

Atradius Payment Practices Barometer

# B2B payment practices trends Australia 2025



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## About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **Australia**.

The survey was conducted during Q1 2025. The findings should therefore be viewed with this in mind.



# B2B payment practices trends

Liquidity under pressure as customer payment risks increase amid market uncertainty

The majority of Australian companies report facing liquidity challenges due to rising B2B late payments and defaults amid an unpredictable trading environment. Despite this, many businesses across various industries relaxed their B2B trade credit policies, offering more credit and payment flexibility to customers in order to remain competitive and sustain revenue. However, these adjustments led to a significant cash flow imbalance, prompting increased reliance on external financing which provides short-term relief but creates additional financial strain.

Our survey findings show that more than half of B2B invoices are now overdue, largely driven by customer financial difficulties, especially in the construction industry. Bad debts also increased, now affecting an average of just over 10% of B2B invoices. This forced companies to unlock liquidity tied up in operations, such as receivables and inventory, to bridge cash flow gaps. One consequence, particularly for companies who relaxed their B2B trade credit policies, is a stronger focus on working capital management to ease liquidity pressure.

Companies facing cash flow issues either delayed payments to suppliers or tried to reduce Days Sales Outstanding (DSO). However, with DSO closely matching the extended payment terms, averaging 42 days from invoicing, there was limited room to speed up collections. As a result, many businesses in the Australian agri-food and metals sectors look towards invoice financing to unlock cash, while construction companies prefer bank borrowing. Our survey highlights an increasing reliance on in-house management of customer credit risk, a strategy which further limits available funds for day-to-day operations.

As businesses navigate rising payment risks during the current uncertain economic environment, they face mounting financial pressure from constrained working capital and the need to seek external financing. These challenges could make Australian businesses more vulnerable to worsening B2B payment behavior, highlighting the key role of strategic payment risks management to sustain operations and protect financial health.

Key figures and charts on the next page



# Key figures and charts

## Australia

% of the total value of B2B invoices paid on time, overdue and bad debts

(change vs. 2024)



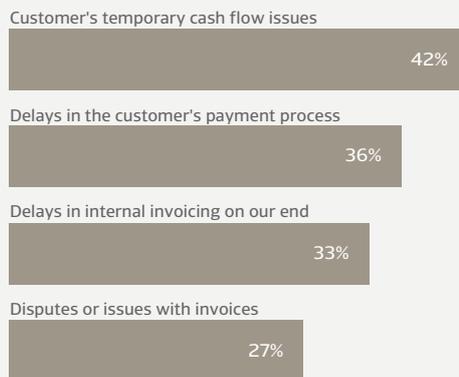
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025

## Australia

What are the top 4 reasons your B2B customers pay invoices late?

(% of respondents - multiple response)



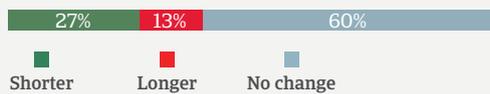
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025

## Australia

% of respondents reporting changes in Days Sales Outstanding (DSO)\* over the past 12 months

(% of respondents)



\*average amount of time to collect payment after a sale

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025

## Australia

What are the main sources of financing that your company used during the past 12 months?

(% of respondents - multiple response)

