

# IFD UPDATE

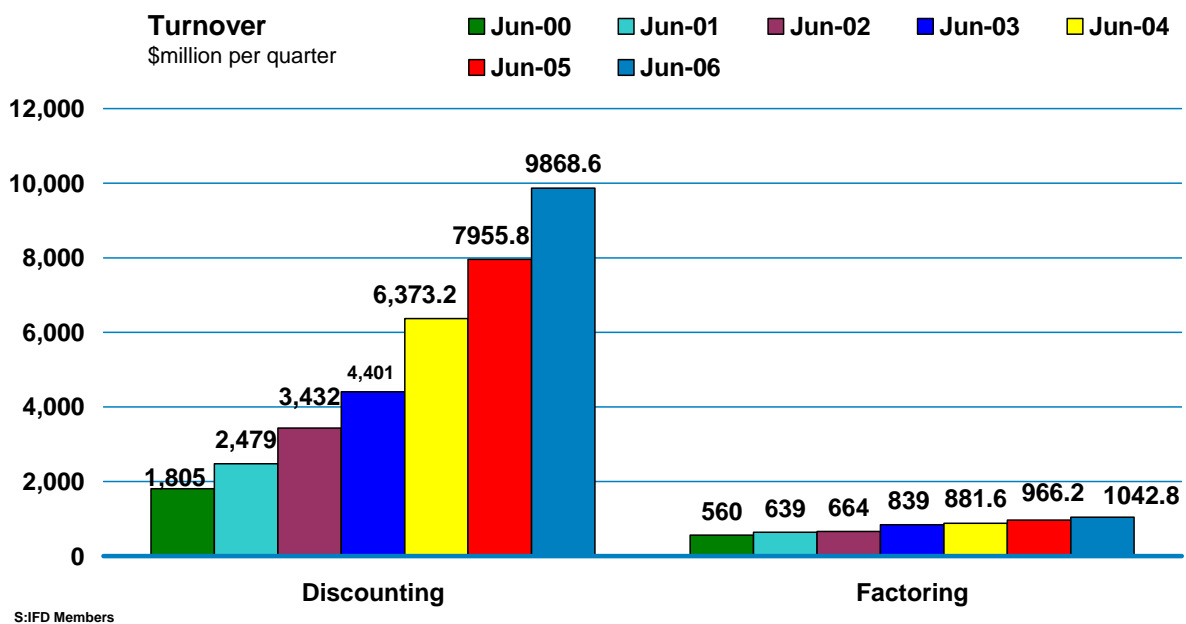
## IFD Statistics

June Quarter 2006

Up to and including the December quarter 1999, IFD had 10 members who participated in the survey being; AGC, Cash Resources, Commonwealth Factors, Heller Financial Services, National Cash Flow Solutions, ORIX Factors (since acquired by Bank of Queensland), Scottish Pacific Business Finance, St George Business Finance and Key Factors. ANZ Banking started participating in the December 1999 quarter, Bank of Queensland from June 2000 quarter, Benchmark Debtor Finance from March 2002 quarter, Oxford Funding and Bibby Financial Services from June 2003 quarter, HSBC Bank Australia from September 2004 quarter and Capital Finance from June 2005 quarter. AGC ceased to participate in the June quarter 2002 but Westpac Debtor Finance is included in the survey. Please note revisions to some state turnover statistics for the March Quarter 2006.

### AUSTRALIAN MARKET

Total factoring and discounting turnover in the June 2006 quarter was \$10.9 billion, an increase of \$2 billion (22.3%) on the same quarter last year, with factoring turnover of \$1 billion (up 7.9%) and discounting of \$9.9 billion (up 24%). In terms of state and territory share of turnover, NSW and ACT accounted for 31%, Victoria 38%, Queensland 16%, SA and NT 6%, WA 9% and Tasmania 0.1%.



