

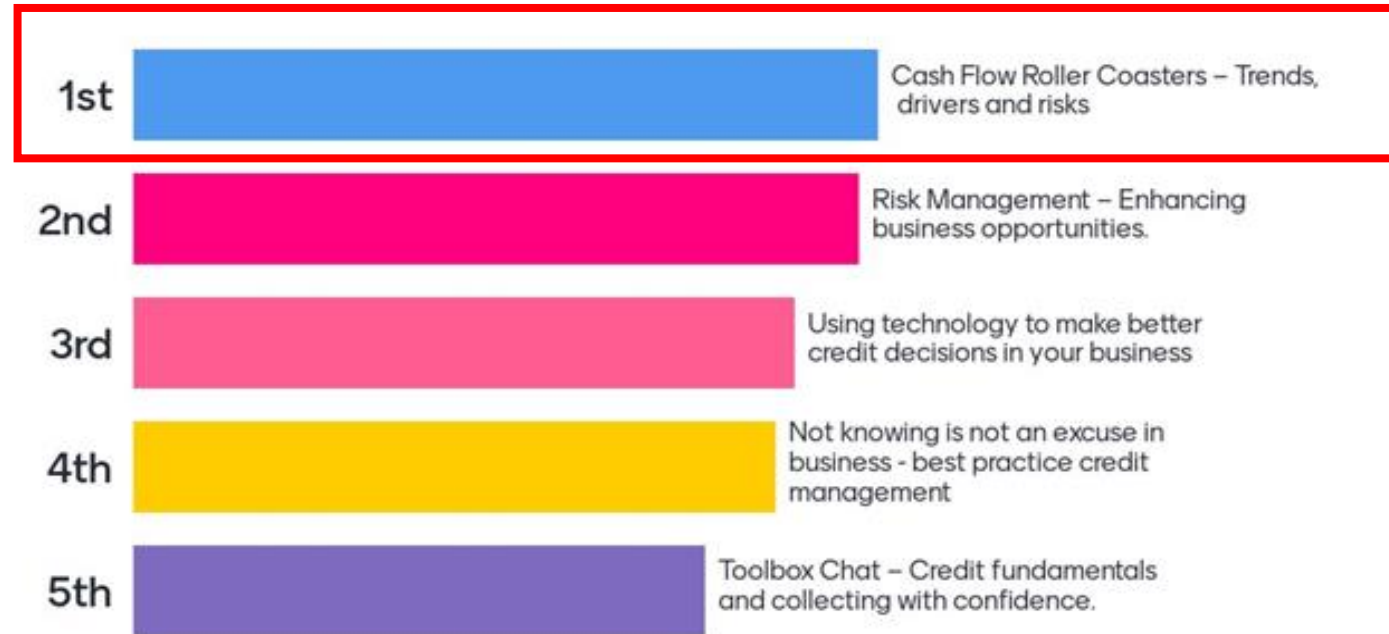


Cash flow Roller-Coasters

Trends, Drivers and Risks

Angela McDonald
Queensland Leaders
11 April 2024

Credit Management & Debt Recovery | Optimum Recoveries



How do you feel? With Q1 in the rear-view mirror, how's your business energy?

64 responses



What's happening in our economy...



1. 42% of jobs are made possible by small businesses
2. 43% of those were not profitable in the last tax year
3. SME's work more BUT $\frac{3}{4}$ take home less than average earnings
4. Wages Rose in big business, but SME's struggle to keep pace
5. GST Collection moderated... even gambling taxes fell!
6. The Federal Government invested in infrastructure
7. There are advantage to be gained by larger, well-resourced businesses.
8. ATO - Gloves are off (reporting, Collecting & enforcing)

Risk Alerts...

Important Cross Directorship 2 alerts

HIRO BRANDS LIMITED ABN: 43169177833 ACN: 169177833 Custom IDs: 115107, 115108 PAUL ERIC DOCHERTY - critical ASIC document lodged - 3DMEDITECH PTY LTD

[View Directorship](#)

FUEL SYSTEM SOLUTIONS PTY LTD ABN: 54608962965 ACN: 608962965 Custom ID: 114170 ANNETTE DEBRA SCOTT - Tax Default - FSS PROJECTS PTY LTD
MICHAEL JOHN LYNCH - Tax Default - FSS PROJECTS PTY LTD

[View Directorship](#)

22.7 days

The average length of time
small businesses wait to be paid.

