

Monthly credit risk insights by Alares

Hi Colleague,

The major story in February was the **ATO** which has significantly ramped up its Court activity to the highest levels since 2019.

Previously in 2022, ATO activity increased only to subside again. Will we see the same pattern in 2023? Or will ATO activity continue to ramp up? Stay tuned for next month's update to find out.

Key highlights in February:

- The ATO significantly increased its Court activity in all three areas - winding ups, money owing claims and personal bankruptcy applications.
- Winding Up applications continue a steady upwards trend.
- Non-bank lenders are on track for the highest number of Q1 Court actions since 2019.

Do you have concerns about any of your customers or suppliers?

Please get in touch and we will be happy to provide data specific to your needs -

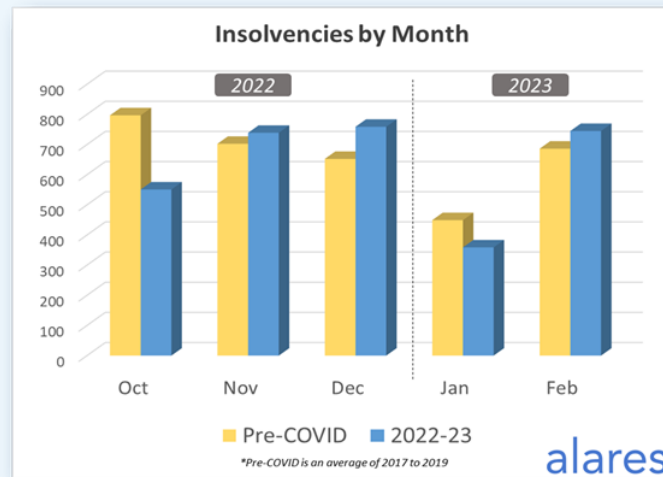
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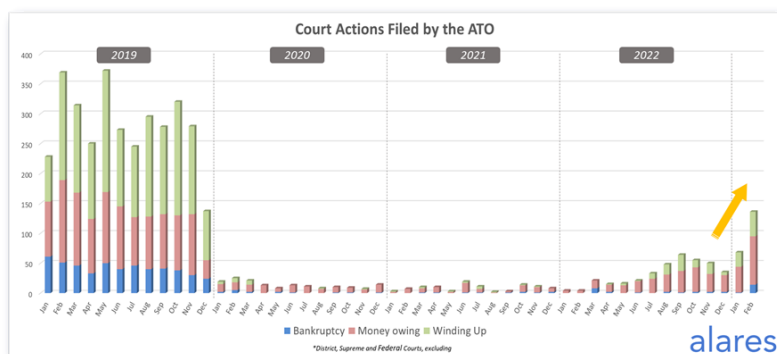
Insolvencies increased in Feb

Total numbers were above the historical monthly average for February.



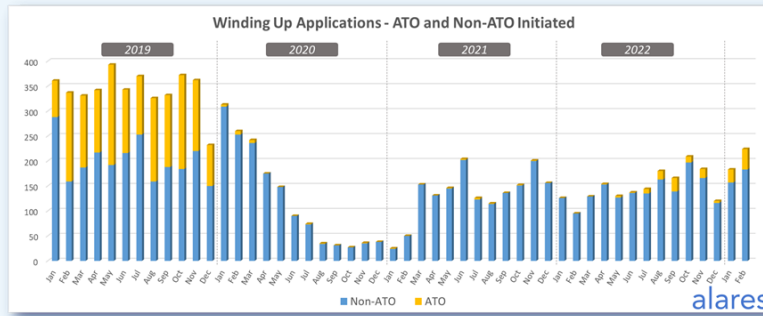
The ATO significantly increased its Court recoveries in February, doubling its numbers from January

ATO winding ups, money owing claims and personal bankruptcy applications were all at the highest monthly level since the onset of COVID. The total amount of ATO Court activity is nearing half of the ATO's historical levels. If this trend continues, what will this mean for insolvencies moving forward?



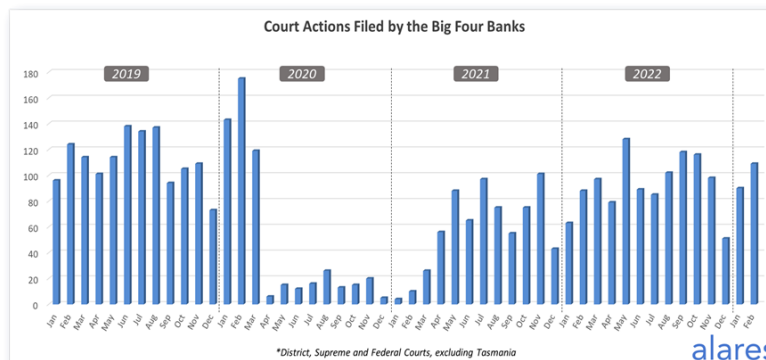
Winding up applications continue a steady upward trajectory

With the exception of a typical dip in December, winding up applications have been steadily trending upwards for the past 12 months.



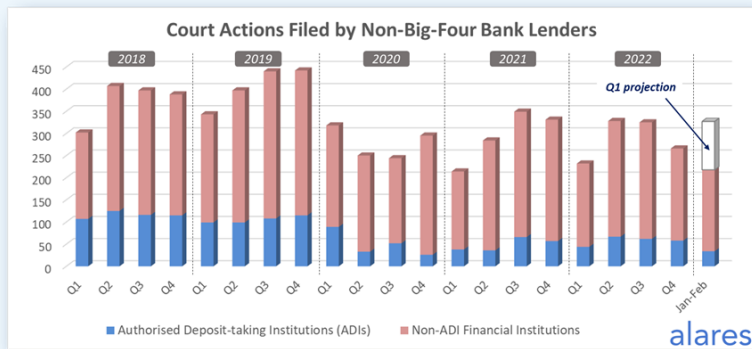
The big four banks continued to remain active in February inline with recent activity

The combination of higher interest rates and a more aggressive ATO will undoubtedly put pressure on many borrowers. Will this directly impact insolvencies in the months ahead? Stay tuned to find out.



Meanwhile, the non-big four money lenders are on track for the highest number of Q1 Court actions since 2019

Again, combined with higher interest rates and an active ATO, this could make borrowing conditions quite difficult for many businesses.



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

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

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