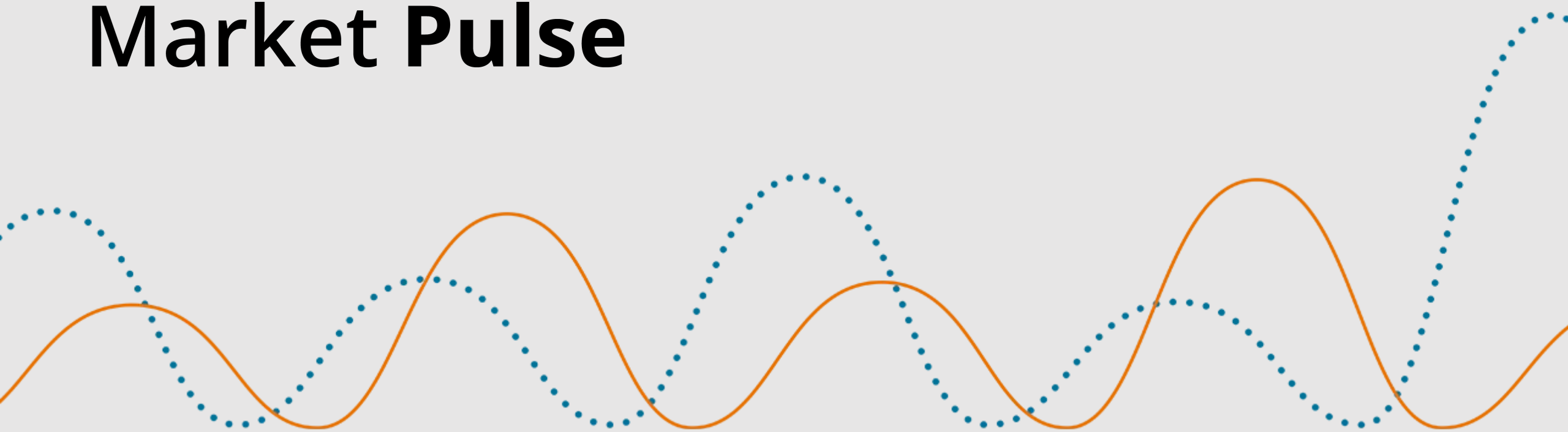
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Market **Pulse**



Business Market Pulse

September 2026

Credit Trend Data as of September 2026

Executive Summary

Market Overview

Australian commercial credit activity highlights a shift in operational funding strategies across business size. Small businesses are drawing on credit lines, likely to cover day-to-day operating expenses, while enterprise lending has contracted - driven partly by tighter bank credit policies amid market uncertainty.

Meanwhile, capital expenditure constraints are showing early signs of easing.

Cautious Asset Financing

Asset finance contraction slowed significantly from -12.7% YoY in August to -3.2% YoY in September as businesses cautiously recommenced capital equipment upgrades.

SME Working Capital Reliance

Small and medium businesses expanded business loan enquiries by +14% YoY to fund daily operational costs, whereas large enterprise borrowing decreased by -11.4% YoY.

Production Sector Insights

Construction and transport firms increased working capital borrowing, driving sector business loan enquiries up +10.8% YoY, likely to navigate high overheads and trade delays.

