
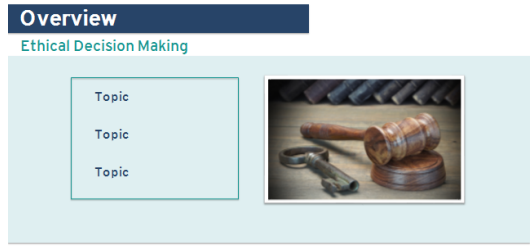




# Personal Insolvency Context and Practice Storyboard

<b>2.1: Debts and Debtors</b>				
Slide # & Screen Header	Screen Subheader & Text <i>Add text that will be included on screen</i>	Screen Design <i>Add screenshot from PPT or SL template of possible design for the page</i>	Production Notes/Images/Resources <i>Add resource info, shutterstock # of possible image to use on page and/or other notes/ideas for Production Team</i>	Client Notes Only <i>Not intended for Production Team</i>
1. [Title] Module 2: Personal Insolvency Context and Practice	[Subtitle] 2.1 Debts and Debtors		[Title Slide] New Audio clip 2.1.1	
2. [Header] Overview	[Subheader] Debts and Debtors  Initial Engagement  Understanding the Creditors  Understanding the Debtor		New Audio clip 2.1.2  No bullet points for overview slides (see previous storylines)  Shutterstock Image ID:207838036	


# Personal Insolvency Context and Practice Storyboard

			 <p style="text-align: center; font-size: small;">www.shutterstock.com · 207838036</p>	
<p>3. [Header] Initial Engagement</p>	<p>[Subheader] Meeting the Debtor</p> <p>In initial stage of engagement, a personal insolvency professional (PIP) will:</p> <ul style="list-style-type: none"> <li>● advise a debtor on whether a debt agreement is a suitable mechanism for addressing the debtor’s financial problems</li> <li>● enquire into debtor’s circumstances to determine viability of entering agreement</li> <li>● explain agreement process and consequences</li> </ul>	<p><b>Initial Stage</b></p> <p>Advising</p> <ul style="list-style-type: none"> <li>○ Significant part of initial stage of engagement involves Debt Agreement Administrator advising a debtor on whether a Debt Agreement is a suitable mechanism for addressing their particular financial problems</li> <li>○ Requires enquiry into their circumstances to determine viability of undertaking Debt Agreement option</li> <li>○ Administrator must be in a position to explain a number of relevant concepts and determine how to achieve implementation of Debt Agreement</li> </ul>	<p>New Audio clip 2.1.3</p>	

## Personal Insolvency Context and Practice Storyboard

<p>4. [Header] Understanding the Creditors</p>	<p>[Subheader] Bad Debts</p> <ul style="list-style-type: none"> <li>Recall in Module 1.2 the concept of insolvency and the need for debtor to be 'insolvent' as a precondition to lodging a proposal</li> <li>Generally, debt will be defined as 'bad' if, in creditor's opinion, it is unlikely to be recovered without incurring significant expense</li> <li>For some creditors 'bad debt' may represent a tax deduction; however, it is still debt that remains unpaid</li> </ul> <p>➤ Important to understand creditors' perspective because PIP will need to negotiate and communicate with creditors prior to and after entry by debtor into agreement</p>	<p><b>Creditor's Perspective</b></p> <ul style="list-style-type: none"> <li>Generally, a debt will be defined or classified as 'bad' if, in creditor's opinion, it is unlikely to be recovered or be recoverable without incurring significant expense (in terms of both money and time)</li> <li>Although for some creditors (those using an accruals basis of accounting) a 'bad debt' may represent a tax deduction, it is still a debt that remains 'unpaid'</li> </ul> <p>➔ It is important to understand the creditors' perspective, because as a DA, you will need to negotiate and communicate with creditors prior to and after entry by the Debtor into a DA</p>	<p>New Audio clip 2.1.4</p>	
<p>5. [Header] Understanding the Debtor</p>	<p>[Subheader] Causes of Insolvency</p> <p>Increase in non-business related personal insolvency in Australia</p> <p>Causes:</p> <ul style="list-style-type: none"> <li>Excessive use of credit cards and credit facilities</li> <li>Ill health</li> <li>Gambling or speculation</li> </ul>	<p><b>Increase in Personal Insolvency</b></p> <p>Causal Factors</p> <p>Increase in non-business related personal insolvency in Australia</p> <p>Causes:</p> <ul style="list-style-type: none"> <li>Excessive credit card/credit facilities use</li> <li>Ill health</li> <li>Gambling or speculation.</li> </ul> 	<p>New Audio clip 2.1.5</p> <p><b>Resource Title:</b> Social Statistics - Part IX Debt Agreements</p> <p><b>Link:</b></p> <p><a href="https://bonduni.sharepoint.com/law/pipa/_layouts/15/guestaccess.aspx?guestaccesstoken=%2fBTxCfMe2wnWOqyRHGgQKi58vKPL2B9SgC5koHDowJs%3d&amp;docid=0cf588b69abf84d05a36d398700b6cce0&amp;rev=1">https://bonduni.sharepoint.com/law/pipa/_layouts/15/guestaccess.aspx?guestaccesstoken=%2fBTxCfMe2wnWOqyRHGgQKi58vKPL2B9SgC5koHDowJs%3d&amp;docid=0cf588b69abf84d05a36d398700b6cce0&amp;rev=1</a></p>	



