

Monthly Credit Risk Insights by Alares

Hi Colleague,

Have we finally reached peak insolvency? Numbers remain historically high, but continue to trend lower than 2025. Is this the new business as usual or a temporary blip? Stay tuned to find out.

Key highlights in April

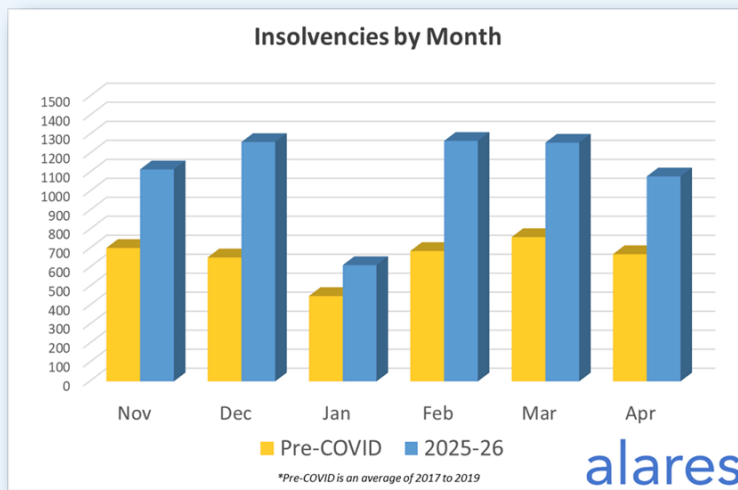
- Insolvencies continue to trend lower than 2025
- The ATO continues to ramp up the disclosure of business tax debts.
- The big four banks again has a sharp increase in Court activity after last month's spike in March.

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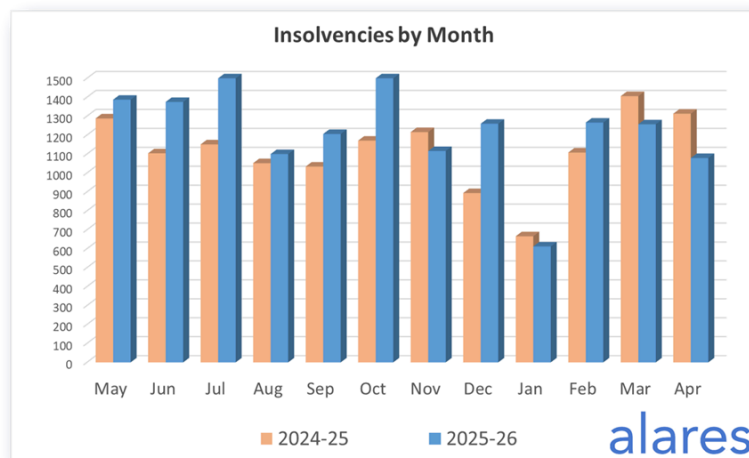
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Insolvencies in April remained well above historical levels



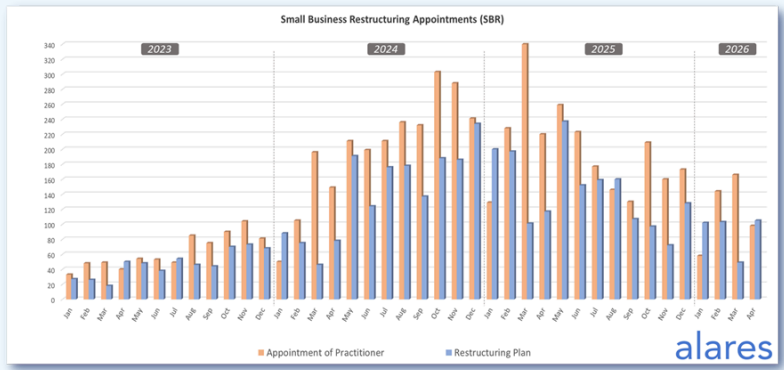
However, April insolvency numbers were again lower than 2025

So far in 2026 we have seen 3 out of 4 months with lower insolvency numbers than 2025. While overall numbers remain historically high, it appears we may have finally passed the peak.



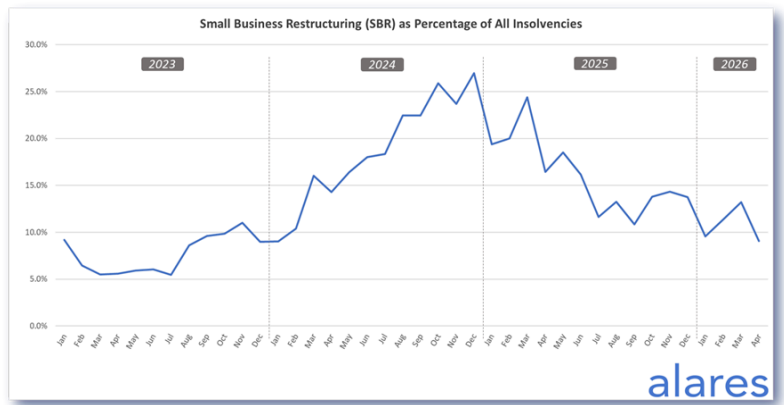
Small business restructuring appointments (SBR) continue to decline

Year-on-year numbers for April dropped by half as compared to 2025.



