



Market Pulse



Business Market Pulse

May 2026

Credit Trend Data as of May 2026

Executive Summary

Market Overview

The latest Equifax Business Market Pulse reveals a clear divergence in how large enterprises and small businesses (SMEs) navigate high interest rates, inflation, and geopolitical pressures.

While large corporations expand their funding lines, SMEs face mounting stress.

The Borrowing Gap

Large corporate business loan demand grew **+6.2%** year-on-year (YoY), while SME loan growth softened to **+3.7%** YoY.

The Insolvency Divide

Unincorporated small business insolvencies decreased **-10.3%** in May YoY, whereas large corporate entity insolvencies fell **-15.6%** YoY.

Rising Cash Flow Pressures

Severe 91+ day delinquencies spiked to **+11.3%** of overall debt in April, alongside a **+47.9%** surge in new ATO tax defaults, suggesting businesses are prioritising maintaining liquidity.

Asset Investment Cooling

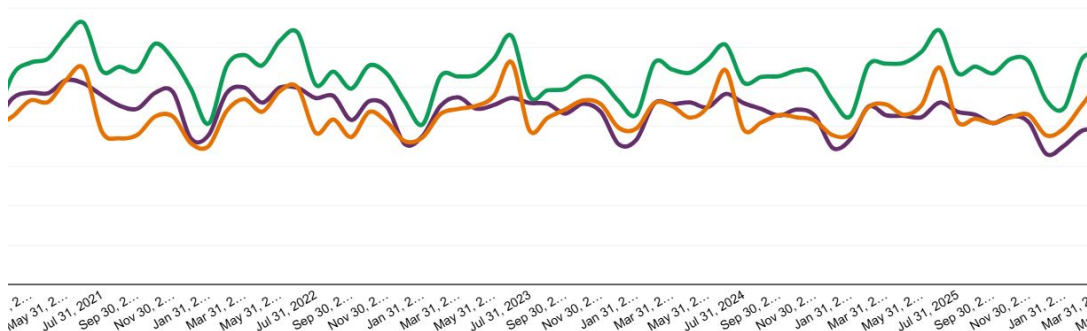
National asset finance demand dipped, declining **-2.1%** YoY for large corporates and **-4.1%** YoY for SMEs, as organisations pause major equipment upgrades.

Credit Demand

Market Overview

Overall trading day adjusted data for May 2026 shows mixed signals across the commercial landscape, with steady growth in business borrowing offset by a steep contraction in trade credit. Organisations appear to be leaning into traditional loan funding while scaling back trade credit terms.

— BUSINESS LOANS — TRADE CREDIT — ASSET FINANCE



Adjusted for 21 Trading Days*

Business Loans

Steady Growth

+2.9%

Business Loans

Steady Growth

+5.4%

Asset Finance

Moderate Rise

+2.5%

* **Trading day adjusted** normalises data to eliminate variations in working days and holidays, ensuring apples-to-apples between months, without penalising shorter months.

Geographic Trends in Credit Demand



State-level data underscores a distinct separation between large and small business performance across Australia.

Large Corporations

Successfully increased their business loan footprints in nearly all jurisdictions.

Small & Medium Enterprises (SMEs)

Generally face weaker loan growth and sharper declines in asset finance.



Overall Australian Business Credit Demand (May 2026 vs. May 2025):

State Region	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
NSW	+11.7% YoY	+3.2% YoY	+5.4% YoY	+2.7% YoY
VIC	+1.7% YoY	+4.9% YoY	-0.7% YoY	-4.2% YoY
QLD	+7.3% YoY	-1.1% YoY	+4.1% YoY	-9.3% YoY
SA*	+15% YoY	-2% YoY	+9% YoY	-4.1% YoY
WA*	+6.2% YoY	-8.1% YoY	+1.8% YoY	-5.2% YoY

*Note: SA and WA enquiry numbers improved over a low baseline in May 2025.

Days Beyond Terms (DBT)



While the market is showing ongoing resilience, we are seeing higher levels of risk across the lower-credit quality end of the market.

Severe late-stage payment delinquencies are escalating, while mid-stage metrics show marginal shifts. On an industry level, average payment delays are most pronounced in real estate, rental, and training sectors, while construction and finance show shorter average buffer times.

