

# Monthly credit risk insights by Alares

Hi Colleague,

This month all eyes have been on **Probuild** and the potential fallout from one of the larger insolvency appointments in recent times.

We take a deep-dive on Probuild including a detailed analysis of **early warning signs**, and how we can help credit providers who are exposed to the construction industry moving forward.

## Key highlights:

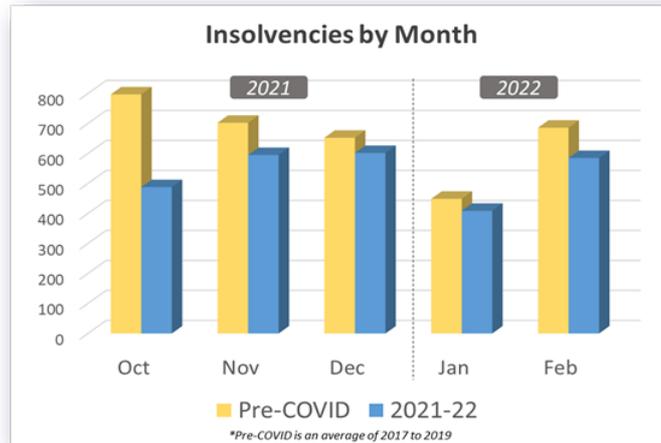
- **Insolvencies** in February were back up and almost inline with pre-COVID levels after the typical January dip.
- The **Alares-BICB RiskTracker** highlighted **early warning signs** for the Probuild collapse well over 12 months in advance.
- Insolvencies in the construction industry as a whole remain on a gradual upward trajectory since the COVID drop.

**If you would like help to identify key risks impacting your customers, suppliers or other key stakeholders, please get in touch.**

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**[Insolvencies increased in February](#)**

February numbers maintained the recent trend of being within 85~90% of pre-COVID numbers.

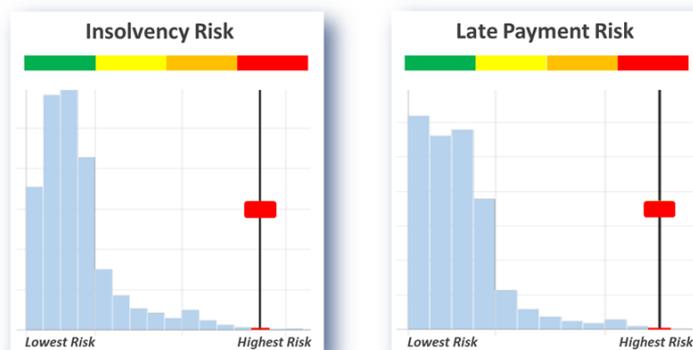


### The Alares-BICB RiskTracker highlighted key risks for Probuild well over 12 months ago

The RiskTracker combines data from **Alares** and the **Building Industry Credit Bureau (BICB)** [www.bicb.com.au](http://www.bicb.com.au) -- a national bureau of major building industry suppliers -- to analyse the risk of **late payment** and **insolvency** of a given builder / contractor / sub-contractor relative to our database of more than 100,000 construction industry businesses.

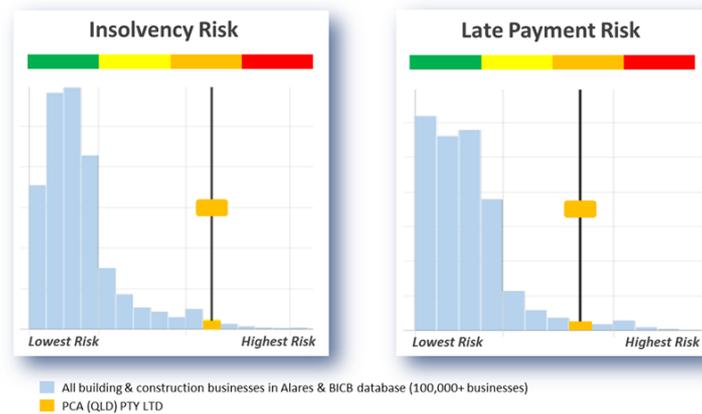
The graphics below show the Alares-BICB RiskTracker scores for the two major Probuild entities 12 months prior to collapse, with both entities among the **highest risk** for both insolvency and late payment -

