

# IFD UPDATE

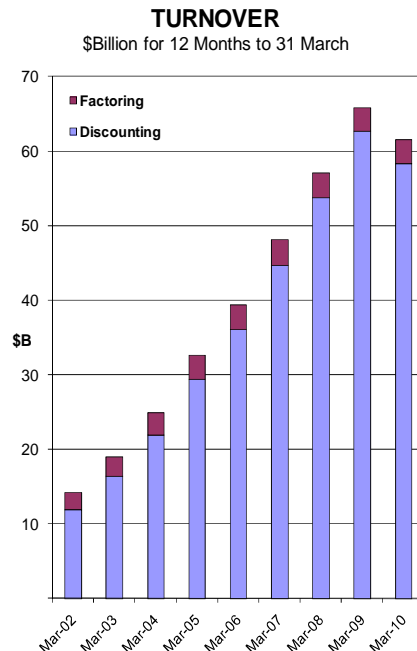
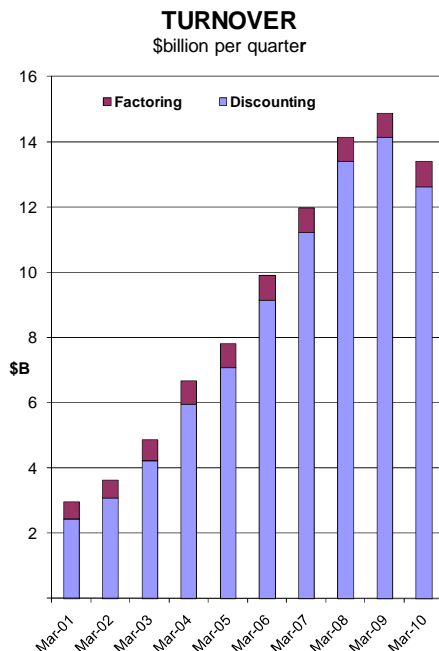
IFD Statistics

March Quarter 2010

Up to and including the September quarter 1999, the following IFD members participated in this survey: AGC, Cash Resources, Commonwealth Bank, Heller Financial Services, National Cash Flow Solutions, ORIX Factors (since acquired by Bank of Queensland), Scottish Pacific Business Finance, and St George Bank. ANZ Banking started participating in the December 1999 quarter, Bank of Queensland from June 2000 quarter, Benchmark Debtor Finance (now Scottish Pacific Benchmark) from March 2002. AGC ceased to participate in the June quarter 2002 and Westpac Debtor Finance is included from that time. Oxford Funding and Bibby Financial Services participated from June 2003, HSBC Bank Australia from September 2004, BankWest Invoice Discounting from June 2005, Cashflow Finance Australia from September 2006, Coface Finance from March 2009 and Taurus Trade Finance from September 2009. Significantly, ANZ withdrew from the business with its last statistical return in December quarter 2009. Allianz Finance commenced participation in March 2010.

## AUSTRALIAN MARKET

Total factoring and discounting turnover in the March 2010 quarter was \$13.4 billion, a reduction of \$1.5 billion (9.8%) on the same quarter in 2009, with factoring turnover of \$799 million (up 10.8%) and discounting \$12.6 billion (down 10.9%). Total turnover for the 12 months to the end of March 2010 was \$61.6 billion (down 6.5% from \$65.8 billion for the year ended March 2009).



