

# Monthly Credit Risk Insights by Alares

Hi Colleague,

Wishing you a very happy, healthy and prosperous new year in 2024.

In this month's newsletter, we take a look back at December and see how 2023 compared as a whole to prior years.

Insolvencies in December were again well above pre-COVID levels. January is historically a low month for insolvencies, so February and March will be telling to see if the trend from the end of 2023 continues into 2024.

## Key highlights in December -

- Insolvencies remain well above pre-COVID levels.
- Court recoveries from the big four banks remain well above pre-COVID levels.
- Winding up applications continue their steady increase.

**If you have specific credit risk concerns about your customers or suppliers, please get in touch, we will be happy to help -**

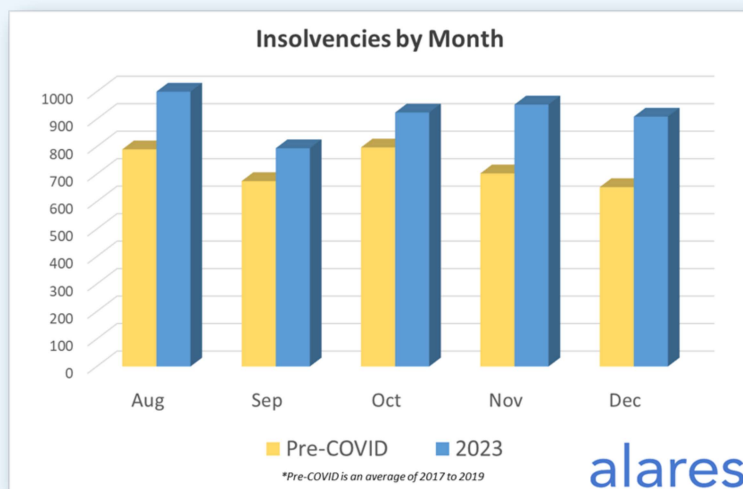
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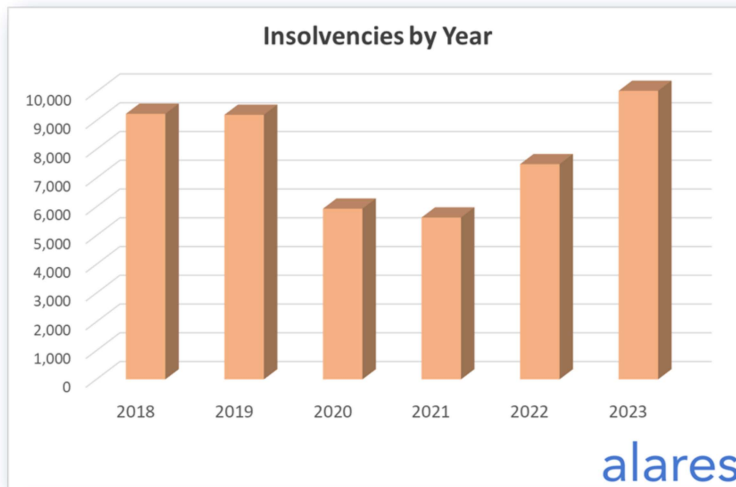
## Insolvencies in December were again more than 30% above pre-COVID levels

December again saw the highest monthly percentage increase compared to pre-COVID numbers.



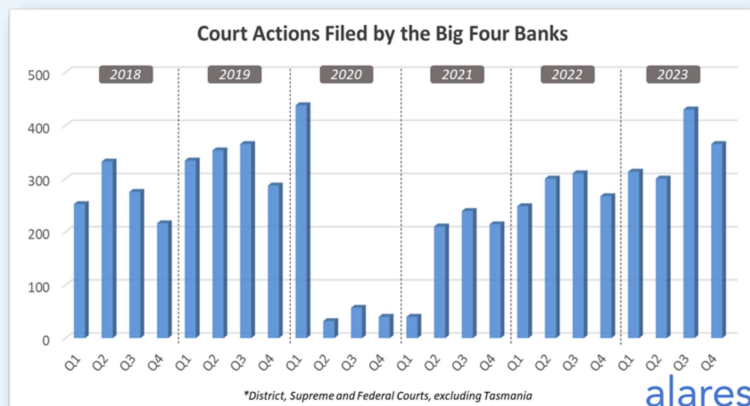
## The total number of insolvencies in 2023 surpassed the pre-COVID peak in 2018 and 2019

Total insolvencies for the year were slightly above historical levels. In the big question for 2024 is whether these numbers will plateau at historical levels or continue to rise in-line with the second half of 2023. Stay tuned to our future updates to see how things unfold.



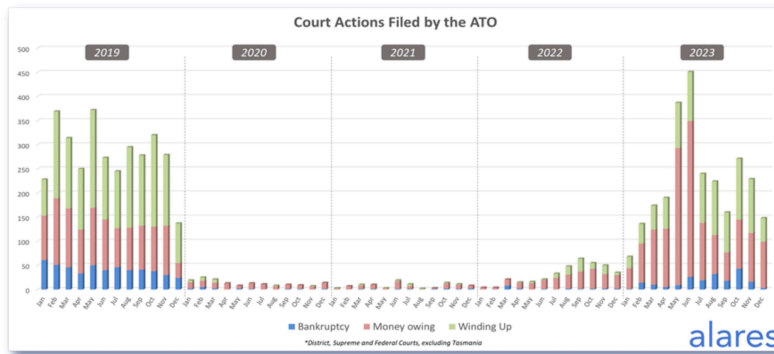
### The big four banks continue to ramp up their Court recoveries

The December quarter saw bank Court recoveries well above historical levels as higher interest rates continue to impact the serviceability of loans.



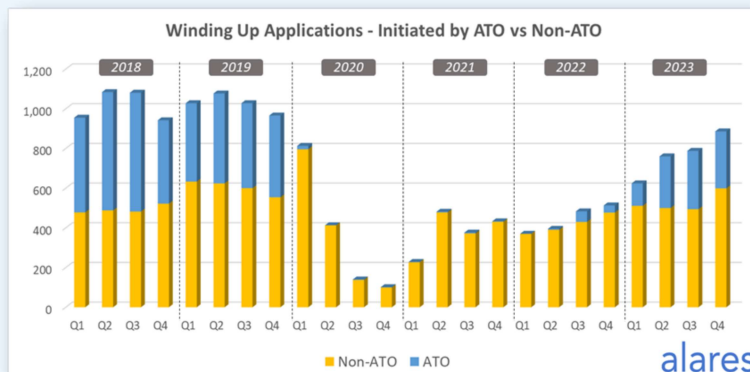
### The ATO remained active in December, continuing its push to recover unpaid tax debts.

Outstanding tax obligations remain a key challenge for Australian businesses with the ATO committed to collecting on overdue tax debts.



## Winding up applications continue their steady upwards trajectory

Winding up applications have been trending upwards since the beginning of 2022, with both ATO-initiated and non ATO-initiated applications continuing to rise.



Alares provides critical due diligence data that is NOT captured by other providers.

For better **insights** into credit risks impacting your **customers** and **suppliers**, please get in touch -

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