An Increase of 6.8 days.

*Xero Small business Insights

Invoice defaults are at record highs as cost pressures squeeze businesses.

Creditor Watch Business Risk Index (BRI)

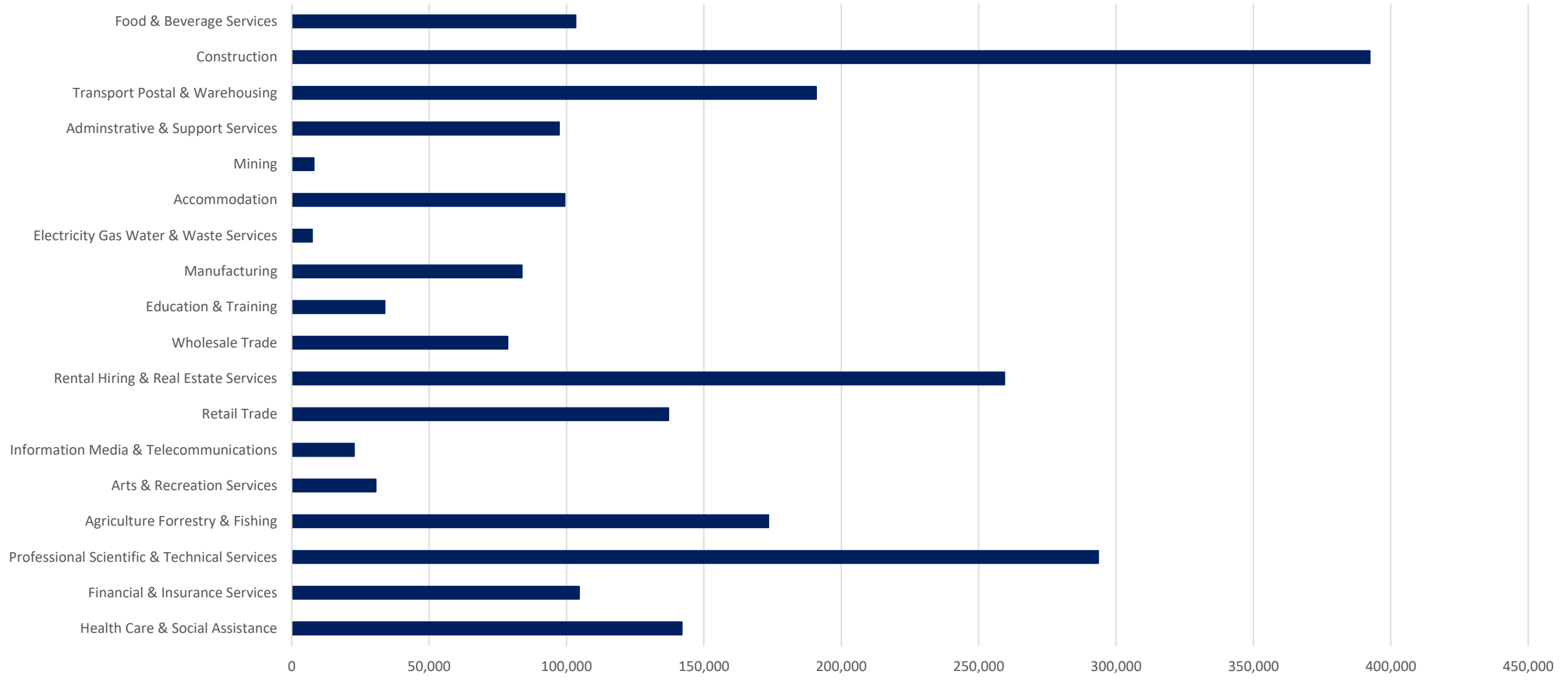
- B2B trade payment defaults continue to trend upward, with an 47.9% YoY increase
- Court Actions to recover outstanding monies are up 52.0% against the same time last year.
- External administrations are up 24.6% YoY and are expected to continue to increase
- Big business is using their market power to obtain a cashflow advantage over small-business suppliers and the Government is stepping in: Payment Time Register / E-Invoicing



The Australian Payment Landscape

Industry types...