**Institute for Factors & Discounters**

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3 June 2010

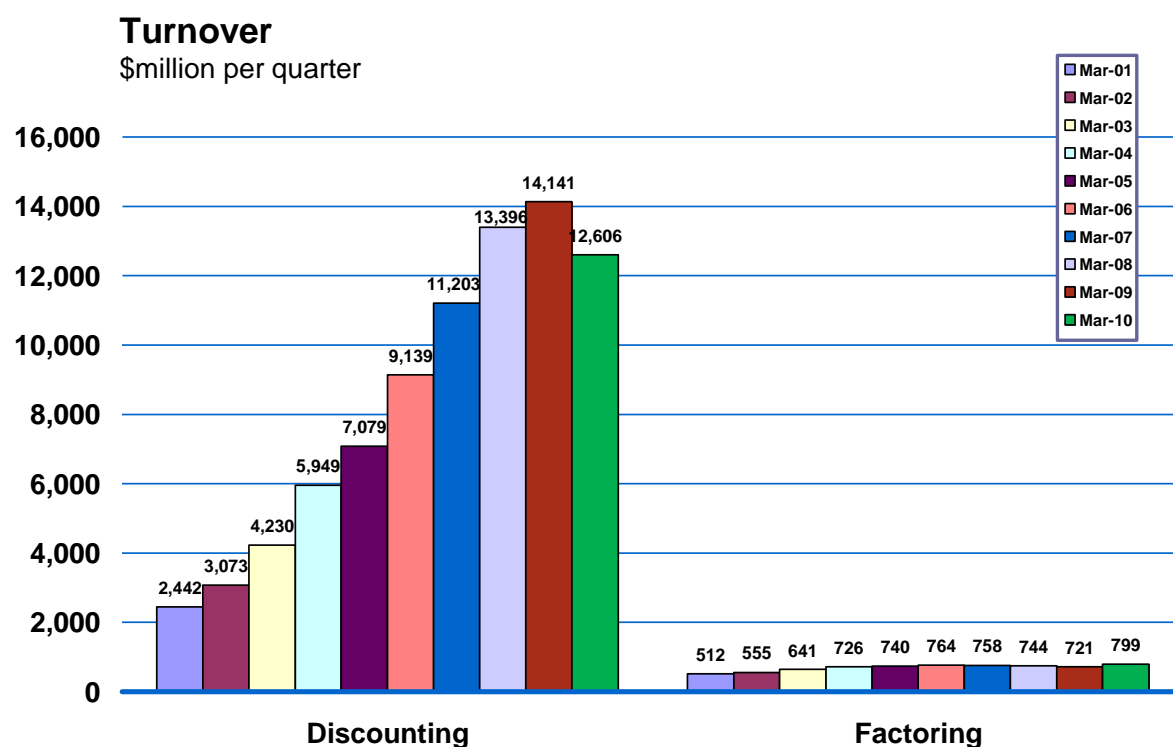
IFD/1042

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## 1. National Factoring and Discounting

**Table 1:** National Factoring & Discounting Profile

### 1. INDUSTRY PROFILE

Factoring	Mar-09 Quarter	Jun-09 Quarter	Sep-09 Quarter	Dec-09 Quarter	Mar-10 Quarter	Latest 12 Months
Turnover (\$M)	720.6	747.4	841.2	885.5	798.8	3,272.8
Receivables (end of qtr-\$M)	398.8	383.6	431.1	458.1	433.7	
Number of Clients (end of qtr)	1,544	1,621	1,586	1,552	1,545	
Number of Debtors (end of qtr)	59,572	61,565	66,104	65,652	65,948	

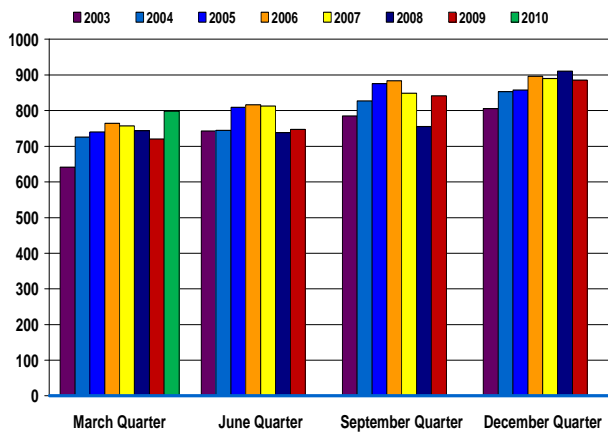
  

Discounting	Mar-09 Quarter	Jun-09 Quarter	Sep-09 Quarter	Dec-09 Quarter	Mar-10 Quarter	Latest 12 Months
Turnover (\$M)	14,141.0	14,837.4	15,131.6	15,718.6	12,606.0	58,293.6
Receivables (end of qtr-\$M)	6,986.5	7,098.6	6,981.6	7,193.1	6,158.3	
Number of Clients (end of qtr)	4,287	4,335	4,139	4,030	3,931	

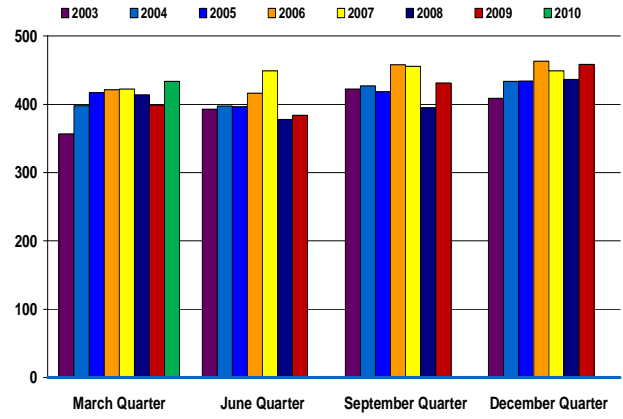
  

Total	Dec-08 Quarter	Mar-09 Quarter	Jun-09 Quarter	Sep-09 Quarter	Dec-09 Quarter	Latest 12 Months
Turnover (\$M)	14,861.6	15,584.8	15,972.8	16,604.1	13,404.8	61,566.4
Receivables (end of qtr-\$M)	7,385.3	7,482.2	7,412.7	7,651.3	6,592.0	
Number of Clients (end of qtr)	5,926	5,907	5,831	5,582	5,476	

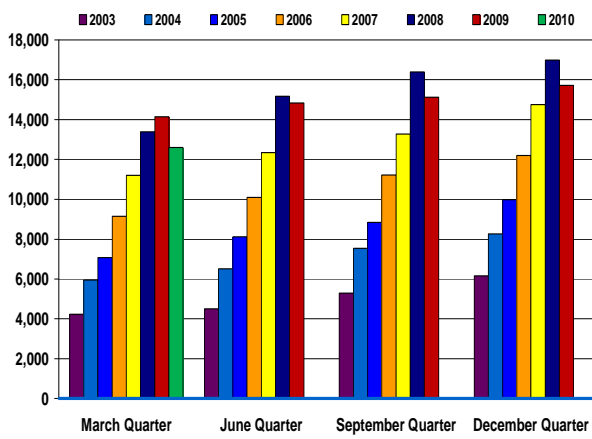
**Factoring : Turnover** \$million per quarter