- 65% Bank loans
- 60% Trade credit
- 59% Invoice financing
- 50% Internal funds

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025



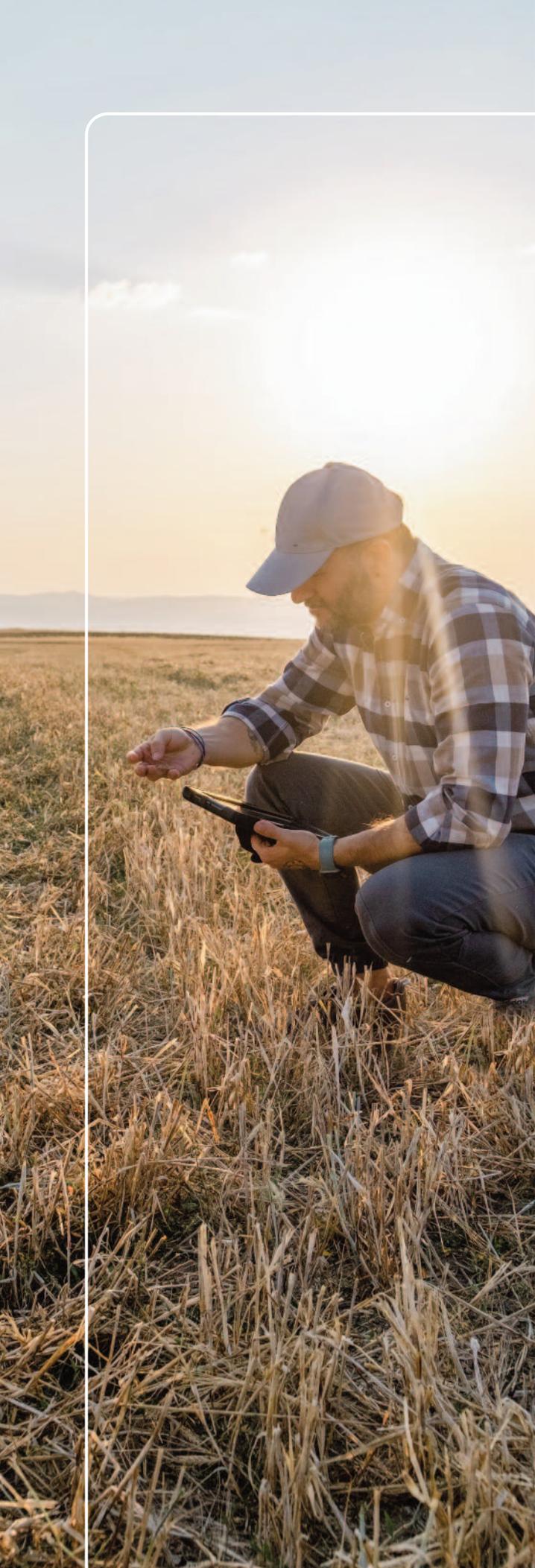


# Looking ahead

## Uncertain market conditions fuel unpredictable payment risks trends

The uncertain impact of the US protectionist policies on global trade is expected to pressure economic activity in Australia, complicating business and financial planning. As a result, many companies are hesitant to make firm predictions about future trends in B2B customer payment behaviour, as shifting market conditions and potential financial instability may significantly increase the risk of late payments and defaults. This may explain why most companies in our survey expect B2B payment patterns to remain almost unchanged in the year ahead, indicating that businesses already facing payment risks will continue to struggle with cash flow challenges. Liquidity management remains a concern, particularly in the steel industry. Reflecting this outlook, most Australian businesses expect Days Sales Outstanding (DSO) to remain steady over the next 12 months, reinforcing expectations that customer payments will not speed up. Similarly, supplier payment timelines are not expected to shift significantly, keeping Days Payable Outstanding (DPO) stable. Inventory days are projected to show little movement, compounding the challenge of managing working capital. This reflects the sentiment among Australian companies that liquidity management remains a key concern amid a worsening payment risk outlook.

Despite lingering caution around insolvency risk, business confidence remains, with companies across industries still expecting growth and believing they can preserve profit margins by focusing on cost efficiency. Even if the US softens its protectionist policies, economic conditions may still be tough. To manage customer credit risk, Australian businesses plan to adopt a hybrid approach, with increased reliance on a combination of internal provisions with external credit risk solutions to maintain financial stability. Our survey finds that regulatory compliance is a growing concern, particularly in the construction sector, where businesses must navigate stricter conditions. Rising compliance costs and evolving regulatory requirements could strain cash resources, requiring stronger financial planning and payment risks management. Australian steel companies emphasize the importance of being responsive and adaptable to unpredictable economic and market conditions. These efforts help sustain profitability despite external challenges, such as fluctuating tariffs or market instability, and provide a foundation for long-term financial resilience.



# Key industry insights

## Agri-food

Australian agri-food companies face growing liquidity challenges as they increase credit sales and offer longer payment terms to stay competitive despite worsening payment behaviour from B2B customers.

Longer Days Sales Outstanding (DSO) impacts negatively on cash flow, and businesses turn to invoice financing and bank borrowing to bridge working capital gaps, exposing them to higher costs and interest rate risks, potentially unsustainable in the long term.

### Australia - Agri-food

Top 4 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Cash flow disruptions

41%

Managing external financing costs

37%

Balancing customer terms and financial stability

33%

Unpredictable market conditions

30%

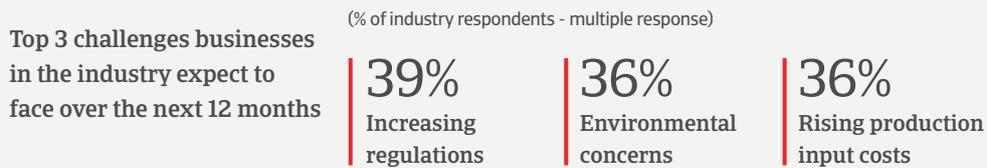
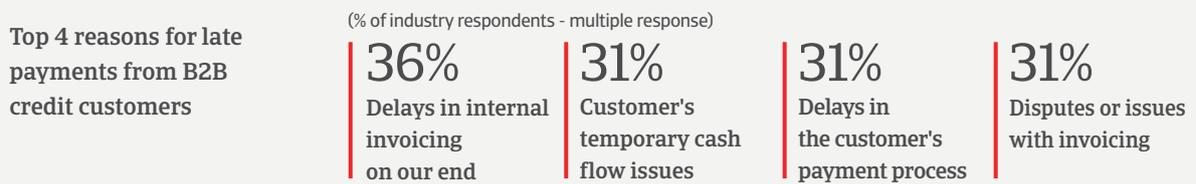
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025