**Most up-to-date figures due to reporting schedules*



DBT

1 to 30 Days (On Time): Fell marginally from ~80% down to ~78% of overall debt Month-on-Month (MoM).

31 to 60 Days (Mid-stage delinquency): Grew to ~8% of overall debt, but slightly from 7.4% (MoM).

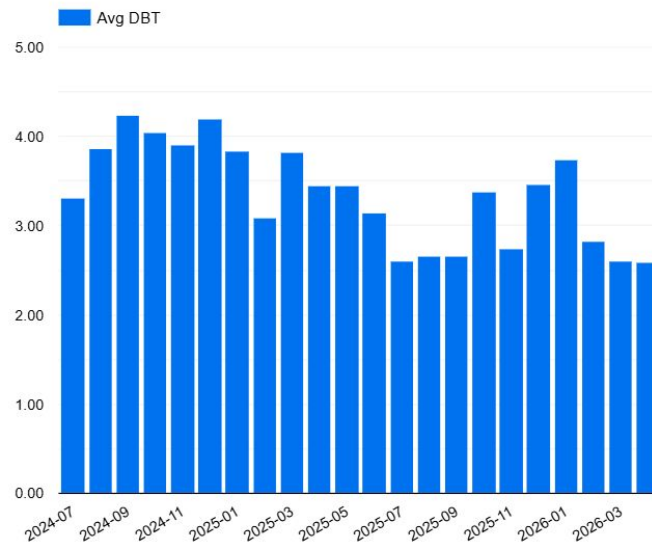
61 to 90 Days (Late-stage delinquency): Fell from ~4.17% of overall debt to ~2.69% (MoM).

91+ Days (Severe Delinquency): Spiked to ~11.3% of overall debt, up from ~8% (MoM). The last time overall severe delinquencies were in this range was in April 2025.

Top 4 Industries for Payment Delays

Rental, Hiring & Real Estate Services:	8.42 days
Education & Training:	7.37 days
Construction:	5.56 days
Financial and Insurance Services:	5.42 days

Monthly Average DBT



Insolvencies



The insolvency landscape exposes a clear divide based on business size and structure. In the month of May, both smaller, unincorporated entities and larger corporate groups were both showing a reduction in insolvency rates.



Insolvencies

Overall Insolvencies in May 2026*

-10.3% YoY

Overall Business Insolvencies (AFSA)

-15.6% YoY

Overall Company Insolvencies (ASIC)

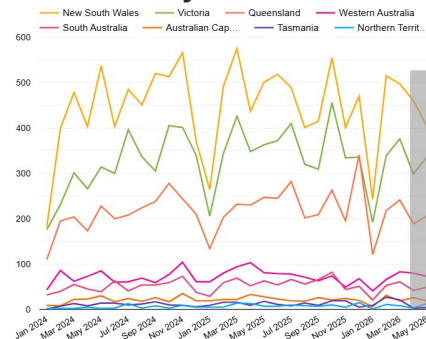
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Key Definitions:

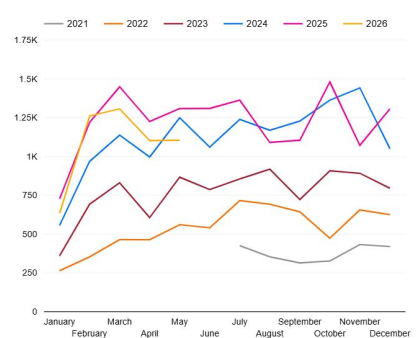
Company Insolvencies relate to incorporated companies that are registered through ASIC filing for a bankruptcy or insolvency.

Business Failures relate to unincorporated businesses that are owned by individuals, by a partnership or trust and is typically representative of Sole Traders and Smaller Businesses

Company Insolvencies by State



Annual Company Insolvencies by Month



ATO Tax Defaults & Adverse Rates

Concurrently, both company and director-related adverse metrics have experienced a modest YoY reduction. However, a significant surge in new Australian Taxation Office (ATO) defaults signals that businesses are increasingly deferring tax obligations to conserve immediate cash flow.

Industry Adverse Rates

-1.6% YoY (Company adverse rates)

-4.3% YoY (Company & Director related)

ATO Tax Defaults

+47.9% YoY (New defaults vs May 2025)

+83.3% YoY (Removals vs May 2025)



Further Information

Contact Equifax

<https://www.equifax.com.au/contact>

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