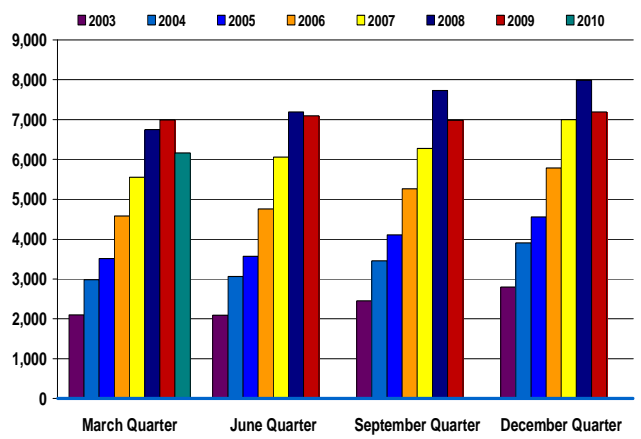
**Factoring: Receivables** \$million end of quarter



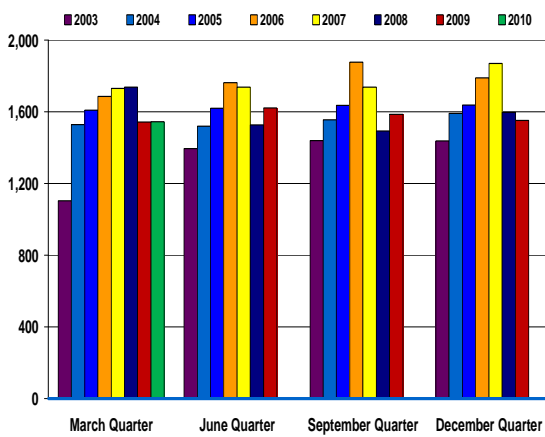
**Discounting : Turnover** \$million per quarter



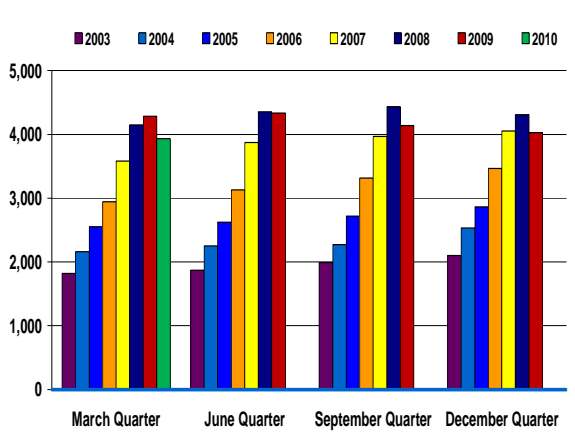
**Discounting : Receivables** \$million end of quarter



