

Monthly Credit Risk Insights by Alares

Hi Colleague,

Insolvencies in July were again at an all-time monthly high, which has become a common trend in 2025. Monthly numbers remain almost double pre-pandemic levels.

In terms of the insolvency catch-up, there are only 800 **additional** insolvencies still to come. At the current rate, the catch up will be complete sometime in September. Given we have seen no slow-down in ATO activity or creditor winding up applications, a return to "normal" insolvencies may be some time away. Stay tuned to see how this plays out over the coming months.

Key highlights in July

- Insolvencies again at all-time monthly highs.
- The ATO is showing no signs of slowing down in collection of overdyed tax debts.
- Small business restructuring (SBR) appointments continue to drop despite the overall high number of insolvencies.

Alares provides critical due diligence data that is not captured by credit reporting agencies.

For **better due diligence** on your **customers** and **suppliers**, please get in touch

-

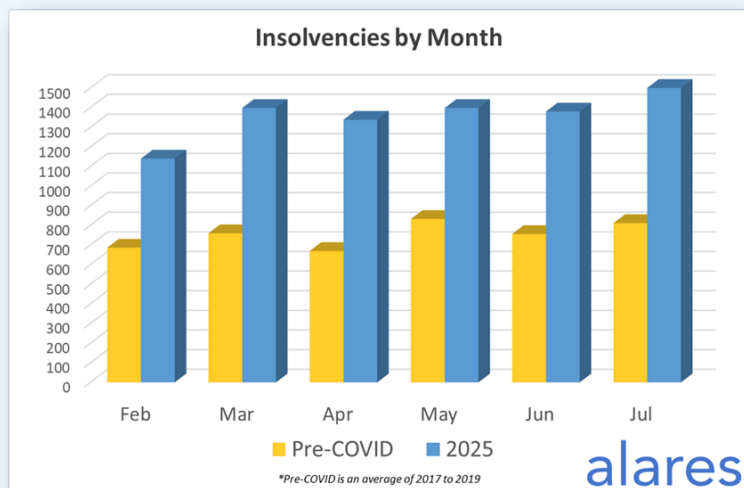
Contact Us

[Arrange a call](#)

[Subscribe to our Newsletter](#)

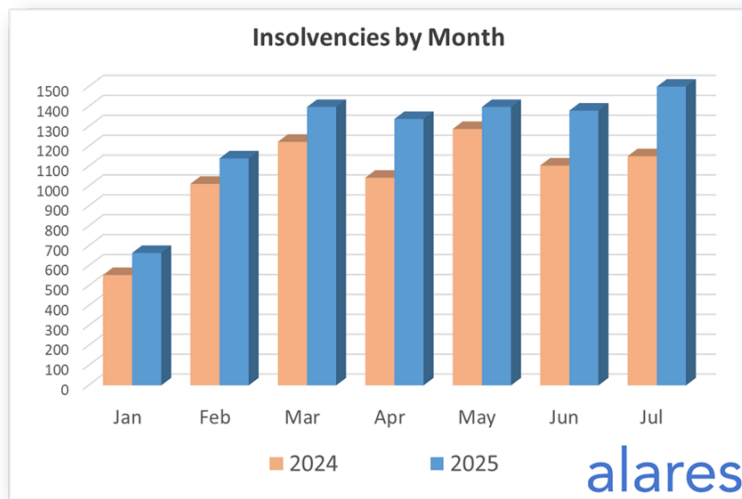
Insolvencies in July hit another all-time monthly high

Insolvencies have tracked almost double pre-pandemic levels since March. The key question is whether this will continue as the new normal once the insolvency catch-up is complete?



