NSW Police Force

NSWPF Bankruptcy and Debt Arrangement Guidelines

People & Capability Command

August 2026

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Document Properties

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Modification History

Version #	Version Approval Date	Author/Position	Summary of changes
1	August 2010	Professional Standards Command	• Original document.
2	August 2014	Professional Standards Command	• Policy statement change to reflect GSE Regulations 2014. • References to http://www.itsa.gov.au changed to http://www.afsa.gov.au. • The moneyAssist statement of services amended.
3	January 2016	Professional Standards Command	• Apply protective marking.
4	August 2017	Professional Standards Command	• Changed guideline title to more accurately reflect the employee financial obligations. • Changed definition of unmanageable debt to be finance related rather than health related. • Added delegation HR 73 • Replaced sentence re: removal of bankruptcy/debt notification from personnel file to a sentence requiring notification to be retained. • Added sentence requiring employee to inform commander/manager that bankruptcy/debt arrangement has been discharged. • Added a definition of bankruptcy section. • Updated the definition of composition. • Added an employee responsibilities section.

			• Added http://www.moneysmart.gov.au Australian Securities and Investment Commission website. • Added a misconduct prevention section.
5	December 2017	Professional Standards Command	• Update of document classification under GIPA Act 2009.
6	January 2021	Professional Standards Command	• Document updated with new Information Management Marker (IMM).
7	February 2024	Professional Standards Command	• Document transferred to new corporate template • Amendment to language from employee to NSW Police Force Employee.
8.0	August 2026	People & Capability Command	• Ownership transfer to People & Capability Command (PCC) • Transfer to PCC template • Update to reference the *Police Regulation 2025.* • Update to delegation (HR 73 to HR 32) • Update to EAP information • General updates to formatting / grammar.

Table of Contents

1. Purpose & scope

The purpose of these guidelines is to provide direction and guidance around the requirements to report bankruptcy or debt arrangements by all police officers / administrative employees (employees) of the NSW Police Force (NSWPF).

This enables:

- the NSWPF to provide fair and impartial services to the community
- public confidence in policing
- misconduct prevention strategies
- misconduct allegations to be managed effectively.

These guidelines apply to all employees of the NSWPF regardless of employment classification (including Students) and includes those employees who are suspended or on any type of leave. The guidelines do not apply to casual NSWPF employees.

2. Legislative requirements

Section 58 of the *Police Regulation 2025* requires all police officers of the NSWPF or a student of policing who becomes personally insolvent to immediately notify the Commissioner in writing. If the employee is the agency head, then a report must be made to the Minister to whom the agency is responsible.

Notification of a bankruptcy or entering into a composition, arrangement or assignment for the benefit of an employee's creditors is a requirement for all administrative employees of the NSWPF under Clause 10 *Government Sector Employment Regulation 2014*.

The Commissioner of Police has delegated the reporting of bankruptcies and other debt arrangements to commanders/managers within the NSWPF under *Commissioner's Delegation: HR32*.

3. Definitions

3.1. What is unmanageable debt?

The perception of unmanageable debt will vary significantly from person to person, but in general personal debt can be considered unmanageable when the level of required repayment cannot be met through normal income streams over a prolonged period of time[1].

3.2. What is bankruptcy?

Bankruptcy is a legal process whereby a person declares that they are unable to pay their debts. Bankruptcy can be entered into voluntarily (debtor's petition) or via a creditor petitioning the court (creditor's petition).

While bankruptcy normally lasts for three years and one day[2] it can have serious long-lasting consequences. If considering declaring bankruptcy employees should:

[1] Wiltshire Police Force Policy, *Unmanageable Debt Policy*, 1 January 2013, viewed 15/05/2017

[2] Australian Government, Australian Financial Security Authority, What is bankruptcy? https://www.afsa.gov.au/insolvency/i-cant-pay-my-debts/what-bankruptcy,viewed 15/05/2017

- seek advice
- know your options
- understand the consequences.

There may be other options available to you under the *Bankruptcy Act 1966* e.g., debt agreement or through a private treaty with your creditor.