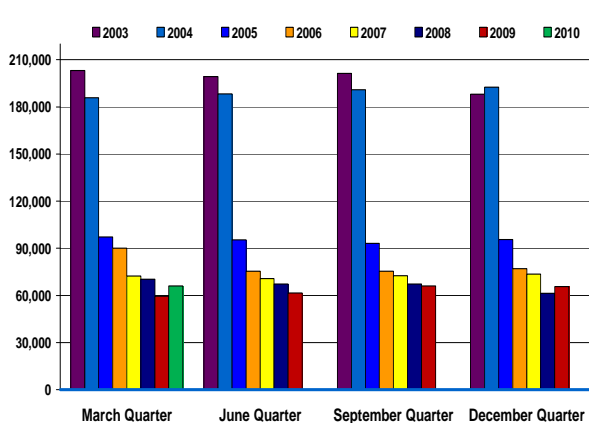
**Factoring: Clients** end of quarter



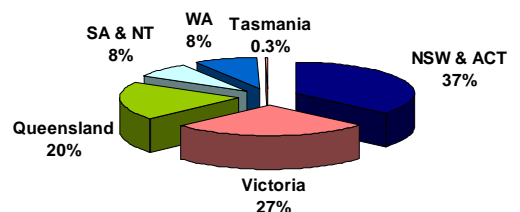
**Discounting: Clients** end of quarter



**Factoring: Debtors Under Management** end of quarter



**States Turnover - Percentage of Turnover**



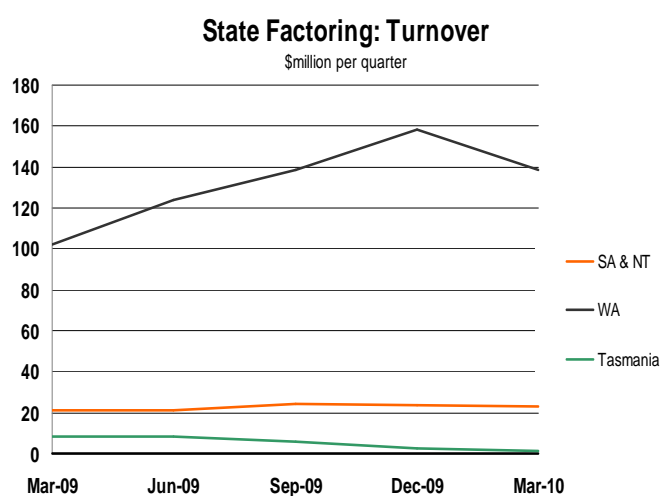
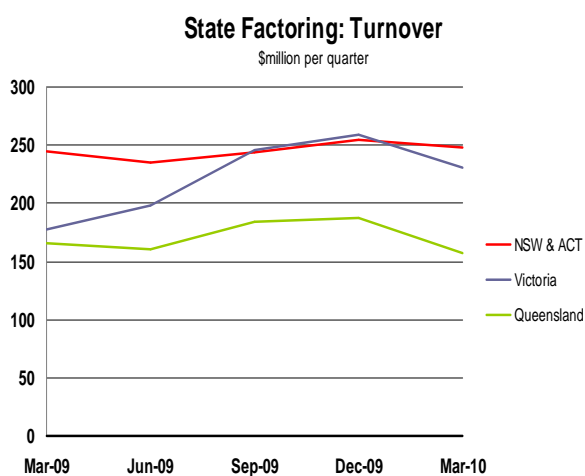
## 2. State Factoring and Discounting - Turnover

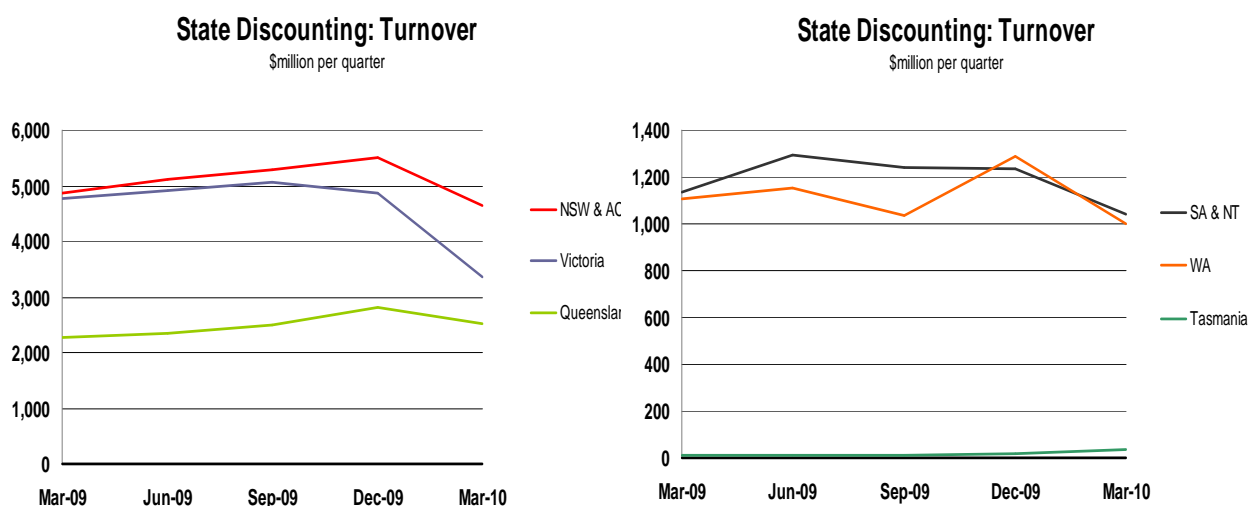
**Table 2:** State Factoring & Discounting Profile \$Million

<b>Factoring</b>	<b>Mar-09</b>	<b>Jun-09</b>	<b>Sep-09</b>	<b>Dec-09</b>	<b>Mar-10</b>
NSW & ACT	244.8	235.3	243.5	255.0	247.9
Victoria	177.9	197.9	246.1	258.9	230.9
Queensland	166.2	160.8	183.8	187.3	157.6
SA & NT	21.0	21.0	24.0	23.6	22.9
WA	102.4	124.1	138.3	158.0	138.2
Tasmania	8.3	8.3	5.5	2.7	1.3
<b>National Factoring</b>	<b>720.6</b>	<b>747.4</b>	<b>841.2</b>	<b>885.5</b>	<b>798.8</b>

<b>Discounting</b>	<b>Mar-09</b>	<b>Jun-09</b>	<b>Sep-09</b>	<b>Dec-09</b>	<b>Mar-10</b>
NSW & ACT	4,859.7	5,104.5	5,280.5	5,498.2	4,641.6
Victoria	4,760.9	4,921.0	5,069.4	4,870.5	3,366.0
Queensland	2,267.2	2,354.6	2,496.5	2,809.9	2,523.1
SA & NT	1,134.2	1,292.8	1,239.2	1,233.7	1,040.3
WA	1,105.4	1,151.0	1,033.5	1,290.7	1,001.0
Tasmania	13.6	13.4	12.5	15.6	34.0
<b>National Discounting</b>	<b>14,141.0</b>	<b>14,837.4</b>	<b>15,131.6</b>	<b>15,718.6</b>	<b>12,606.0</b>