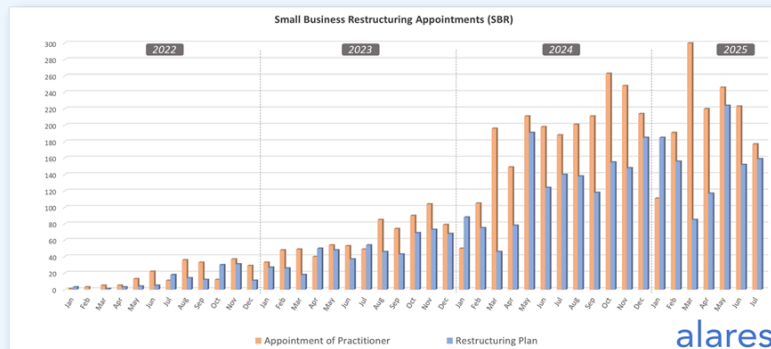
2025 numbers continue to track above the previous highs from 2024

Monthly insolvencies numbers in 2025 continue to track above 2024 numbers, which themselves were all-time highs at the time.



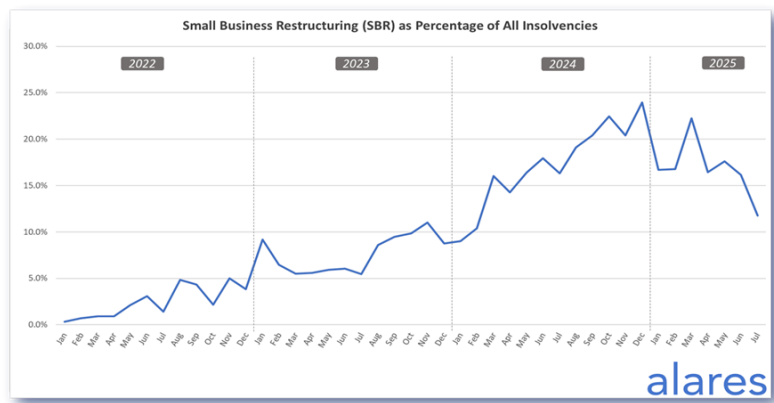
Small business restructuring (SBR) appointments continue to drop since the March high

While overall insolvencies remain high, new SBR appointments continue to drop. The plan approval rate for SBRs has also dropped from close to 90% in 2023 to around 60% so far in 2025. This all suggests more stringent criteria being imposed on potential SBR candidates.



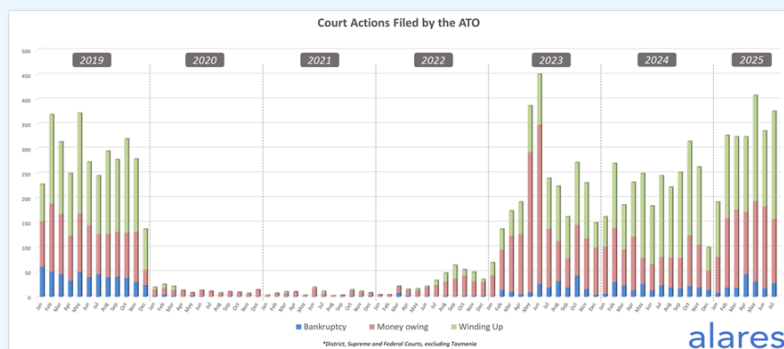
SBRs in July accounted for only 12% of new insolvency appointments

This is down from close to 25% at the end of 2024.



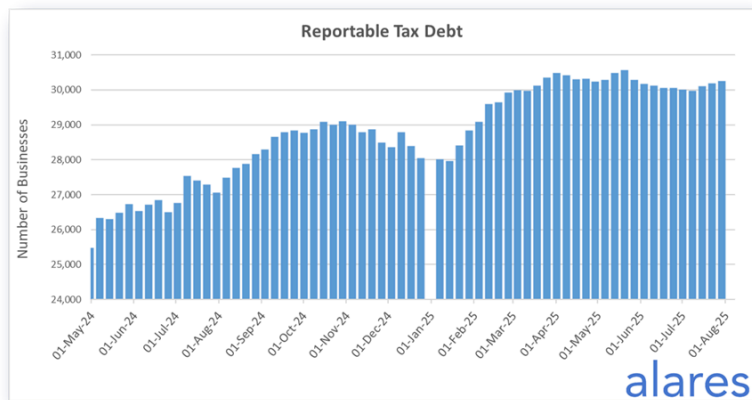
The ATO continues full-speed in collecting outstanding tax debts

ATO Court recoveries continue to increase. July saw another increase in particular in ATO-initiated winding up applications.