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IFD/648

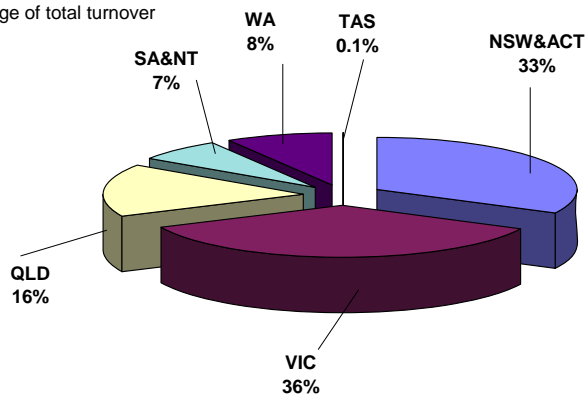
THE INSTITUTE FOR FACTORS AND DISCOUNTERS OF AUSTRALIA AND NEW ZEALAND INC.

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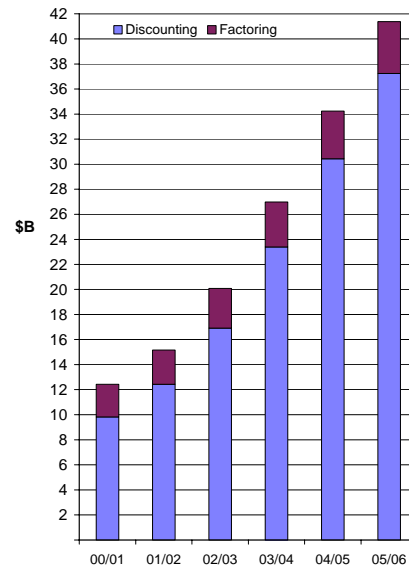
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**State Turnover  
June Quarter 2006**