<b>Total</b>	<b>Mar-09</b>	<b>Jun-09</b>	<b>Sep-09</b>	<b>Dec-09</b>	<b>Mar-10</b>
NSW & ACT	5,104.5	5,339.8	5,524.0	5,753.2	4,889.5
Victoria	4,938.8	5,118.9	5,315.5	5,129.4	3,596.9
Queensland	2,433.4	2,515.4	2,680.2	2,997.2	2,680.7
SA & NT	1,155.2	1,313.8	1,263.2	1,257.3	1,063.2
WA	1,207.8	1,275.1	1,171.8	1,448.7	1,139.2
Tasmania	21.9	21.7	18.0	18.3	35.3
<b>National Factoring &amp; Discounting</b>	<b>14,861.6</b>	<b>15,584.8</b>	<b>15,972.8</b>	<b>16,604.0</b>	<b>13,404.8</b>





### 3. State Factoring and Discounting – Receivables

**Table 3:** State Factoring & Discounting Profile \$Million

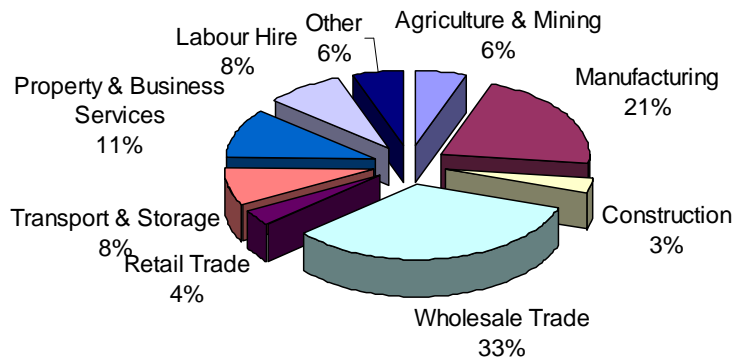
Factoring	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
NSW & ACT	143.8	127.3	127.4	137.8	127.3
Victoria	99.7	104.6	127.1	138.9	126.2
Queensland	87.7	79.3	93.1	94.7	85.0
SA & NT	10.6	12.0	11.8	9.5	12.7
WA	53.7	57.1	69.2	76.1	81.3
Tasmania	3.3	3.3	2.5	1.1	1.1
<b>National Factoring</b>	<b>398.8</b>	<b>383.6</b>	<b>431.1</b>	<b>458.1</b>	<b>433.7</b>

Discounting	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
NSW & ACT	2,307.6	2,448.9	2,361.9	2,327.9	2,073.6
Victoria	2,522.0	2,468.1	2,479.0	2,459.1	1,893.0
Queensland	1,057.4	1,096.8	1,087.9	1,252.2	1,189.5
SA & NT	615.8	603.7	607.3	608.1	575.3
WA	477.0	477.1	440.8	539.6	413.1
Tasmania	6.7	4.1	4.7	6.3	13.8
<b>National Discounting</b>	<b>6,986.5</b>	<b>7,098.6</b>	<b>6,981.6</b>	<b>7,193.2</b>	<b>6,158.3</b>

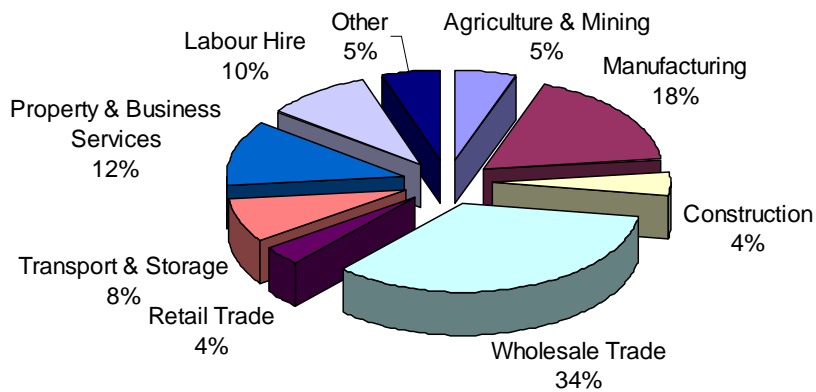
Total	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
NSW & ACT	2,451.4	2,576.2	2,489.3	2,465.7	2,200.9
Victoria	2,621.7	2,572.7	2,606.1	2,598.0	2,019.2
Queensland	1,145.2	1,176.1	1,181.0	1,346.9	1,274.5
SA & NT	626.4	615.7	619.1	617.6	588.0
WA	530.7	534.2	510.0	615.7	494.4
Tasmania	10.0	7.4	7.2	7.4	14.9
<b>National Factoring &amp; Discounting</b>	<b>7,385.3</b>	<b>7,482.2</b>	<b>7,412.7</b>	<b>7,651.3</b>	<b>6,592.0</b>

