

Handling debts

Dealing with outstanding debts can be overwhelming for small businesses. It makes it hard to predict your cashflow and to be prepared for unforeseen events.

On this page, you will find help and guidance about what to do when:

- someone owes you money
- you owe someone money.

Please note that, while we can't help with legal advice or with debt collection services, we can help you understand your situation and your options and provide resources and tools to assist you in making informed choices.

Remember that when dealing with debt, it's not just the health of your business you're dealing with. Debt can have a heavy toll on small business owners and it is important to look after yourself.

What to do when someone owes you money

If you are owed money, try to negotiate with the party who owes you. Start with [Five steps to resolve your dispute](#).

It is in everyone's interest to avoid expensive debt collection services and formal legal action if possible. This might include proposing a payment plan.

Resources to help:

[What to do when you haven't been paid](#)

Things to know about debt collection services

[Debt collection services](#)

What to do when you owe someone money

Start with [Five steps to resolve your dispute](#).

The first step is to pay any part that you know you owe and are able to pay. You can then offer to enter a payment plan for the remainder. Make sure that any payment you offer is within your means.

This proactive approach helps reduce the risk of:

- escalating the dispute
- provoking legal action and debt collection
- accumulating unnecessary interest
- harming the business relationship.

The other party may not agree to your payment plan, but it demonstrates you are willing to pay and it can be a good starting point for negotiation.

Avoid debt collection services and legal action if possible, as it can harm everyone. If you don't agree with the other party on the amount of money that you owe, we recommend you:

- pay any part of the amount you agree on
- engage in respectful conversation with the other party to dispute the amount.

Look after your reputation. Make it a priority to maintain the relationship with the other party (and others) as much as possible to avoid harming future business.

Resources to help:

ASFA - [Debt help](#)

Business.gov.au - [Manage being in debt](#)

ACCC - [dealing with debt collectors, help when you're in debt, disputing a debt and more](#)

Moneysmart.gov.au - [Managing debt](#)

More resources

There are a range of support services to help you through:

- [Small Business Debt Helpline](#) – run by financial counsellors who provide free, independent and confidential advice on how to best manage your debt.
- [NewAccess for Small Business Owners \(NASBO\)](#) – run by Beyond Blue, it is a mental health coaching service specifically for small business owners.
- The [Small Business Mentoring Service \(SBMS\)](#) – provides free helpful resources and guidance from experienced business mentors.
- The [Self-Employment Assistance program](#) – offers workshops and coaching services to make your business more viable.

You can also call our ASBFEO information line on 1300 650 460 or send us a webform via our [dispute support service](#).

