FOR DIRECTORS AND OWNERS

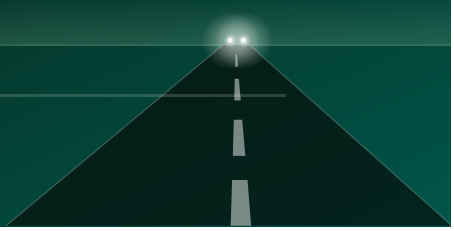
Don't Be Recession Roadkill

The danger is the freeze, not the road. A practical note for directors who still have room to move.

BY
Brendan Richards

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Blunt, I know. But I think the title is fair, and I'd rather be blunt in November than polite in March.

Anyone who has driven a country road at dusk knows the moment. A kangaroo on the bitumen ahead, head up, looking straight into your headlights. It saw you coming. It had time. It froze.

I've spent thirty years working with businesses under financial pressure, and I think most of the damage is done in that same moment. The danger is the freeze, not the road.

If it looks like a recession

I'm not an economist, and whether Australia ends up in a recession is for others to call. My view is simpler. If it looks like a recession and sounds like a recession, plan like it is one.

The Reserve Bank has lifted the cash rate five times in 2026, to 4.85% after its 3 November decision. NAB's Monthly Business Survey had business confidence at -15 in October, and it has been below zero every month since March. The ATO issued 89,842 director penalty notices in 2025-26, according to its annual report.

None of those numbers tells you what will happen to your business. Together, I think they say the road is darker than it was a year ago.

4.85%

RBA cash rate target after the 3 November 2026 decision, the fifth rise in 2026

Source: Reserve Bank of Australia

-15

Business confidence index in October 2026

Source: NAB Monthly Business Survey, October 2026

89,842

Director penalty notices issued to individual directors in 2025-26

Source: Commissioner of Taxation annual report 2025-26

What the freeze looks like

It rarely looks like panic. It looks like a run of reasonable explanations.

Sales are soft, but there's a big order coming in the new year. The overdraft sits at its limit most of the month, but it always has in the slow season. The BAS is late because the bookkeeper is flat out. A letter from the ATO goes in the drawer until things settle. The bank asks for updated financials and a review, and the reply gets put off a week, then another.

Each explanation is plausible on its own. That's what makes the freeze so hard to spot from the inside. A business I've seen more than once - a composite, not any one company - showed every one of these signs for the better part of a year, with a sensible story for each. Nobody was hiding anything. They were waiting for one good quarter to make the conversation easier.

There's a quieter sign as well, and I suspect it's the most reliable one. The owner stops looking. The monthly accounts get opened later and later. The message from the bank manager sits unanswered. The conversation at home about how the business is going gets shorter. In my experience that's fear at work, and it's a very human response to numbers that have started to frighten you.

I should say this plainly. The problem is the freeze, not the person. Plenty of good operators get hit by things nobody could have seen from where they stood. A customer collapses, a contract is pulled, a cost doubles. If that has been you, you have my respect. I'm writing to the director who can see the headlights and still has room to move.

> *The danger is the freeze, not the road.*

Why waiting usually narrows the options

In my experience, time is the thing a business under pressure has least of and spends most freely.

Early on, there are usually several ways through. A lender may be willing to reshape a facility. The ATO may agree to a payment plan. Costs can come out in an orderly way. Part of the business can be sold by a willing seller, not a forced one. Six months later, with arrears built up, the same people tend to offer less, and some of those options have gone.

The second cost is trust. A lender is usually more willing to work with a business that came forward early with honest numbers than with one that went quiet until the problem surfaced on its own. I think the same is true of the ATO, of suppliers and of staff.

Candidly, I can't promise that moving early fixes everything. Sometimes it won't. But waiting usually narrows the options, and I've rarely seen it widen them.

What moving early looks like

None of this is complicated, and most of it can start this week.

1. **Get your lodgements up to date with your tax agent, even if you can't pay.**
   In my experience the ATO can work with a debt it can see. Going dark is what worries them.

2. **Build a 13-week cash forecast.**
   It shows you the tight weeks while there's still time to act on them.

3. **Talk to your lender before they talk to you.**
   A problem you raise yourself, with numbers, usually gets a better hearing than one they find.

4. **Know your first three moves if a big customer goes.**
   Write them down while it's still hypothetical.

5. **Get advice while there's still something to advise on.**
   The question is solvency, not bookkeeping, and it's a hard one to judge on your own.

I plan to come back to lodgements and to the lender conversation in later pieces. Each deserves more than a line.

Still room to move

If some of this sounds familiar, you're in more company than you think, and you may have more room than it feels like at three in the morning. Use it. Get your numbers straight, talk to your lender, and write to us.

IN WRITING, IN CONFIDENCE

The earlier you talk to us, the more options you have.

Send a short note on where things stand to brendan@reboundadvisory.com.au. Please don't send financial records or documents in a first note - a short summary is enough. You'll get a written reply, in confidence. You can also ask for our free Recession-Ready guide.

brendan@reboundadvisory.com.au

CONTACT



Brendan Richards
Founder and Senior Advisor
brendan@reboundadvisory.com.au



Claire Gaffney
Senior Advisor
claire@reboundadvisory.com.au

SOURCES AND NOTES

1. Cash rate target of 4.85% and five increases in 2026: Reserve Bank of Australia, Statement by the Monetary Policy Board: Monetary Policy Decision, 3 November 2026 (effective 4 November); cash rate target table at rba.gov.au/statistics/cash-rate.
2. Business confidence: NAB Monthly Business Survey, October 2026 (released 10 November 2026), business confidence, seasonally adjusted net balance.
3. Director penalty notices: Commissioner of Taxation annual report 2025-26 (October 2026) - 89,842 director penalty notices issued to individual directors.

The example of a business showing these signs is a composite and describes no single company or client. The views are the author's own. General information only, current at 24 November 2026. It is not legal, tax, financial or insolvency advice and takes no account of any particular company's circumstances. Before acting, get advice from a lawyer on directors' duties or personal liability, and from a registered tax agent on ATO matters. Writing to us creates no client relationship and isn't covered by legal professional privilege. Privacy policy: reboundadvisory.com.au/privacy. © 2026 Rebound Advisory Pty Ltd (ABN 28 690 606 798).