Percentage of total turnover



**TURNOVER \$Billion  
(Financial Years)**



**1. National Factoring and Discounting**

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

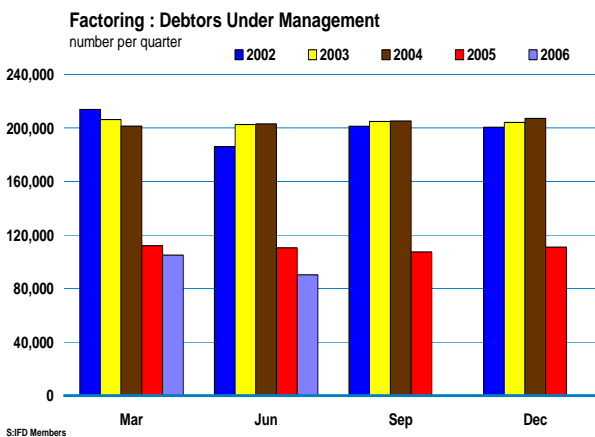
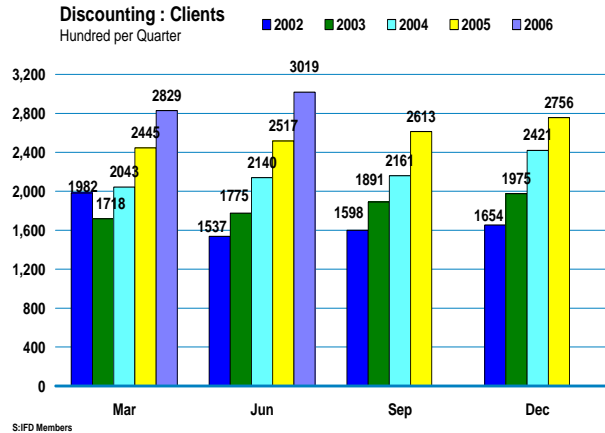
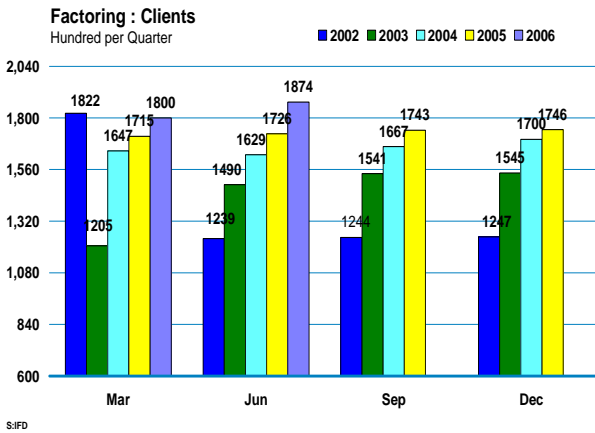
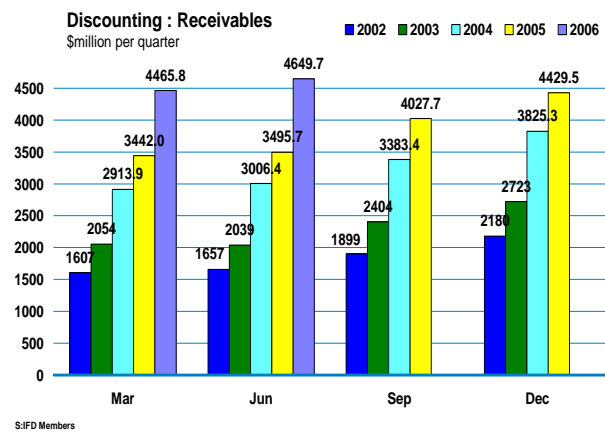
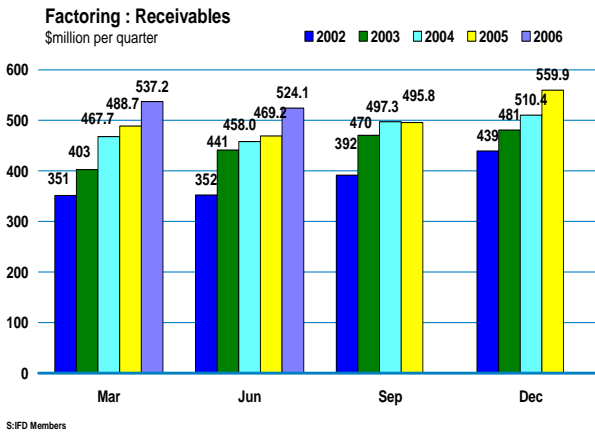
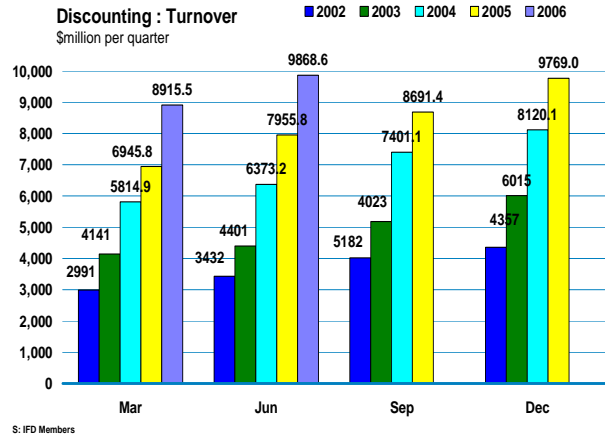
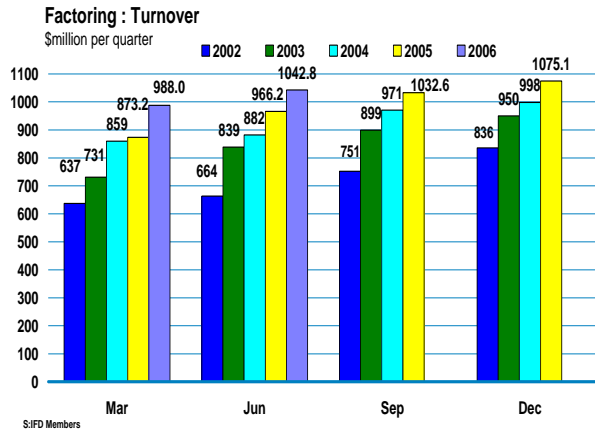
Factoring	Jun Quarter 2005	Sep Quarter 2005	Dec Quarter 2005	Mar Quarter 2006	Jun Quarter 2006	Latest 12 Months
Turnover (\$M)	966.2	1032.6	1075.1	988.0	1042.8	4138.6
Receivables (end of qtr-\$M)	469.2	495.8	559.9	537.2	524.1	
Number of Clients (end of qtr)	1,726	1,743	1,746	1,800	1,874	
Number of Debtors (end of qtr)	110,442	107,386	110,929	105,057	90,253	