**BY INDUSTRY:**

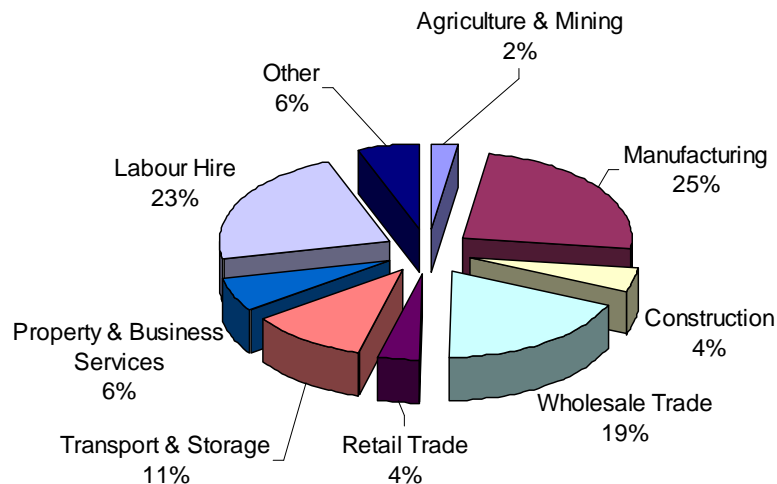
**March 2010 Quarter 2010  
Percentage of Receivables**



**March Quarter 2010  
Percentage of Discounting Turnover**



**March Quarter 2010  
Percentage of Factoring Turnover**



**4. Historical Data on Factoring and Discounting by Quarter**

Quarter	Factoring	Discounting	Total
Mar-05	740.3	7,078.7	7,819.0
Jun-05	809.2	8,112.8	8,922.0
Sep-05	875.7	8,848.3	9,724.0
Dec-05	857.6	9,986.5	10,844.1
Mar-06	764.1	9,139.4	9,903.5
Jun-06	816.1	10,095.3	10,911.4
Sep-06	883.4	11,220.1	12,103.5
Dec-06	896.5	12,194.6	13,091.1
Mar-07	757.7	11,202.5	11,960.2
Jun-07	812.7	12,340.4	13,153.1
Sep-07	848.6	13,273.5	14,122.1
Dec-07	890.6	14,759.7	15,650.3
Mar-08	744.1	13,396.3	14,140.4
Jun-08	738.1	15,173.9	15,912.0
Sep-08	755.9	16,386.6	17,142.5
Dec-08	911.0	16,993.4	17,904.4
Mar-09	720.6	14,141.0	14,861.6
Jun-09	747.4	14,837.4	15,584.8
Sep-09	841.2	15,131.6	15,972.8
Dec-09	885.5	15,718.6	16,604.1
Mar-10	798.8	12,606.0	13,404.8

Quarter	Factoring	Discounting	Total
Mar-05	1,610	2,550	4,160
Jun-05	1,619	2,624	4,243
Sep-05	1,636	2,720	4,356
Dec-05	1,637	2,865	4,502
Mar-06	1,686	2,943	4,629
Jun-06	1,763	3,130	4,893
Sep-06	1,877	3,315	5,192
Dec-06	1,788	3,469	5,257
Mar-07	1,730	3,580	5,310
Jun-07	1,737	3,875	5,612
Sep-07	1,737	3,967	5,704
Dec-07	1,870	4,051	5,921
Mar-08	1,738	4,150	5,888
Jun-08	1,527	4,353	5,880
Sep-08	1,493	4,433	5,926
Dec-08	1,597	4,310	5,907
Mar-09	1,544	4,287	5,831
Jun-09	1,621	4,335	5,956
Sep-09	1,586	4,139	5,725
Dec-09	1,552	4,030	5,582
Mar-10	1,545	3,931	5,476

Quarter	Factoring	Discounting	Total
Mar-05	417.1	3,513.6	3,930.7
Jun-05	396.4	3,568.5	3,964.9
Sep-05	418.8	4,104.7	4,523.5
Dec-05	434.0	4,555.4	4,989.4
Mar-06	421.5	4,581.5	5,003.0
Jun-06	416.1	4,757.7	5,173.8
Sep-06	457.7	5,262.3	5,720.0
Dec-06	463.1	5,784.7	6,247.8
Mar-07	422.2	5,555.4	5,977.6
Jun-07	448.8	6,063.0	6,511.8
Sep-07	455.8	6,279.3	6,735.1
Dec-07	449.0	6,999.0	7,448.0
Mar-08	413.8	6,748.1	7,161.9
Jun-08	377.7	7,188.7	7,566.4
Sep-08	395.3	7,728.4	8,123.7
Dec-08	436.3	7,982.2	8,418.5
Mar-09	398.8	6,986.5	7,385.3
Jun-09	383.6	7,098.6	7,482.2
Sep-09	431.1	6,981.6	7,412.7
Dec-09	458.1	7,193.1	7,651.3
Mar-10	433.7	6,158.3	6,592.0