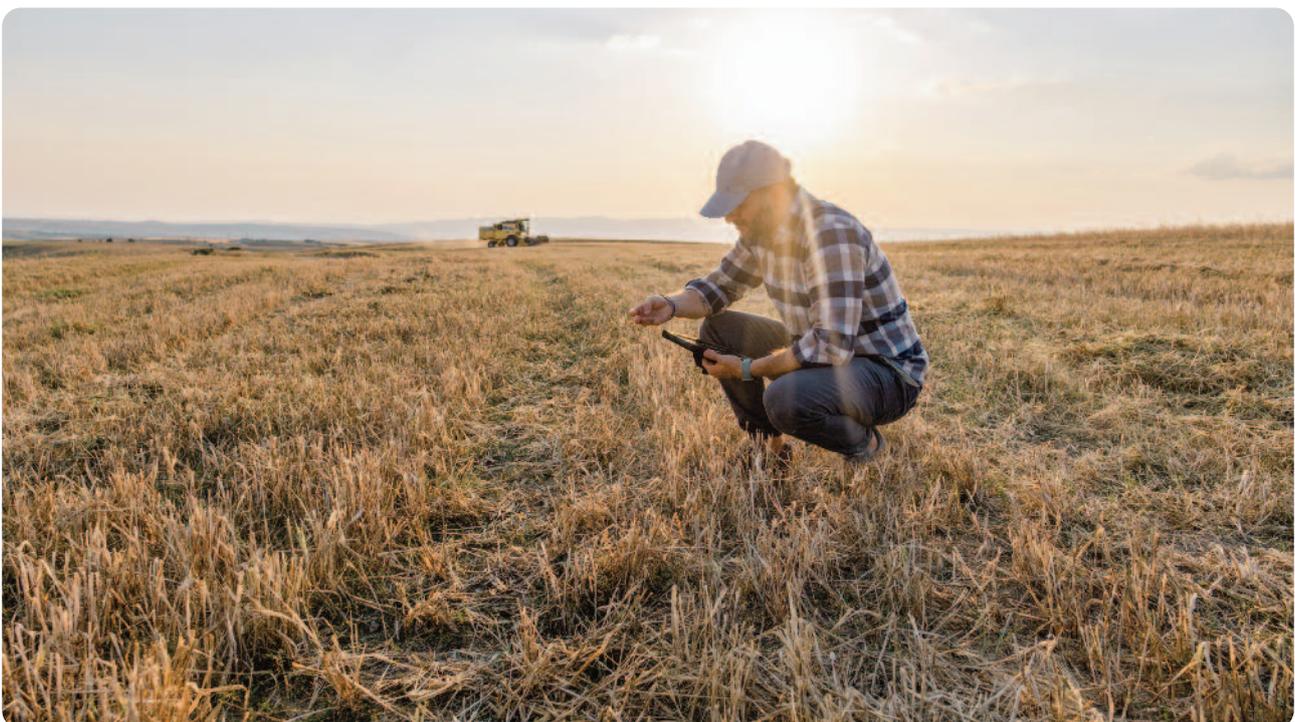
# Australia - Agri-food

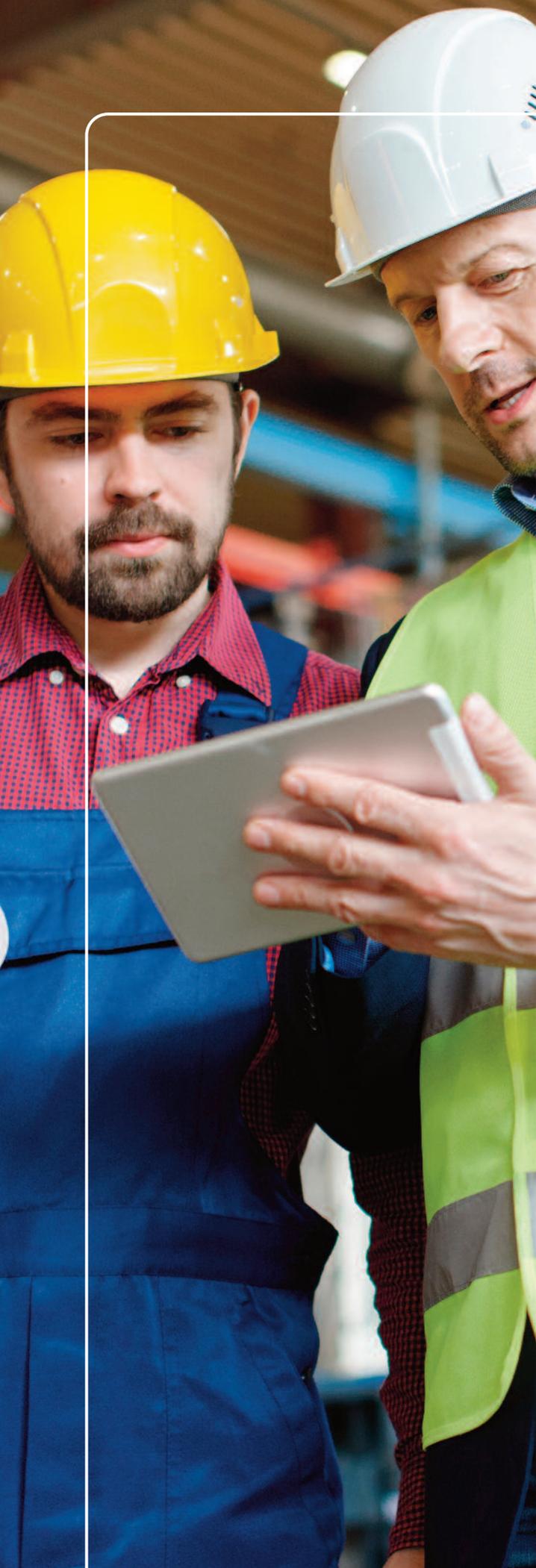
## Key industry figures



Sample: industry survey respondents

Source: Atradius Payment Practices Barometer Australia – 2025





# Key industry insights

## Construction

The Australian construction industry is navigating a complex financial landscape that significantly impacts liquidity management. A rise in B2B late payments, suppliers demanding faster payments, stock build-up, increased reliance on bank borrowing, and a preference for provisioning to cover credit losses, all represent sources of liquidity pressure.

Combining strategic credit management, working capital optimization, and balancing financing sources would be essential to maintaining financial stability.

### Australia - Construction

Top 4 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia - 2025



# Australia - Construction

## Key industry figures



Sample: industry survey respondents  
 Source: Atradius Payment Practices Barometer Australia – 2025





# Key industry insights

## Steel

Although B2B payment behaviour and trade credit policies remain stable in the Australian steel sector, a rise in bad debts highlights ongoing liquidity pressure.

Delaying supplier payments to preserve cash flow, and relying heavily on invoice financing for quick liquidity, provides short-term relief but with additional costs. The industry prioritises a balanced credit risk management strategy, combining internal oversight with external support.

### Australia - Steel

Top 4 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)

Cash flow disruptions

43%

Late payments

42%

Maintaining customer relationships

37%

Balancing customer terms and financial stability