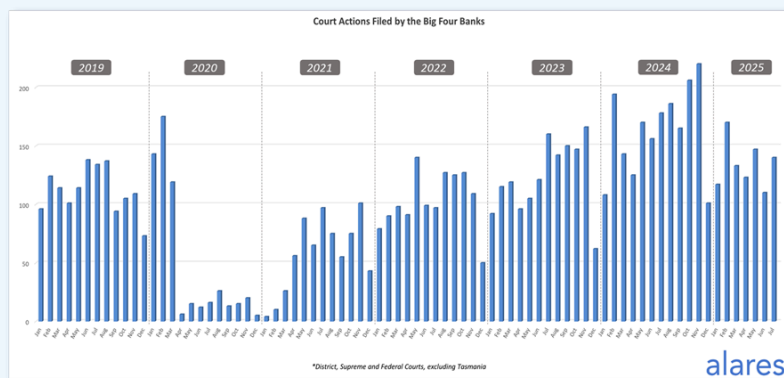
The reporting of outstanding business tax debts is also showing no signs of slowing down

The total number of businesses subject to tax debt reporting remains above 30,000. Approximately 400 new businesses are added to the ATO's list each week, offsetting a similar number that drop off each week due to insolvency or entering into a repayment plan.



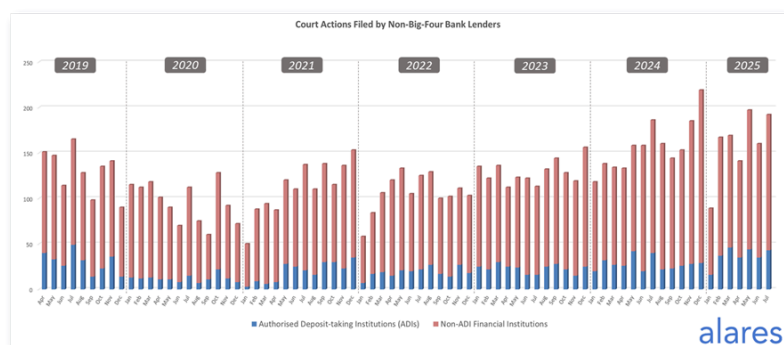
The big four banks continue to reduce their Court recoveries on a year-on-year basis

This follows a prolonged ramp-up over prior years, suggesting a concerted effort among the big four to weed-out problematic borrowers.



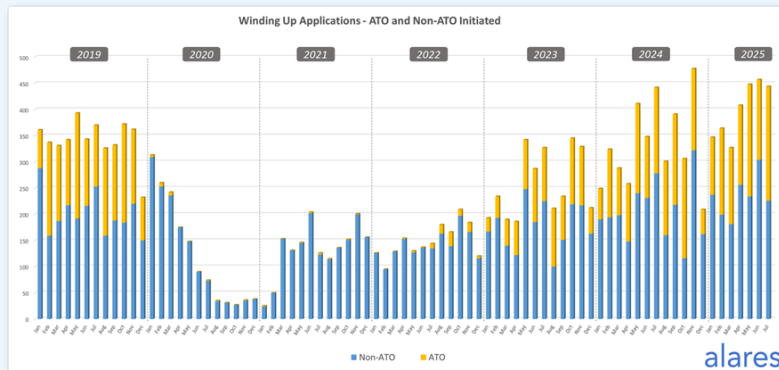
The reduction in Court activity from the big-four banks continues to be offset by an increase from other lenders

This could again be indicative of higher-risk borrowers increasing needing to look outside the big-four for funding.



Winding up applications continue their long and steady increase

Winding up applications continue to hover at or near all-time monthly highs, tempering hopes of a near-term reduction in insolvency activity.



Alares provides critical due diligence data that is **NOT** captured in credit reports or other searches.

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

Contact Us

Arrange a call

Subscribe to our Newsletter

alares

in Share

✉ Forward

[Unsubscribe](#)

