business reset Success story

a $451,000 bad debt, then a plan that kept 38 jobs

NDIS disability support · Western Australia · Est. 2022



At a glance

Industry
NDIS disability support

Location
Western Australia

Pathway
Small Business Restructure (SBR)

How they found us
Their accountant

Key figures

$439k
Approx. debts in the plan

$163k
Total plan contributions

69%
Approx. debt reduction

The challenge

This Western Australian NDIS provider started trading in 2022 and grew quickly. Its 38 staff deliver support coordination, recovery coaching and support worker services.

Then a dispute over a high-needs participant left a $451,000 bad debt, and the company still had to keep providing care. NDIS payment delays and a former bookkeeper's invoicing errors made the cash shortfall worse.

Underused rental properties, staff shortages and a family health crisis for the director added to the strain. Losses of about $223,000 over two years left $439,429 owed to the ATO and the WA Office of State Revenue.

What we did

We compared liquidation with a Small Business Restructure (SBR). Liquidation would have meant 38 jobs lost, participants without their support workers and nothing for creditors.

Before the plan was proposed, the director resolved the NDIS dispute, brought in a new accountant and bookkeeper, tightened debt collection and exited underused leases. The company also kept paying the ATO: $36,705 in the six months before appointment.

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

How it unfolded

September 2022	1	**Started trading.** The new NDIS provider grew quickly, to 38 full-time and casual staff.
The setback	2	**A $451,000 bad debt.** A dispute over a high-needs participant left care the company had to keep providing but was never paid for.
FY2024 and FY2025	3	**Losses mount.** Payment delays, empty rental properties and staff shortages led to losses of about $223,000. Debts reached $439,429.
Before the plan	4	**Turning it around.** The dispute was resolved, a new accountant and bookkeeper came in, debt collection tightened and underused leases were exited.
May 2025	5	**Plan put forward.** $163,000 in total: $40,000 upfront, then 24 monthly instalments of $5,125 from trading profits.
The outcome	6	**Plan accepted.** Creditors accepted the plan, repayments began and all 38 staff kept their jobs.

The outcome

Creditors are estimated to receive 31.17 cents in the dollar under the plan, against nil in liquidation. The business kept trading, all 38 staff kept their jobs and NDIS participants kept their support workers.

What made the difference: the changes came before the plan. With the dispute resolved, costs cut and the ATO still being paid, creditors were backing a business that had already changed, not one promising to.

Is ATO debt putting pressure on your business?

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

1300 073 738
businessreset.com.au

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