3.3. What is a composition?

Under section 73 of the *Bankruptcy Act 1966*, a person who is bankrupt may make an offer of composition to creditors (via the trustee).

A composition is an offer to creditors to repay a percentage of the debt. If the offer is accepted, the bankruptcy will be annulled. The offer can be made using money or assets that the trustee cannot claim e.g., a relative offer to repay the debt on your behalf.[3]

4. Support Services

There are various reasons why debt may become unmanageable e.g. ill health, breakdown in family relationships, poor money management. It is important to identify financial difficulties early so the situation can be addressed before it becomes unmanageable.

The NSWPF provides employees with a counselling service through the Employee Assistance Program (EAP), EAP Financial Coaching. The program is provided by consultants with financial expertise. EAP Financial Coaching does not provide investment advice or loans. EAP Financial Coaching can be contacted on 1300 667 197.

There are a number of other options available to deal with unmanageable debt. Assistance can be sought from a:

- financial counselling service
- community legal centre
- registered trustee
- registered debt arrangement administrator
- solicitor
- accountant.

Further information is available on the Australian Financial Security Authority and Australian Securities and Investments Commission websites.

[3] https://www.afsa.gov.au/insolvency/i-am-currently-bankrupt/how-do-i-annul-my-bankruptcy viewed 1/06/2017

5. Employee Responsibilities

Employees of the NSWPF must immediately notify their commander/manager in writing of any bankruptcy or composition/debt arrangement.

Notification enables the NSWPF to assess any operational or organisational risks on a case-by-case basis and to ensure that appropriate welfare and support services are offered where required.

Failure to notify a bankruptcy or debt arrangement is a breach of point three of the *Code of Conduct and Ethics* and may result in management action.

All employees of the NSWPF must know and comply with all policies, procedures and guidelines that relate to their duties.

NSWPF employees must co-operate with any risk management strategies developed and implemented in relation to their bankruptcy/debt arrangement notification.

When a bankruptcy/debt arrangement has been finalised, the employee must supply their commander/manager with a copy of the notice advising the matter has been discharged.

6. Commander / Manager Responsibilities

The notification and management of bankruptcy and other debt arrangements is a risk management strategy. When a bankruptcy or debt arrangement is reported the commander / manager should identify any associated risks to the employee, their position or the NSWPF.

The commander/manager must be satisfied that any corporate risks associated with the notification are adequately managed and that welfare and support services are offered to the NSWPF employee. If necessary, commanders/managers should develop strategies to manage associated risks and discuss those strategies with the employee.

Commanders/Managers are to ensure the process of notification, risk assessments and processes of the employee declaring are kept confidential and contained within the Command/Unit. The notification is to be filed on the employee's e-P file.

On finalisation of the bankruptcy/debt arrangement a copy of the notice advising the matter has been finalised must be retained on the NSWPF employee's eP-file.

Shared Services are responsible for the garnishee or attachment of wages as prescribed by the court. Commanders/Managers are to liaise with Shared Services where required.

7. Misconduct Prevention

Debt can put an employee of the NSWPF in a vulnerable position. An employee may become the target of individuals or organised crime groups wanting to exploit the employee's circumstances or an employee may engage in other forms of misconduct in order to alleviate their financial situation.

When a bankruptcy or debt arrangement is reported, the employee's commander/manager will consider the risks involved and if required, develop misconduct prevention strategies to protect the employee and the organisation.

NSWPF employees must co-operate in the management of any risks associated with their bankruptcy or debt arrangement notification.

As a condition of employment in a financial management role within the NSWPF, the Commissioner of Police (or delegate), may require the person, prior to being engaged in the role, to make a declaration as to whether or not the person has ever been declared a bankrupt or made a composition, arrangement or assignment to the benefit of the person's creditors.[4]

[4] Clause 10(3) *Government Sector Employment Regulation 2014*

8.References

Police Regulation 2025

Government Sector Employment Regulation 2014

Bankruptcy Act 1966

NSW Police Force Code of Conduct and Ethics

Australian Financial Security Authority

Australian Securities & Investments Commission

Commissioner's Delegation Number: HR 32

Further Information:

For further information or support contact Employee Relations, Workforce Relations & Reform

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