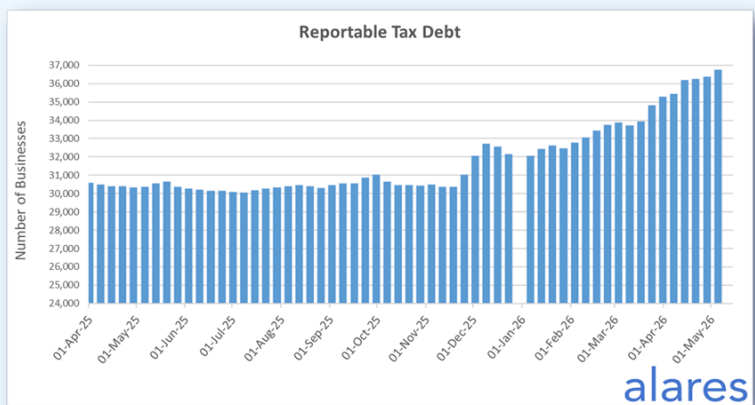
SBRs in April accounted for less than 10% of new insolvency appointments

This is a significant drop from the highs of ~25% at the end of 2024 / start of 2025.



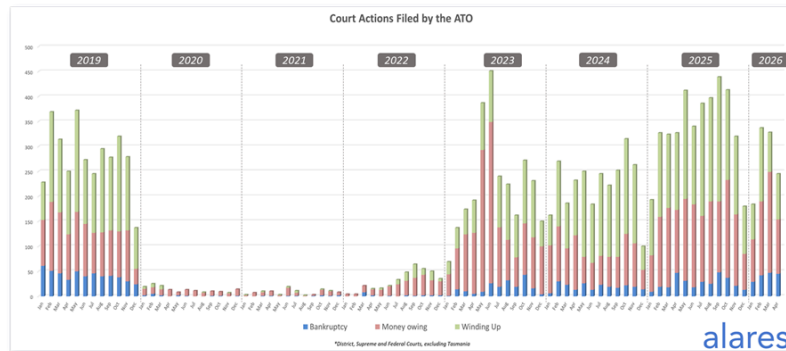
The ATO's disclosure of business tax debt continue to increase unabated

2026 has seen a linear ascent in ATO disclosure of business tax debts, with nearly 37,000 businesses now subject to ATO reporting.



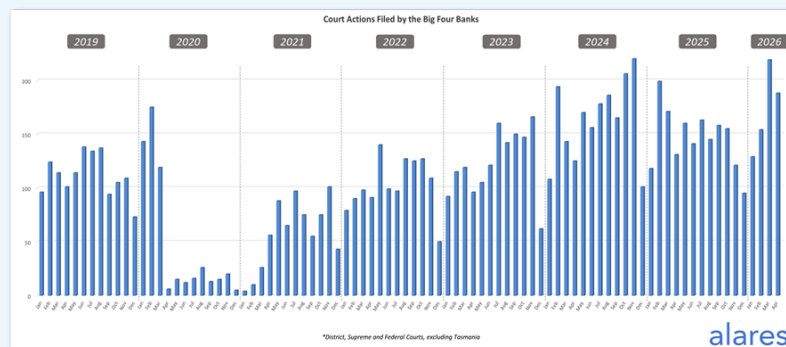
Meanwhile, the ATO's Court recoveries in April showed the first potential sign of decline

Perhaps this is a momentary change in the ATO's strategy, preferencing disclosure of business tax debt reporting over direct Court recoveries. Stay tuned for next month's update to see how this trend unfolds.



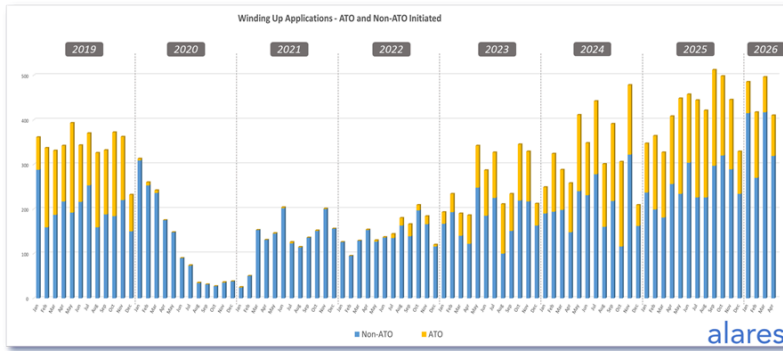
Court recoveries from the big four banks showed a continued resurgence in April

This follows a spike last month in March, after a prolonged decline during 2025.



Winding up applications remain high

The non-ATO initiated applications, in particular, continue to trend higher as credit providers increasingly seek to enforce on outstanding debts.



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

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