Early Payment Delay Creep

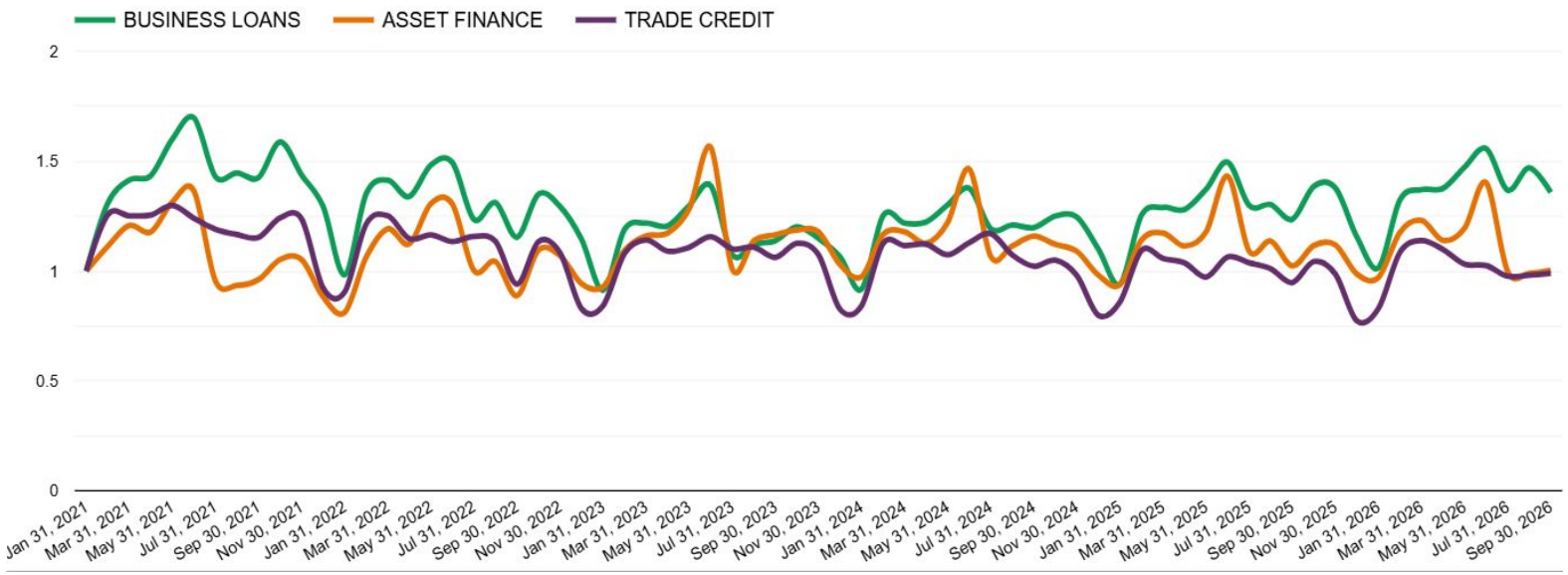
Early invoice arrears of 1 to 30 days rose from 6% in July to 7.9% in August, pointing to companies stretching trade terms to preserve liquidity.

Credit Demand

Market Overview

Overall Australian business credit demand reflects sustained need for operational liquidity, with overall demand hovering around similar levels seen in August (+11.3% YoY).

This is alongside a distinct narrowing in equipment finance contractions as capital spending restrictions begin to ease.



Adjusted for 21 trading days*

Business Loans

+10.1% YoY

(+11.3% YoY Aug & +6.2% YoY July)

Asset Finance

-3.2% YoY

(-12.7% YoY Aug & -9.12% YoY July)

* 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 borrowing demand highlights widespread expansion in working capital across small business networks alongside declines in large corporate credit activity.

Large Corporations

Business loan enquiries decreased across all states, led by SA (-16.3% YoY) and NSW (-16.0% YoY), with asset finance demand softening across all regions.

Small & Medium Enterprises (SMEs)

SME working capital demand grew right across Australia, led by SA (+26% YoY) and QLD (+16.1% YoY), while asset finance movements remained mostly negative.



Business Credit Demand By State (September 2026 vs. September 2025)

State Region	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
National	-11.4%	-8.3%	+14%	-2.5%
NSW	-16%	-2.1%	+14.4%	0% - Flat
VIC	-10.8%	-2.3%	+9.6%	-0.5%
QLD	-11.5%	-17%	+16.1%	-6.9%
SA*	-16.3%	-24.6%	+26%	-2.4%
WA*	-14.5%	-24.7%	+11.7%	-6.8%

*Note: SA and WA enquiries numbers improved over a low baseline in Sept 2025

Sector Trends in Credit Demand

Sector trends highlight widespread growth in cash flow funding across small and medium entities alongside varying movements in capital equipment borrowing.



Lifestyle Sector

Business loan demand increased +9.5% YoY overall, driven by +14.1% YoY SME growth, while asset finance fell -3.2% YoY.

Business Services Sector

Working capital loans rose +7.1% YoY overall despite a -16.5% YoY drop in large entities, with asset finance falling -4.5% YoY.

Production Sector

Business loan applications grew +10.8% YoY to support operational overheads, while asset finance posted a -4.8% YoY decline.

Essential Services Sector

Loan demand increased +12.4% YoY overall, while asset finance dropped -8.7% YoY across all businesses.

Housing & Utilities Sector

Business loans grew +12.6% YoY overall, whereas asset finance fell -1.3% YoY.

