business reset Success story

from close to $300k of debt to a clean slate

Premium hair salons · South-east Queensland



At a glance

Industry
Premium hair salons

Location
South-east Queensland

Pathway
Small Business Restructure (SBR)

How they found us
Their accountant

Key figures

$300k
Approx. debts in the plan

$125k
Total plan contributions

65%
Approx. debt reduction

The challenge

This premium hair salon business runs two salons in south-east Queensland with a small team. When the cost of living bit, clients booked less often and spent less per visit.

Rent, wages, super and stock all rose, and competition limited price rises. A new salon lost money for its first 12 months, then severe weather hit trade.

The director also stepped away for around seven months after becoming a new parent. Lodgements slipped, and the ATO debt grew to around $225,000, with total debts close to $300,000.

What we did

We compared another payment arrangement, liquidation, voluntary administration and a Small Business Restructure (SBR). Liquidation was estimated to return nil, and a liquidator would likely have clawed back recent ATO payments as unfair preferences.

Before we were appointed, the director closed a loss-making salon, raised prices, cut overheads, got lodgements back on time and returned full time. We explained the loan accounts in our report to creditors, before the ATO had to ask.

General information only, shared with permission. Some details may be changed to protect privacy. Outcomes depend on each company's circumstances.

How it unfolded

The squeeze	1	**Costs up, bookings down.** Cost-of-living pressure cut bookings and spend per visit, while rent, wages and stock kept rising.
The new salon	2	**A slow start.** A costly fit-out and 12 months of losses, then severe weather hit just as trade picked up.
Time away	3	**The director steps away.** Around seven months away as a new parent. Lodgements slipped and the ATO debt grew to around $225,000.
Before appointment	4	**Back in profit.** About $16,500 profit from March to May 2025, and around $46,000 paid to the ATO in the six months before.
The plan	5	**Plan accepted.** $125,000 in total: $50,000 upfront from a related company, then $3,125 a month for 24 months from trading.
September 2026	6	**Paid out early.** Partway through, the business secured new vehicle finance. The director then paid out the balance about a year ahead of schedule.

The outcome

The plan was estimated to return around 35 cents in the dollar, against nil in liquidation. On our estimates, the ATO was more than $100,000 better off: it kept the payments made before the restructure and received a dividend on top.

What made the difference: the business was back in profit before the restructure began, and the loan accounts were explained up front, before the ATO had to ask.

Is ATO debt putting pressure on your business?

Talk to us about your options, or refer a client.

1300 073 738
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