# Personal Insolvency Context and Practice Storyboard

			<p>Shutterstock Image ID:69444130</p>  <p>www.shutterstock.com · 69444130</p>	
<p>6. [Header] Understanding the Debtor</p>	<p>[Subheader] Characteristics of Insolvent Debtors</p> <p>Insolvency is a growing phenomenon in the Australian middle class with an increase in number of personal insolvents with the following characteristics:</p> <ul style="list-style-type: none"> <li>● higher prestige occupational groups</li> <li>● higher levels of personal income</li> <li>● higher levels of household incomes</li> <li>● significant realisable assets and property ownership</li> </ul>	<p><b>Header</b></p> <p>Subheader</p> <ul style="list-style-type: none"> <li>○ Lorem ipsum dolor sit amet, consectetur adipiscing elit.</li> <li>○ Curabitur non tempor arcu. Maecenas arcu dolor, ornare ut nulla at, convallis ornare nulla.</li> <li>○ Sed quam mauris, egestas</li> </ul>	<p>New Audio clip 2.1.6</p> <p><b>Resource Title:</b> Trends in Personal Insolvency in Australia study</p> <p><b>Link:</b> <a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1367445">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1367445</a></p> <p><b>Resource Title:</b> Personal Insolvency in Australia: An Increasingly Middle Class Phenomenon</p> <p><b>Link:</b> <a href="http://law.unimelb.edu.au/__data/assets/pdf_file/0012/1709769/54-Personal_insolvency_">http://law.unimelb.edu.au/__data/assets/pdf_file/0012/1709769/54-Personal_insolvency_</a></p>	

# Personal Insolvency Context and Practice Storyboard

			journal_article_-_middle_class_phenomenon__4.08.09_1.pdf	
<p>7. [Header] Understanding the Debtor</p>	<p>[Subheader] Agreement v Bankruptcy</p> <p>Statistics show agreement debtors generally:</p> <ul style="list-style-type: none"> <li>● are younger than bankrupt debtors</li> <li>● have dependents whereas bankrupt debtors do not</li> <li>● are in full-time employment</li> <li>● have higher levels of personal income and household income than bankrupt debtors</li> <li>● have lower levels of unsecured debt than bankrupt debtors</li> </ul> <p><i>*From the Insolvency and Trustee Service Australia, Annual Reports by the Inspector-General in Bankruptcy on The Operation of the Bankruptcy Act</i></p>	<p><b>Profile Development</b> Debt Agreement vs. Bankrupt Debtors</p> <p>Statistics show that the typical Debt Agreement debtor generally:</p> <ul style="list-style-type: none"> <li>○ is younger than bankrupt debtors</li> <li>○ has dependents whereas bankrupt debtors generally do not</li> <li>○ is in full-time employment</li> <li>○ has higher levels of personal income than bankrupt debtors</li> <li>○ has higher household income levels than bankrupt debtors</li> <li>○ has lower levels of unsecured debt than bankrupt debtors have</li> </ul> <p>Individuals who fit this profile may be more suitable candidates for entering into a Debt Agreement.</p> <p><small><i>*From the Insolvency and Trustee Service Australia, Annual Reports by the Inspector-General in Bankruptcy on The Operation of the Bankruptcy Act</i></small></p>	<p>New Audio clip 2.1.7</p>	
<p>8. [Header] Summary</p>	<p>[Subheader] Debts and Debtors</p> <ul style="list-style-type: none"> <li>● Initial meeting with the debtor</li> <li>● Understanding the creditors</li> <li>● Understanding the debtor</li> </ul>	<p><b>Summary</b> Ethical Decision Making</p> <ul style="list-style-type: none"> <li>○ Bullet</li> <li>○ Bullet</li> <li>○ Bullet</li> <li>○ Bullet</li> </ul>	<p>[Summary Slide]</p> <p>New Audio 2.1.8</p>	

# Personal Insolvency Context and Practice Storyboard

<p>9. [Header] Reflection Questions</p>	<p>Before proceeding, ensure you can answer the following:</p> <ol style="list-style-type: none"> <li>1. Why is it important that the personal insolvency professional understand the personal circumstances of the debtor?</li> <li>2. What is a bad debt and how are they perceived by creditors?</li> <li>3. What are the main causes of insolvency in Australia?</li> <li>4. What are the characteristics of the typical insolvent debtor?</li> <li>5. What are the main differences between agreement debtors and bankrupt debtors?</li> </ol>	 <p><b>Summary</b> Ethical Decision Making</p> <ul style="list-style-type: none"> <li>o Bullet</li> <li>o Bullet</li> <li>o Bullet</li> <li>o Bullet</li> </ul>	<p>[Reflection Questions slide]</p> <p>No Audio</p>	
<p>10. [Header] Module 2.1 Completed!</p>	<p>[Text] Thank you for completing Module 2.1: Debts and Debtors.</p>	 <p>Module 2.1: Bankruptcy Act 1966 (Cth) Overview</p> <p><b>Module 2.3 Completed!</b></p> <p>Thank you for completing module 2.1: Bankruptcy Act 1966 (Cth) Overview</p> <p>PIPA BOND UNIVERSITY</p>	<p>[Thank you Slide]</p> <p>No audio</p>	

*Personal Insolvency Context and Practice  
Storyboard*