ASIC - Company Registrations by industry type

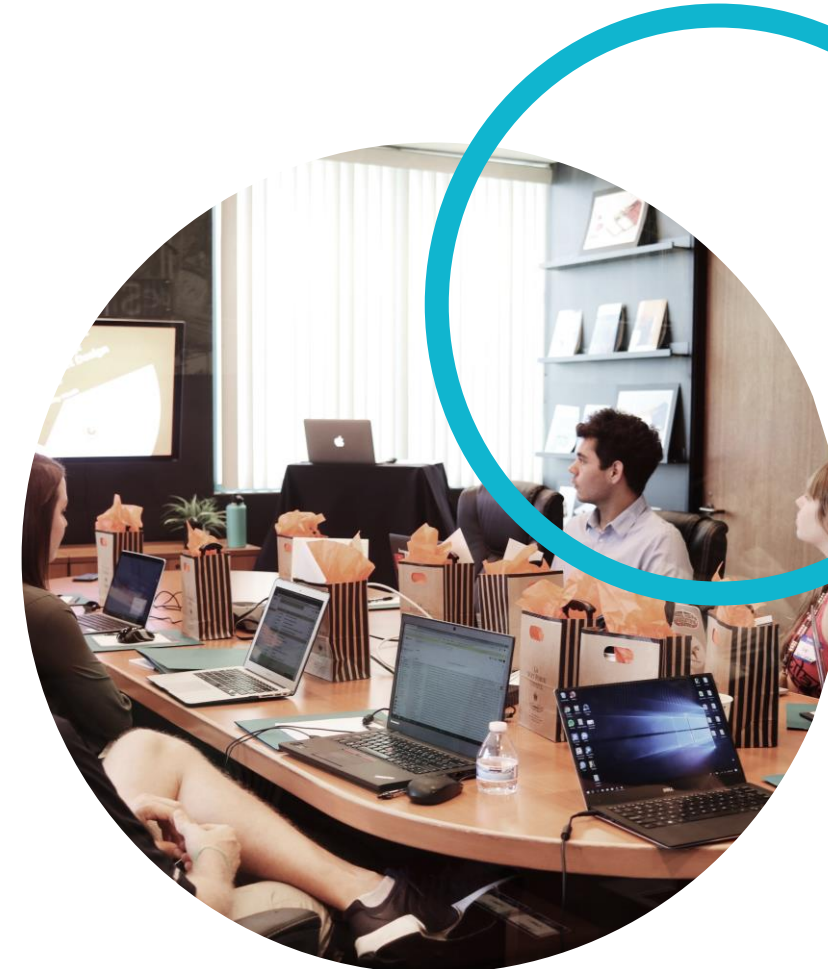




Risks & Impacts

Using data to manage risk...

Industry type	Volume	Rate of failure
Health Care & Social Assistance	396	0.28%
Financial & Insurance Services	416	0.40%
Professional Scientific & Technical Services	1,194	0.41%
Agriculture Forestry & Fishing	729	0.42%
Arts & Recreation Services	128	0.42%
Information Media & Telecommunications	110	0.48%
Retail Trade	697	0.51%
Rental Hiring & Real Estate Services	1,313	0.51%
Wholesale Trade	403	0.51%
Education & Training	187	0.55%
Manufacturing	453	0.54%
Electricity Gas Water & Waste Services	42	0.57%
Accommodation	600	0.60%
Mining	54	0.67%
Administrative & Support Services	613	0.63%
Transport Postal & Warehousing	1,236	0.65%
Construction	2,605	0.66%
Food & Beverage Services	1,109	1.07%



Keep on your radar...



- Keep calm and avoid catastrophising!
- Keep your powder dry!
- Managing late payments is not going to get easier...
- Consider if you HAVE to take the risk of extending credit
- Consider your Credit “Hygiene”
- Finding your “Sweet spot” for profitable customer retention
- Doing more with less – AI in our everyday business lives
- Global influences and other unknowns



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