Credit Demand by Sector (September 2026 vs. September 2025 YoY)

Key Services Sector^ Industries	All Businesses Business Loans	All Businesses Asset Finance	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
Lifestyle	+9.5% YoY	-3.2% YoY	-12.5% YoY	-1.9% YoY	+14.1% YoY	-3.4% YoY
Business Services	+7.1% YoY	-4.5% YoY	-16.5% YoY	-19.4% YoY	+11.4% YoY	-2% YoY
Production	+10.8% YoY	-4.8% YoY	+0.4% YoY	-13.3% YoY	+13.2% YoY	-3.1% YoY
Essential Services	+12.4% YoY	-8.7% YoY	+4.9% YoY	+27.1% YoY	+14.5% YoY	-20.4% YoY
Housing & Utilities	+12.6% YoY	-1.3% YoY	+1.5% YoY	+34.2% YoY	+14.8% YoY	-6% YoY

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^ Refer to ANZSIC sector definitions at end of report

ATO Tax Debt

Active ATO tax defaults reached 37.8K nationwide in September 2026, representing a +22.6% YoY increase as debt enforcement continues to impact key Australian operating markets.

By state (September 26 YoY %):

NSW: +24.3% YoY
VIC: +20.5% YoY
QLD: +22.4% YoY

Production Sector (September 26 YoY %):

Manufacturing: +25.8% YoY
Mining: +35.3% YoY
Logistics: +15.2% YoY
Construction: +24.4% YoY
Wholesale: +2.1% YoY
Agriculture: +18.3% YoY



DBT

Days Beyond Terms (DBT) Breakdown

On Time: 90.2% of overall invoices were paid on time in August, which was flat from what we observed in July.

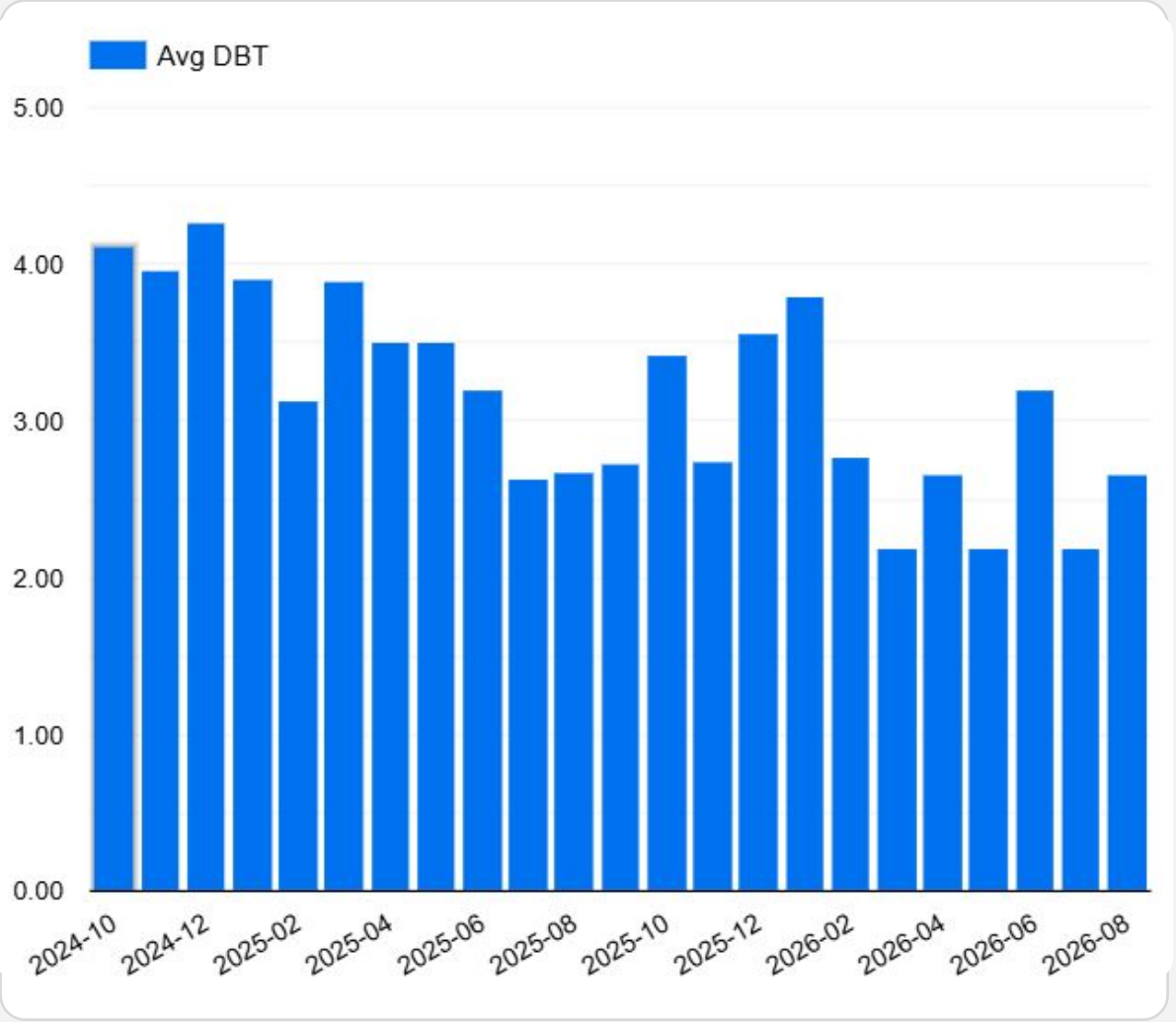
1 – 30 Days (Early): 7.9% of invoices were in early arrears in August 2026 (up from 6% in July).

