

Monthly Credit Risk Insights by Alares

Hi Colleague,

Insolvencies in April remained 50% above pre-pandemic levels as the ATO continues to work through the record amount of outstanding tax debt. This is increasingly driving small businesses into small business restructuring plans (SBRs) and larger businesses into voluntary administrations (VAs).

Key highlights in April

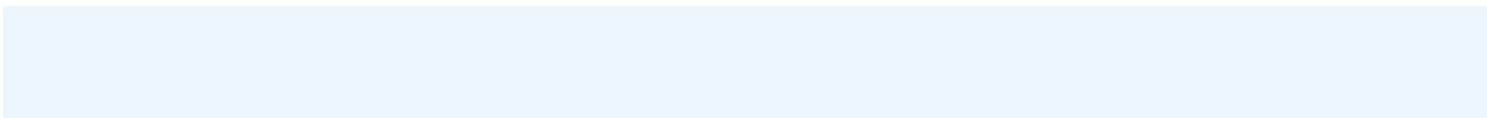
- Insolvencies still 50% above pre-COVID levels.
- Continued high uptake of small business restructuring.
- The ATO remains the key risk driver.

If you have specific concerns about risks impacting your customers or suppliers, please get in touch, we are happy to help

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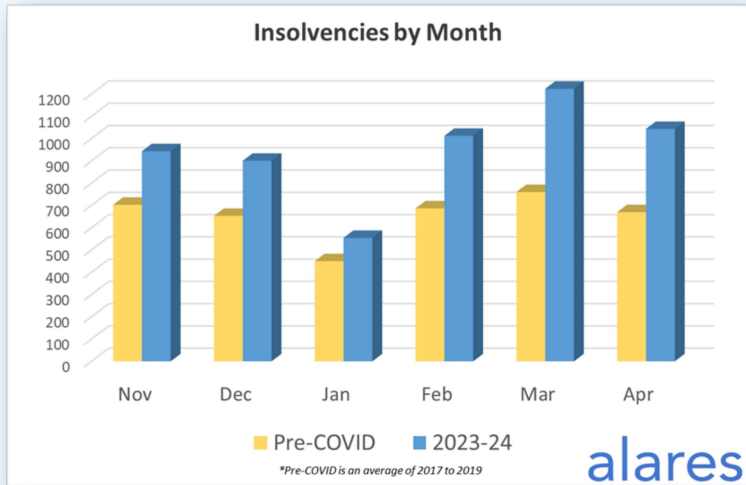
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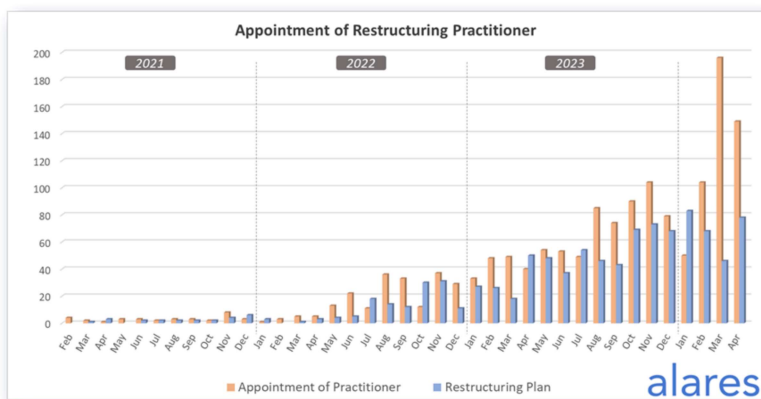
Insolvencies in April remained 50% above pre-pandemic levels

This continues the trend from February and March, showing the long-anticipated 'catch up' in insolvencies from the pandemic lows.



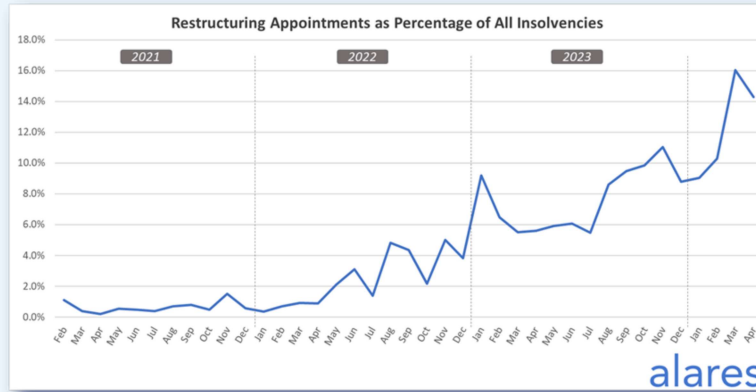
Small business restructuring appointments continue their strong increase, amid mounting pressure from the ATO

Small businesses are increasingly turning to SBRs as the ATO continues its drive to recover outstanding tax debts.



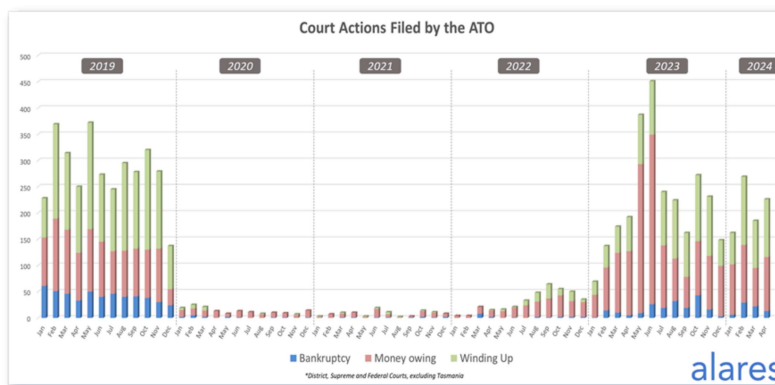
SBRs continue to account for a significant percentage of all insolvencies

SBRs in April accounted for ~14% of all insolvency appointments.



The ATO remains active in direct Court recoveries

In addition to director's penalty notices and disclosing business tax debts, the ATO remains active in the Courts.



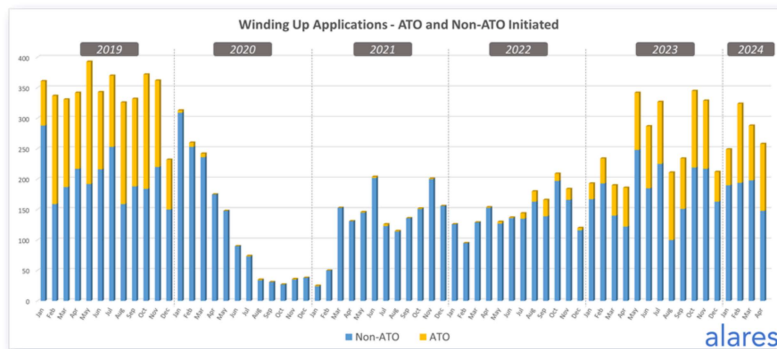
The big four banks remain vigilant with Court recoveries

While overall numbers are slightly down since the February peak, Court actions filed by the big four banks remain above historical levels.



Non-ATO initiated winding up applications were slightly down compared to March

This again points to the ATO currently being the key driver for insolvencies. Will this trend continue in the coming months? Stay tuned to find out.



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

For better **insights** into risk impacting your **customers** and **suppliers**, please get in touch

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