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Mar-05	303.6	163.3	188.4	30.6	52.7	1.9	740.3
Jun-05	326.7	193.1	210.3	24.4	52.8	1.9	809.2
Sep-05	364.5	198.0	219.4	25.2	66.6	2.0	875.7
Dec-05	337.2	210.2	227.1	23.9	57.2	2.0	857.6
Mar-06	296.4	172.8	199.4	45.3	48.4	1.8	764.1
Jun-06	308.9	168.2	242.9	44.2	50.3	1.6	816.1
Sep-06	334.8	182.9	267.1	35.9	60.7	2.0	883.4
Dec-06	334.3	194.2	261.5	37.7	66.3	2.5	896.5
Mar-07	284.7	157.7	217.6	35.6	60.6	1.5	757.7
Jun-07	293.8	160.3	259.7	31.0	65.5	2.4	812.7
Sep-07	299.5	192.6	257.5	26.6	69.8	2.6	848.6
Dec-07	322.7	228.9	235.9	30.9	69.7	2.5	890.6
Mar-08	266.8	192.9	185.2	28.7	64.2	6.3	744.1
Jun-08	266.7	166.7	193.6	25.6	78.7	6.8	738.1
Sep-08	273.3	167.4	205.0	25.3	79.7	5.2	755.9
Dec-08	335.0	214.9	210.8	26.0	113.2	11.1	911.0
Mar-09	244.8	177.9	166.2	21.0	102.4	8.3	720.6
Jun-09	235.3	197.9	160.8	21.0	124.1	8.3	747.4
Sep-09	243.5	246.1	183.8	24.0	138.3	5.5	841.2
Dec-09	255.0	258.9	187.3	23.6	158.0	2.7	885.5
Mar-10	247.9	230.9	157.6	22.9	138.2	1.3	798.8

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Mar-05	2,173.3	2,622.5	1,229.5	497.1	556.3	0.0	7,078.7
Jun-05	2,660.7	2,899.2	1,296.8	538.7	717.4	0.0	8,112.8
Sep-05	2,710.2	3,371.8	1,451.3	565.9	749.1	0.0	8,848.2
Dec-05	3,057.5	3,803.2	1,530.5	668.6	926.7	0.0	9,986.5
Mar-06	2,902.3	3,332.5	1,410.1	662.7	811.3	20.5	9,139.4
Jun-06	3,236.9	3,694.2	1,539.8	720.1	867.1	37.2	10,095.3
Sep-06	3,558.4	4,278.6	1,621.5	782.7	940.9	38.0	11,220.1
Dec-06	3,888.0	4,444.0	1,820.1	872.7	1,137.8	32.0	12,194.6
Mar-07	3,723.8	3,821.9	1,767.6	805.6	1,052.5	31.1	11,202.5
Jun-07	4,108.3	4,094.1	1,947.0	963.3	1,193.5	34.2	12,340.4
Sep-07	4,364.1	4,524.1	2,078.2	924.7	1,339.5	42.9	13,273.5
Dec-07	4,846.9	5,136.4	2,448.9	1,044.6	1,228.9	54.0	14,759.7
Mar-08	4,362.5	4,609.1	2,175.2	1,067.1	1,147.5	34.9	13,396.3
Jun-08	4,962.9	5,200.7	2,468.2	1,238.2	1,258.5	45.4	15,173.9
Sep-08	5,521.5	5,546.1	2,727.6	1,255.3	1,284.3	51.8	16,386.6
Dec-08	5,769.4	5,609.2	2,893.3	1,316.3	1,388.4	16.8	16,993.4
Mar-09	4,859.7	4,760.9	2,267.2	1,134.2	1,105.4	13.6	14,141.0
Jun-09	5,104.5	4,921.0	2,354.6	1,292.8	1,151.0	13.4	14,837.4
Sep-09	5,280.5	5,069.4	2,496.5	1,239.2	1,033.5	12.5	15,131.6
Dec-09	5,498.2	4,870.5	2,809.9	1,233.7	1,290.7	15.6	15,718.6
Mar-10	4,641.6	3,366.0	2,523.1	1,040.3	1,001.0	34.0	12,606.0

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Mar-05	2,476.9	2,785.7	1,417.8	527.7	609.0	1.9	7,819.0
Jun-05	2,987.4	3,092.3	1,507.1	563.1	770.2	1.9	8,922.0
Sep-05	3,074.7	3,569.8	1,670.7	591.1	815.7	2.0	9,723.9
Dec-05	3,394.7	4,013.4	1,757.6	692.5	983.9	2.0	10,844.1
Mar-06	3,198.7	3,505.3	1,609.5	708.0	859.7	22.3	9,903.5
Jun-06	3,545.8	3,862.4	1,782.7	764.3	917.4	38.8	10,911.4
Sep-06	3,893.2	4,461.5	1,888.6	818.6	1,001.6	40.0	12,103.5
Dec-06	4,222.3	4,638.2	2,081.6	910.4	1,204.1	34.5	13,091.1
Mar-07	4,008.5	3,979.6	1,985.2	841.2	1,113.1	32.6	11,960.2
Jun-07	4,402.1	4,254.4	2,206.7	994.3	1,259.0	36.6	13,153.1
Sep-07	4,663.6	4,716.7	2,335.7	951.3	1,409.3	45.5	14,122.1
Dec-07	5,169.6	5,365.3	2,684.8	1,075.5	1,298.6	56.5	15,650.3
Mar-08	4,629.3	4,802.0	2,360.4	1,095.8	1,211.7	41.2	14,140.4
Jun-08	5,229.6	5,367.4	2,661.8	1,263.8	1,337.2	52.2	15,912.0
Sep-08	5,794.8	5,713.5	2,932.6	1,280.6	1,364.0	57.0	17,142.5
Dec-08	6,104.4	5,824.1	3,104.1	1,342.3	1,501.6	27.9	17,904.4
Mar-09	5,104.5	4,938.8	2,433.4	1,155.2	1,207.8	21.9	14,861.6
Jun-09	5,339.8	5,118.9	2,515.4	1,313.8	1,275.1	21.7	15,584.8
Sep-09	5,524.0	5,315.5	2,680.2	1,263.2	1,171.8	18.0	15,972.8
Dec-09	5,753.2	5,129.4	2,997.2	1,257.3	1,448.7	18.3	16,604.0
Mar-10	4,889.5	3,596.9	2,680.7	1,063.2	1,139.2	35.3	13,404.8