31 – 60 Days (Medium): 0.9% of overall invoices in August.

61 – 90 Days (Late): 0.3% of overall debt in August.

91+ Days (Delinquent): 0.6% of total invoices were delinquent in August (0.7% in July).

NB: August figures are most up to date due to reporting schedules of late payment data.



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Sector Spotlight: Production

Working Capital Expansion

Business loan enquiries increased +10.8% YoY across the sector as operators sought funding for daily expenses.

Equipment Freeze Thaw

Asset finance demand declines narrowed to -4.8% YoY as businesses selectively addressed machinery needs.

Large Business Contraction

Large production entities recorded a -13.3% YoY fall in asset finance, alongside flat business loan demand (+0.4% YoY).

SME Cash Reliance

SME production businesses expanded loan demand by +13.2% YoY while keeping asset finance slightly negative at -3.1% YoY.

Construction Overhead Buffer

SME builders drove loan demand up +13.6% YoY to navigate trade delays and input costs, with asset finance at -1.6% YoY.

Transport Fleet Focus

Large transport firms saw business loan demand jump +33.2% YoY to run existing fleets, while asset finance fell -16.6% YoY.

Overall Production Sector Business Credit Demand

Business Loans

+10.8% YoY

Asset Finance

-4.8% YoY

Business Credit Demand by State (Sept 2026 vs. Sept 2025)

State Region	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance YoY
National	+0.4% YoY	-13.3% YoY	+13.2% YoY	-3.1% YoY
NSW	0% - Flat YoY	-8.3% YoY	+19.8% YoY	-2.8% YoY
VIC	0% - Flat YoY	+1.9% YoY	+9.7% YoY	-3% YoY
QLD	+9.3% YoY	-17.1% YoY	+13% YoY	-4.8% YoY
SA*	-5% YoY	-24% YoY	+27.3% YoY	+4% YoY
WA*	-17.5% YoY	-42.9% YoY	-1.7% YoY	-0.6% YoY

*Note: SA and WA enquiries numbers improved over a low baseline in September 2025.

Key Production Sector Industries (September 2026 vs. September 2025 YoY)

Key Production Sector^ Industries	All Businesses Business Loans	All Businesses Asset Finance	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
Construction	+12.2% YoY	-2.7% YoY	+5.1% YoY	-12.1% YoY	+13.6% YoY	-1.6% YoY
Transport, Postal & Warehousing	+13.7% YoY	-1% YoY	+33.2% YoY	-16.6% YoY	+10.6% YoY	+1.2% YoY