37%

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Australia - 2025



# Australia - Steel

## Key industry figures



Sample: industry survey respondents  
 Source: Atradius Payment Practices Barometer Australia – 2025





# Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer.

## Sample overview – Total interviews = 210

Business sector	Interviews	%
Manufacturing	152	72,4
Wholesale trade	17	8,1
Retail trade/Distribution	20	9,5
Services	21	10,0
<b>TOTAL</b>	<b>210</b>	<b>100</b>
Business size	Interviews	%
SME: Small enterprises	37	17,6
SME: Medium enterprises	53	25,2
Medium Large enterprises	73	34,8
Large enterprises	47	22,4
<b>TOTAL</b>	<b>210</b>	<b>100</b>
Agri/food	70	33,3
Construction	70	33,3
Steel	70	33,3
<b>TOTAL</b>	<b>210</b>	<b>100</b>

## Survey scope

- Basic population: Companies from Australia were surveyed and the appropriate contacts for accounts receivable management were interviewed.
- Sample design: The Strategic Sampling Plan enabled us to perform an analysis of country data crossed by sector and company size.
- Selection process: Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- Sample: N=210 people were interviewed in total. A quota was maintained according to four classes of company size.
- Interview: Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.
- Interview period: The survey was conducted during Q1 2025. The findings should therefore be viewed with this in mind.

This is part of the 2025 edition of the Atradius Payment Practices Barometer available at <https://group.atradius.com/knowledge-and-research>



# Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in Australia and worldwide, please visit [atradiuscollections.com](#).

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