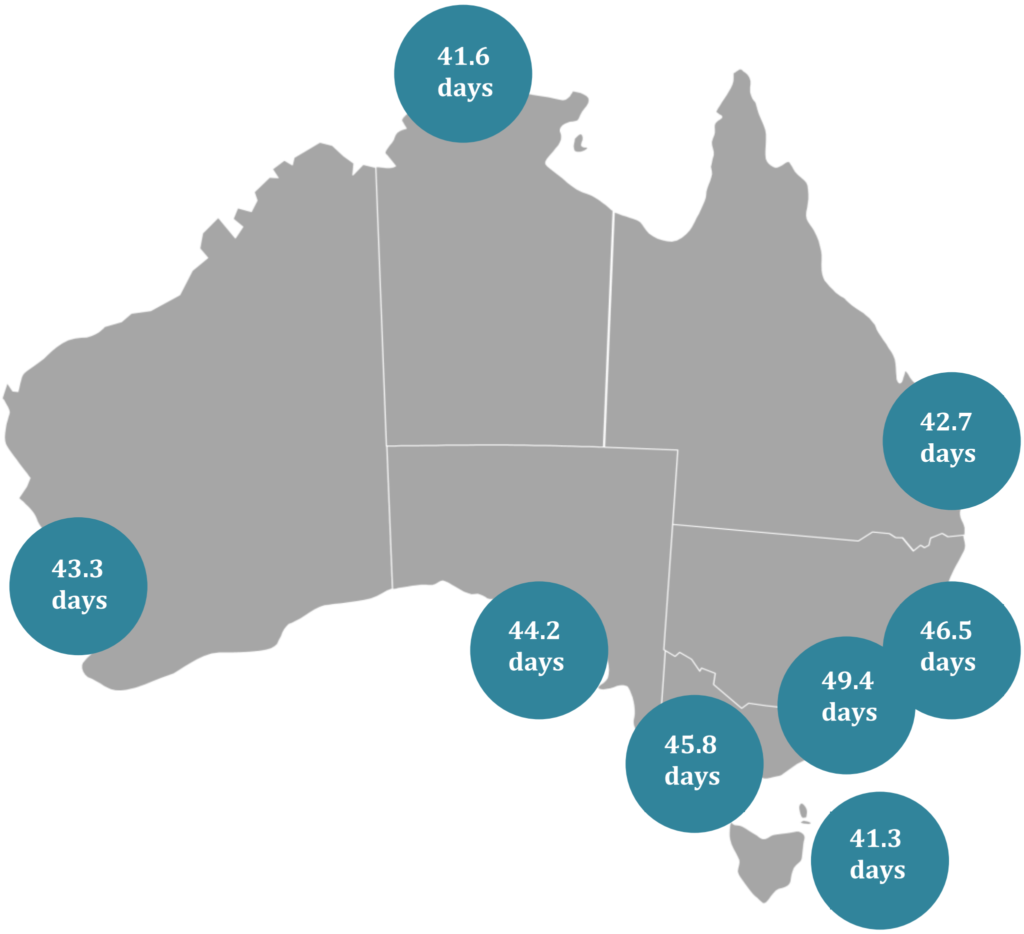
MEDIA RELEASE

According to Dun & Bradstreet's September *Business Expectations Survey*, 43 per cent of businesses would choose to miss a payment to a trade supplier if they were unable to pay all of their bills. The survey also found that 35 per cent of businesses have had a customer or supplier become insolvent or otherwise unable to pay them during the past year.

Businesses with between 6-199 staff paid their invoices at the fastest average rate of 41.5 days, but businesses with 1-5 employees recorded the most improvement at 43.3 days, compared to 47.0 days in the previous quarter and 49.1 days last year.

