



Welcome to our October newsletter.

It has been an extraordinarily busy 12 months and unfortunately the news surrounding cost of living & interest rates hasn't improved. I am most proud of our growing team for their hard work and dedication in a tough economic climate.

Last week our team attended our annual Australian Institute of Credit Management conference here in Melbourne. Along with an awards evening that rewards credit professionals, there are always a host of key-note speakers who are experts in their field to keep us updated. Of interest are some facts that I noted:

The global economy is in better position than we thought however Australia is still battling inflation which is keeping interest rates higher than expected post the pandemic. The prediction for an interest rate cut is for mid next year. (source HSBC)

- 9,500 businesses closed last year (Sept 23-24) which is a 50% increase (source Equifax)
 - Of companies in external administration, 57% had no previous adverse events on file (source Equifax)
 - Payment defaults are up 83% year on year and court actions are at a record high (source Creditor Watch)
 - Food and beverage defaults are higher than construction currently and higher in Victoria (source Creditor Watch)
 - The ATO is owed \$51.4 billion currently and 31,995 businesses with tax defaults above \$100K over 90 days who have not engaged with the ATO have been disclosed on credit rating bureaus. 25% of tax debt is over 2 years old. (source ATO)
 - 46% of small businesses are not profitable and 1/3 have no cash reserves (source Small Business Ombudsman)
 - Cybercrime- to be on the lookout for identity theft, false invoice schemes, account compromises and ransomware. (Victoria Police)
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These numbers and facts may be worrying however there are ways to minimise risk:

- Know the entity of your customer, have clear engagement documentation and track their payment history
- Speak to a customer who may be paying later than normal
- Good business pays - early intervention and implementation of processes is the key
- Have specialist debt collection resources on hand
- Have expert IT back up

In collections, we sometimes converse with debtors who may be experiencing tough times. Please see links to organisations that can assist.

- Lifeline 13 11 14
- National Debt Helpline 1800 007 007
- Small Business Debt Helpline 1800 413 828
- Beyond Blue 1300 224 636 <https://www.beyondblue.org.au/mental-health/work/small-business-owners-and-sole-traders>
- Rural Financial Counselling Service (RFCS) 1800 900 090
- ASK IZZY- is a mobile website that connects people who are in crisis with the services they need right now and nearby. <https://askizzy.org.au/>
- Report cyber- 1300 292 371

On a happy note, it is good to see some sun and warmer weather here in the southern states and to see signs of Christmas being just around the corner.

Given this, it is a really good time to go through your receivables and send across outstanding accounts for recovery action. We have found in the past that if our clients wait until early December, many of our debtors are focused on their Christmas outgoings that may include paying their staff wages and / or their holidays to avoid or delay payment. It truly is a case of first in, first served and the squeaky wheel gets the oil. Many of our clients are impressed with how quickly the escalation to us can get results.

If you have questions or matters to discuss, please contact our office on 03 8488 8000 and we would be happy to discuss these with you.

Enjoy the lead up to the festive season!

Jeanine



Articles, Advice & Information.....

As always, we defer to our large list of contacts and ask a number of them to provide topical information for our readers. This month, we have articles provided by:

CREDITOR WATCH

Business Risk Index with the results for September 2024 released on 16 October 2024. Written by Ivan Colhoun, Chief Economist - CreditorWatch.

This is a 5 minute read with information on the construction & hospitality industries along with an outlook for the coming months. Download the article [here](#).

NCI - NATIONAL CREDIT INSURANCE (BROKERS) PTY LTD

The attached [summary](#) and [snapshot](#) shows there are number of industries reaping the benefits of credit insurance in this current market and as a result, there is no better time to credit insure and protect your liquidity and cash flow!

KPMG - Debt Market Update

KPMG's Debt Market Update summaries credit market activity and provides insights into the latest trends and their implications for Australian companies. The full report can be downloaded [here](#).

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NATIONAL AUSTRALIA BANK

5 tips to help you take control of your business in times of uncertainty.

There is an upside to uncertainty – it allows smart businesses to take charge of their destiny by actively managing the things they can control. You can read the full article [here](#).

R U OK?

A conversation could change a life

RU OK day was 12 September. This is a day dedicated to encouraging meaningful conversations and checking in on the well-being of those around us.

Please remember this is not the only day of the year we can check in with family, friends & colleagues to ask about their mental health. For more information and workplace resources, you can follow this link.

[Workplace Resources for asking "Are you OK?" | R U OK?](#)

It costs nothing to be kind.

If there is a specific topic you would like us to feature, please let us know.

Testimonial

We often receive feedback from our clients - and sometimes even from our debtors! We regularly survey our clients. We also receive unsolicited feedback which is always welcome. We have recently received the following testimonial.

Thank you so much for your perseverance with Mr Smith. That is great news. Keep up the great work as we really appreciate it, we had felt a bit despondent about him.

Regards – John, Construction Services Provider, Country Victoria



Submit Your Debts

The best time to take action and submit your debts for recovery action is now. Avoid the queue of people trying to get money from debtors in the days prior to Christmas. By early December, many businesses are more focused on having funds to cover annual leave or their own holidays. Submit your debt today and get the jump on getting REPAID! Simply lodge your debts [here](#). We will confirm receipt of your information and let you know if we have any questions.

Contact Us:

[Business Credit Solutions | REPAID](#)

REPAID! Collections:

[\(03\) 8488 8000](tel:(03)84888000) info@repaid.com.au

Business Credit Solutions:

1800 REPAID / [1800 737 843](tel:1800737843) reply@businesscreditsolutions.com.au

Postal: PO Box 5, Collins Street West VIC 8007

Location: Suite 2 Level 3 51 Queen Street Melbourne VIC 3000