Discounting	Jun Quarter 2005	Sep Quarter 2005	Dec Quarter 2005	Mar Quarter 2006	Jun Quarter 2006	Latest 12 Months
Turnover (\$M)	7955.8	8691.4	9769.0	8915.5	9868.6	37244.5
Receivables (end of qtr-\$M)	3495.7	4027.7	4429.5	4465.8	4649.7	
Number of Clients (end of qtr)	2,517	2,613	2,756	2,829	3,019	

Total	Jun Quarter 2005	Sep Quarter 2005	Dec Quarter 2005	Mar Quarter 2006	Jun Quarter 2006	Latest 12 Months
Turnover (\$M)	8922.0	9724.0	10844.1	9903.5	10911.4	41383.1
Receivables (end of qtr-\$M)	3964.9	4523.5	4989.4	5003.0	5173.8	
Number of Clients (end of qtr)	4,243	4,356	4,502	4,629	4,893	



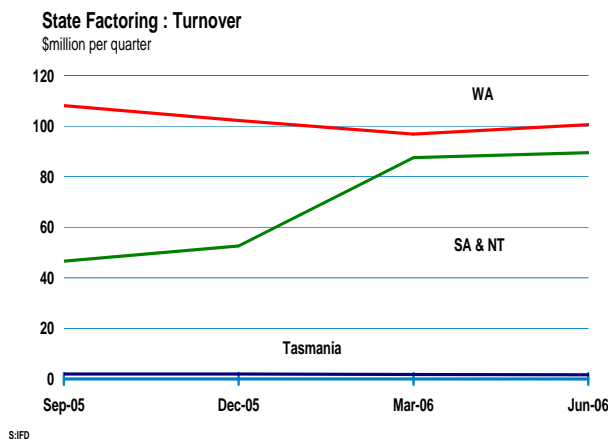
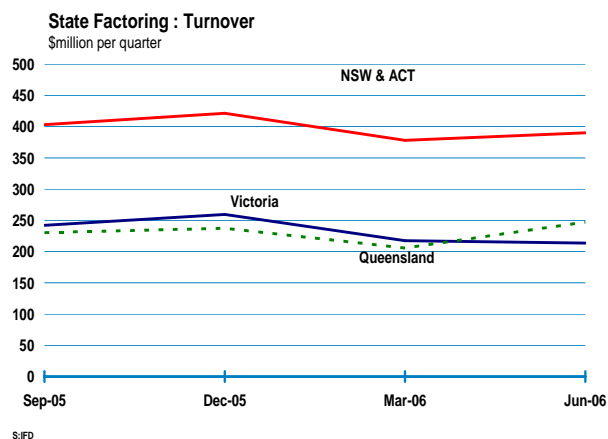
## 2. State Factoring and Discounting - Turnover

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

Factoring	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
<b>NSW &amp; ACT</b>	369.3	403.1	421.5	378.2	390.2
<b>Victoria</b>	231.7	242.3	259.4	217.7	213.7
<b>Queensland</b>	219.3	230.5	237.4	205.9	247.2
<b>SA &amp; NT</b>	51.5	46.6	52.6	87.6	89.5
<b>WA</b>	92.6	108.1	102.2	96.8	100.6
<b>Tasmania</b>	1.9	2.0	2.0	1.8	1.6
<b>National Factoring</b>	<b>966.2</b>	<b>1032.6</b>	<b>1075.1</b>	<b>988.0</b>	<b>1042.8</b>

Discounting	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
<b>NSW &amp; ACT</b>	2618.2	2671.6	2973.2	2820.5	3155.6
<b>Victoria</b>	2860.6	3327.5	3754.0	3287.6	3648.7
<b>Queensland</b>	1287.8	1440.2	1520.2	1511.1	1535.5
<b>SA &amp; NT</b>	511.6	544.5	639.9	512.9	674.8
<b>WA</b>	677.6	707.6	881.7	762.9	816.8
<b>Tasmania</b>	0.0	0.0	0.0	20.5	37.2
<b>National Discounting</b>	<b>7955.8</b>	<b>8691.4</b>	<b>9769.0</b>	<b>8915.5</b>	<b>9868.6</b>