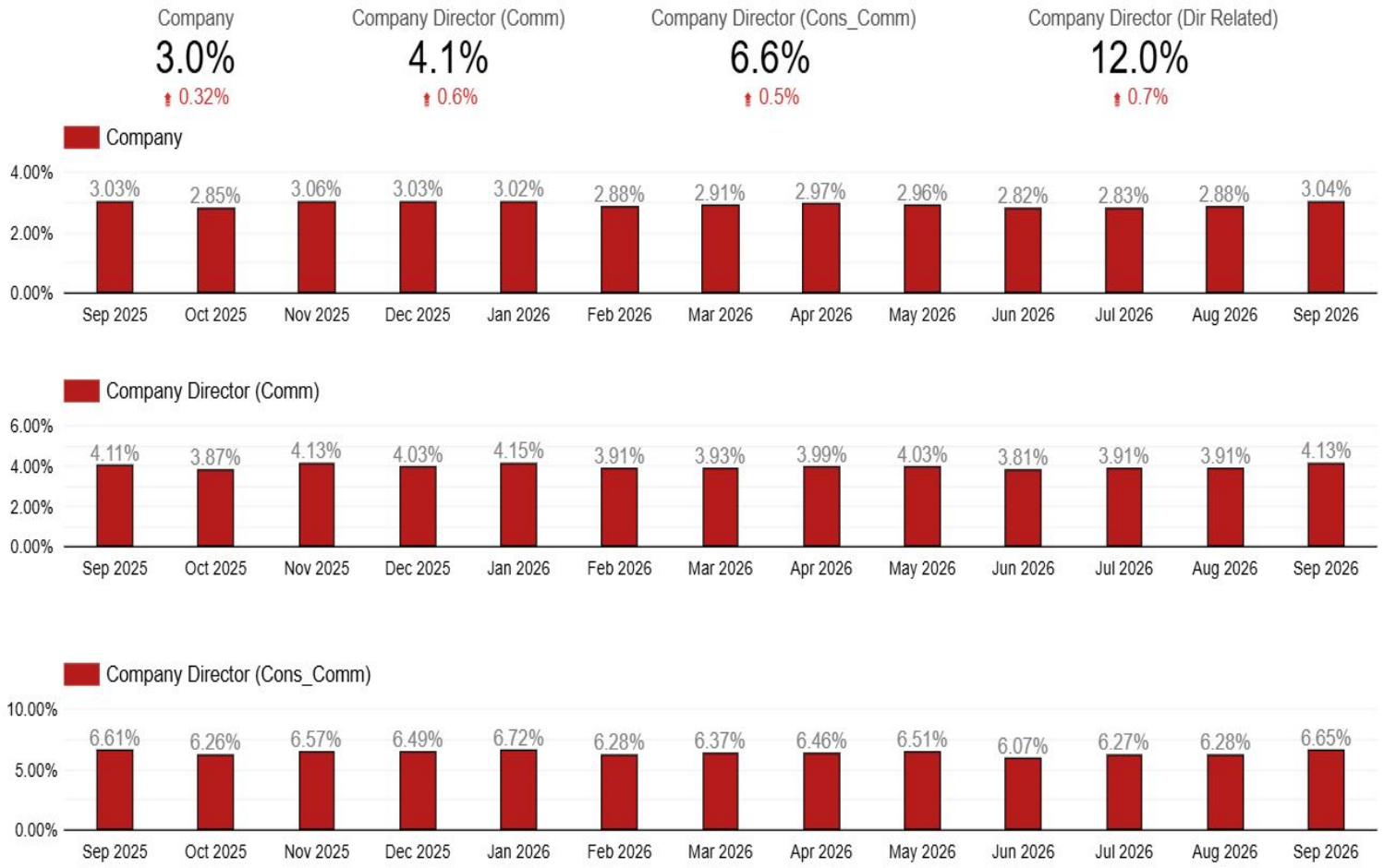
^ Refer to ANZSIC sector definitions at end of report

Equifax Data Advantage

Expanded Line-of-Sight into key persons and connections behind the business

A greater depth and breadth of data, particularly through more predictive attributes can translate into enhanced profitability and more effective credit decisions for a given portfolio - see example here.

Business Credit Bureau Adverse Rates - Proportion of applications YoY (%)



Key Definitions

- **Trading Days Adjusted:** Normalises data to eliminate variations in working days and holidays, ensuring apples-to-apples comparisons between months without penalising shorter months.
- **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, a partnership, or a trust and are typically representative of sole traders and smaller businesses.

Sector Definitions: Australian and New Zealand Standard Industrial Classification (ANZSIC) included in Equifax Sector definitions are as follows.

Equifax Definition	Australian and New Zealand Standard Industrial Classifications
Lifestyle Sector	Accommodations & Food Services; Arts & Recreation Services; Retail Trade
Business Services Sector	Administrative and Support Services; Financial and Insurance Services; Other Services; Professional, Scientific and Technical Services
Production Sector	Agriculture, Forestry and Fishing; Construction; Manufacturing; Mining; Transport; Postal and Warehousing; Wholesale Trade
Essential Services Sector	Education and Training; Health Care and Social Assistance; Public Administration and Safety
Housing & Utilities Sector	Electricity, Gas, Water and Waste Services; Information Media and Telecommunications; Rental, Hiring and Real Estate Services

Further Information

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Get in touch if you have any questions.

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