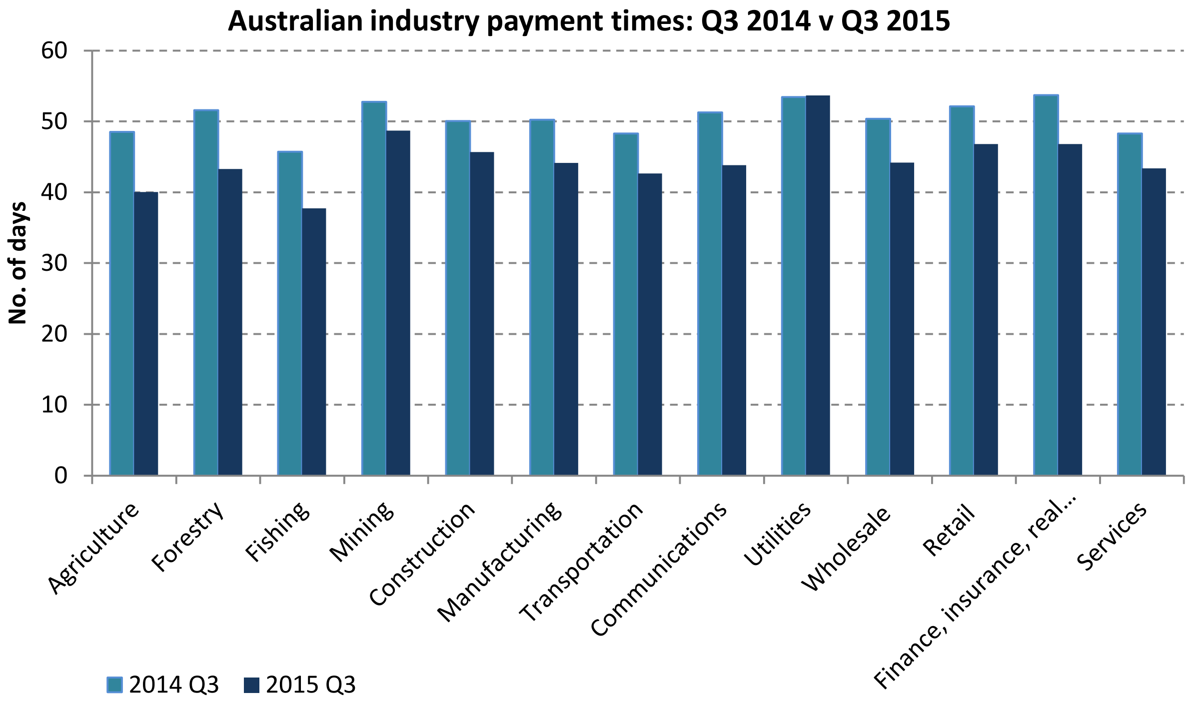
Businesses in Queensland, New South Wales and Victoria paid their invoices around four to five days faster than in Q2, while businesses in Tasmania, the Northern Territory, Queensland and New South Wales reported an improvement of at least one week compared to average payment times in Q3 2014.

Average payment times: states and territories, Q3 2015



MEDIA RELEASE

Similar to previous years, businesses in the Utilities sector were the slowest to pay their invoices, with an average of 53.7 days, 1.7 days slower than the previous quarter and on par with the same time last year. Meanwhile, the Fishing industry posted the fastest average payment time for the fourth consecutive quarter and was the only sector to break into the thirties, with an average payment time of 37.2 days. The Communications sector reported the most improvement on Q2, with an average payment time of 43.8 days compared to 49.8 days.



Mr Koukoulas said the sharp reduction in invoice payment times indicates the economy is in sound shape and there is no need for further interest rate reductions from the Reserve Bank.

"The invoice payment times are often viewed as a measure of financial stress for the business sector – when firms are slow to pay their bills, they are generally experiencing financial pressures and when payment times fall, as is the case in the past year, they are clearly cashed up," Mr Koukoulas said.

For more information please contact:

James Malkin
malkinj@dnb.com.au
+61 3 9828 3273

MEDIA RELEASE

About *Trade Payments Analysis*

Business-to-business payment information is a highly predictive data set and a critical element in credit risk scores and business failures forecasting.

The distinct advantage of trade information over other forms of company data is its ability to provide insight into current performance. Company financials, which are considered to be critical to effective decision making, are reported relatively infrequently and as a consequence, organisations may be required to make decisions using data that is up to 12-months old. Conversely, because trade information is reported monthly, it reveals how an organisation is paying its existing obligation.

Trade data is also effective across all business sizes, being the most predictive element in SME scores and the second most predictive (behind financials) in other credit scores. The predictive nature of trade data combined with its timely availability enables businesses to properly assess credit risk.

This includes the identification of both high and low risk customers, thereby enabling firms to minimise the risk of late payments and bad debts and identify the good credit accounts that will create long-term, profitable credit relationships.

About Dun & Bradstreet

Established in 1887, Dun & Bradstreet is Australia and New Zealand's longest-established credit information bureau. Backed by its extensive financial database, D&B helps businesses to make informed credit decisions, and consumers to access personal credit information.

D&B works across the entire credit lifecycle to deliver data-driven solutions in sales and marketing, credit reporting and debt management.

Through analysis of financial and behavioural information, D&B also provides current and predictive assessments of the economy, business conditions and credit activity.