**Table 5: Debtor Finance Index**
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	\$m Turnover in 12 Months to End of Quarter			Index
	Factoring	Discounting	Total	
Dec-00	2078.3	8883.6	10961.8	100.0
Mar-01	2124.6	9557.2	11681.8	106.6
Jun-01	2188.0	10246.2	12434.2	113.4
Sep-01	2230.4	10632.7	12863.1	117.3
Dec-01	2280.9	11232.3	13513.2	123.3
Mar-02	2323.3	11863.3	14186.6	129.4
Jun-02	2360.5	12804.2	15164.6	138.3
Sep-02	2410.3	14014.6	16424.9	149.8
Dec-02	2511.3	15180.0	17691.3	161.4
Mar-03	2597.9	16337.3	18935.2	172.7
Jun-03	2763.8	17315.7	20079.4	183.2
Sep-03	2898.9	18487.1	21386.0	195.1
Dec-03	2975.0	20182.8	23157.7	211.3
Mar-04	3059.4	21901.2	24960.6	227.7
Jun-04	3061.4	23914.0	26975.4	246.1
Sep-04	3103.4	26162.6	29266.0	267.0
Dec-04	3151.1	28268.4	31419.5	286.6
Mar-05	3165.9	29398.2	32564.2	297.1
Jun-05	3230.6	31000.8	34231.5	312.3
Sep-05	3278.9	32304.5	35583.4	324.6
Dec-05	3282.9	34026.3	37309.2	340.4
Mar-06	3306.6	36087.1	39393.7	359.4
Jun-06	3313.5	38069.5	41383.1	377.5
Sep-06	3321.2	40441.3	43762.5	399.2
Dec-06	3360.1	42649.4	46009.5	419.7
Mar-07	3353.7	44712.5	48066.2	438.5
Jun-07	3350.3	46957.6	50307.9	458.9
Sep-07	3315.5	49011.0	52326.5	477.4
Dec-07	3309.6	51576.1	54885.7	500.7
Mar-08	3296.0	53769.9	57065.9	520.6
Jun-08	3221.4	56603.4	59824.8	545.8
Sep-08	3128.7	59716.5	62845.2	573.3
Dec-08	3149.1	61950.2	65099.3	593.9
Mar-09	3125.6	62694.9	65820.5	600.5
Jun-09	3134.9	62358.4	65493.3	597.5
Sep-09	3220.2	61103.4	64323.6	586.8
Dec-09	3194.7	59828.6	63023.3	574.9
Mar-10	3272.8	58293.6	61566.4	561.6

## DEFINITIONS

**Invoice Discounter** – Company buying the debt

**Factor** – Company buying the debt

**Client** – Business selling the debt

**Debtor** – Party liable for paying the debt

**Debt** – Trade debts payable by the debtors

**Invoice Discounting:** The sale by a business (the Client) and the purchase by the Discounter of trade debts on a continuing basis. The Client retains the sales accounting functions and is responsible for collection of the debts. The Debtors are usually unaware of the involvement of the Discounter.

**Factoring:** The sale by a business (the Client) and the purchase by the Factor of trade debts on a continuing basis. The Factor will carry out some part of the sales accounting function, as agreed between the Client and the Factor. The Debtors are aware that the debts have been assigned to the Factor, and that payment must be made to the Factor to discharge the debt.

**Turnover:** The face value of Debts purchased (including GST).

**Receivables:** The total of amounts due from Debtors at a point in time.

**Net Payments:** The balance of payments and charges made to Clients at a given point in time.

## SECTORAL DEFINITIONS

**Agriculture & Mining:** Includes all clients engaged in providing related services such as sheep shearing, aerial agricultural services, harvesting or forest protection, mineral exploration on own account, in provision of services to mining or mineral exploration, and mining enterprises under development.

**Manufacturing:** Includes all clients engaged in manufacturing products, where ‘manufacturing relates to the physical or chemical transformation of material or components into new products’.

**Construction:** Includes all clients engaged in special trade construction such a plumbing, earthmoving and dredging, painting etc.

**Wholesale Trade:** Includes all clients engaged in the resale of goods to retailers or other wholesalers, or to institutional (including Government), professional or other business users.

**Retail Trade:** Includes all clients engaged in the resale of goods to final consumers for personal or household consumption.

**Transport & storage:** Includes all clients engaged in providing terminal and storage facilities; services related to transport, booking, travel, forwarding, material handling etc.

**Property & Business Services:** Includes all clients engaged in valuing, purchasing, selling, renting, leasing or managing real estate; developing or subdividing land; scientific research and meteorological services; providing technical, legal, accounting and other business services; and renting and hiring equipment (except cars, trucks and other transport equipment).

**Other:** All clients engaged in enterprises not elsewhere classified.