Total	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
<b>NSW &amp; ACT</b>	2987.4	3074.7	3394.7	3198.7	3545.8
<b>Victoria</b>	3092.3	3569.8	4013.4	3505.3	3862.4
<b>Queensland</b>	1507.1	1670.7	1757.6	1717.0	1782.7
<b>SA &amp; NT</b>	563.1	591.1	692.5	600.5	764.3
<b>WA</b>	770.2	815.7	983.9	859.7	917.4
<b>Tasmania</b>	1.9	2.0	2.0	22.3	38.8
<b>National Factoring &amp; Discounting</b>	<b>8922.0</b>	<b>9724.0</b>	<b>10844.1</b>	<b>9903.5</b>	<b>10911.4</b>





### 3. State Factoring and Discounting – Receivables

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

Factoring	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
NSW & ACT	163.7	190.1	211.3	205.5	222.1
Victoria	115.8	123.2	126.2	126.3	101.7
Queensland	108.6	108.0	111.3	111.1	114.6
SA & NT	34.6	29.0	50.9	45.5	37.7
WA	46.1	45.1	47.8	48.2	47.8
Tasmania	0.4	0.4	0.6	0.6	0.4
<b>National Factoring</b>	<b>469.2</b>	<b>495.8</b>	<b>548.1</b>	<b>537.2</b>	<b>524.1</b>

Discounting	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
NSW & ACT	1116.3	1220.23	1415.44	1410.5	1451.2
Victoria	1325.69	1660.97	1658.36	1667.3	1762.7
Queensland	545.78	604.3	690.1	693.4	728.0
SA & NT	206.78	234.5	311.1	310.0	325.4
WA	301.1	307.7	369.94	373.1	368.4
Tasmania	0.0	0.0	11.5	11.5	14.0
<b>National Discounting</b>	<b>3495.7</b>	<b>4027.7</b>	<b>4456.4</b>	<b>4465.8</b>	<b>4649.7</b>

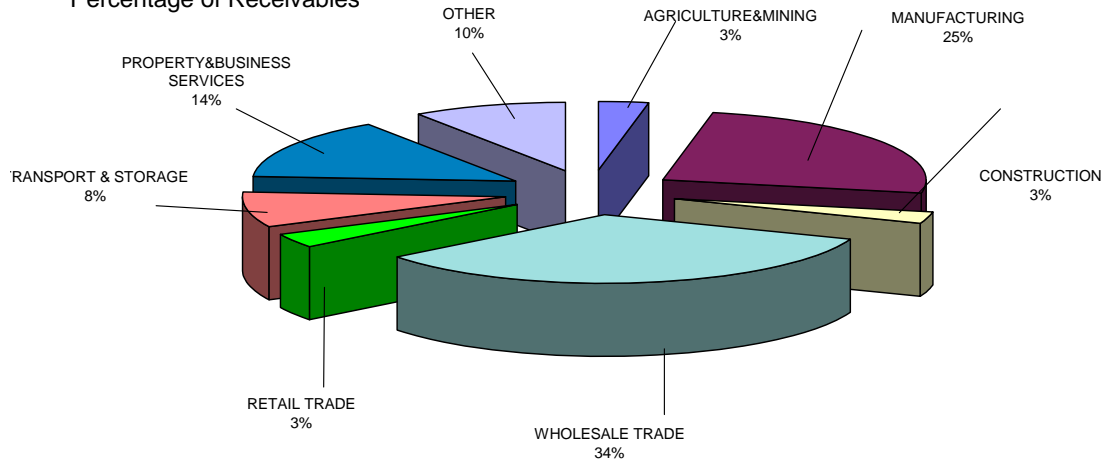
  

Total	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06
NSW & ACT	1280.0	1410.3	1626.7	1616.0	1673.3
Victoria	1441.5	1784.2	1784.6	1793.6	1864.3
Queensland	654.4	712.3	801.4	804.5	842.6
SA & NT	241.4	263.5	362.0	355.5	363.1
WA	347.2	352.8	417.7	421.3	416.2
Tasmania	0.4	0.4	12.1	12.1	14.4
<b>National Factoring &amp; Discounting</b>	<b>3964.9</b>	<b>4523.5</b>	<b>5004.5</b>	<b>5003.0</b>	<b>5173.8</b>