#### PROBUILD CONSTRUCTIONS (AUST) PTY LTD



■ All building & construction businesses in Alares & BICB database (100,000+ businesses)  
 ■ PROBUILD CONSTRUCTIONS (AUST) PTY LTD

## PCA (QLD) PTY LTD



To find out more about **RiskTracker** and how we can help you to proactively manage your credit risk, **please get in touch.**

### **Alares's unique Court and Tribunal data also shows a clear escalation of Probuild issues in 2020 and 2021**

The following table shows commercial Court and Tribunal actions where one or more of the Probuild entities was a defendant.

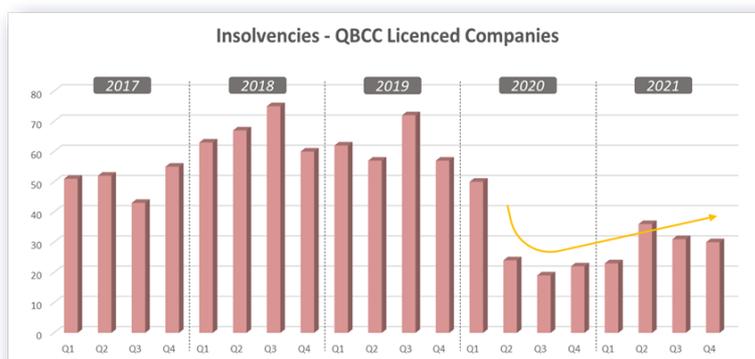
This table shows a **doubling** of the number of Court actions in 2020/2021 relative to 2019, as well as a significant increase in the **geographical footprint** of Court actions with new claims filed against Probuild in NSW, QLD and WA as well as VIC.

Note, this Court and Tribunal data is **unique to Alares** with the vast majority of these Court actions **NOT** captured in credit reports or other searches.

Date	Court / Tribunal	Case Type
Dec 2021	WA SAT	Building / Commercial Dispute
Nov 2021	QLD BIFA	Adjudication
Nov 2021	VIC CAT	Building / Commercial Dispute
Nov 2021	NSW Supreme	Building / Commercial Dispute
Aug 2021	VIC CAT	Building / Commercial Dispute
Jul 2021	VIC Magistrates	City Council Claim
May 2021	VIC Supreme	Building / Commercial Dispute
Apr 2021	VIC CAT	Building / Commercial Dispute
Apr 2021	QLD District	Money Owing Claim
Mar 2021	VIC CAT	Building / Commercial Dispute
Feb 2021	VIC CAT	Building / Commercial Dispute
Oct 2020	VIC County	Building / Commercial Dispute
Sep 2020	NSW Local	Building / Commercial Dispute
Sep 2020	WA SAT	Building / Commercial Dispute
Aug 2020	NSW Supreme	Building / Commercial Dispute
Jul 2020	NSW Supreme	Building / Commercial Dispute
Jun 2020	NSW CAT	Building / Commercial Dispute
Mar 2020	NSW CAT	Building / Commercial Dispute
Feb 2020	NSW District	Building / Commercial Dispute
Oct 2019	VIC Magistrates	Damages And Negligence
Apr 2019	VIC Supreme	Building / Commercial Dispute
Apr 2019	VIC Supreme	Building / Commercial Dispute
Apr 2019	VIC Supreme	Building / Commercial Dispute
Mar 2019	VIC Supreme	Building / Commercial Dispute

## The full impact of Probuild on suppliers and sub-contractors will become apparent in the coming months

Construction industry insolvencies have been depressed since COVID, inline with insolvencies more generally. The graph below shows insolvencies for licenced building companies in QLD, indicating a gradual increase since the COVID drop in 2020. **Will this now ramp up more quickly?** Stay tuned for future updates.



If you have concerns about credit risk

relating to your customers or other key stakeholders, we are happy to help

We work with credit providers of all sizes across many industries. Our users benefit from credit-critical data that is **NOT** captured by other data providers to help you make more informed decisions.

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## Still have questions?

We're happy to help with any questions you might have. [Contact us](#) to arrange a chat and learn more.

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