**4. Industry**

**BY INDUSTRY: as at 30 June 2006**

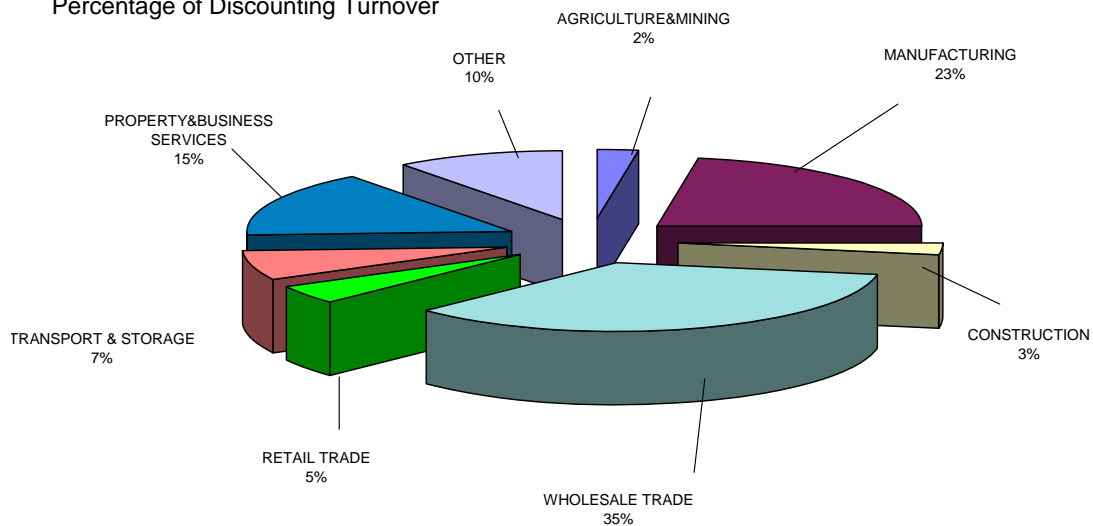
Percentage of Receivables



S:IFD bers

**June Quarter 2006**

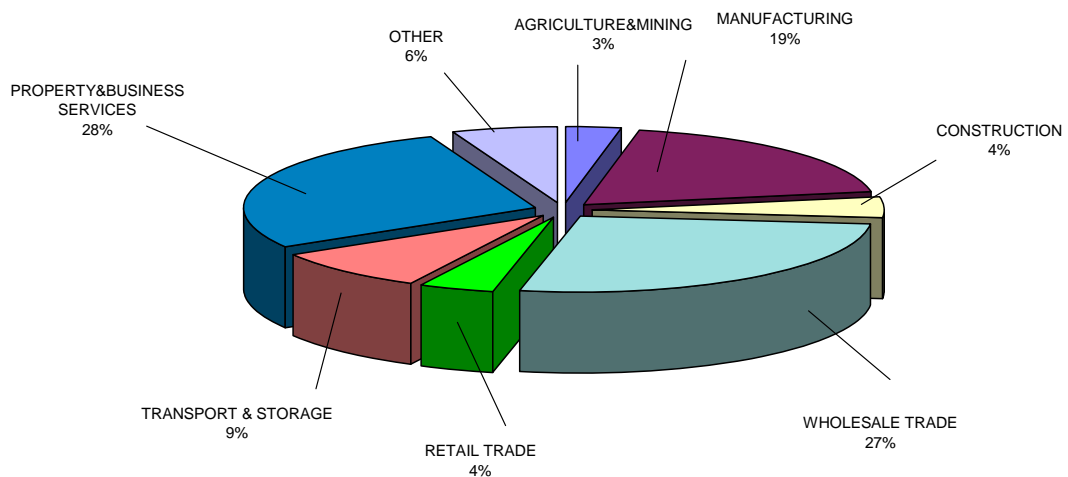
Percentage of Discounting Turnover



S:IFD members

**June Quarter 2006**

Percentage of Factoring Turnover



S:IFD members

## 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.