

Insolvency Statistics

For the year 1 July 2007 - 30 June 2008

Contents:

Personal Insolvencies:

1. Annual Totals
2. Age Groups & Gender Split
3. Ethnicity
4. Employment Status at Date of Adjudication
5. Occupation at Date of Adjudication
6. Reason for Personal Insolvency
7. No. of Credit Cards held at Date of Adjudication
8. Estate Debt Levels
9. Dividends Paid
10. International Personal Insolvency Rates

Corporate Insolvency Statistics:

11. Annual Totals
12. Debt Levels
13. Dividends Paid

Notes on Personal Insolvency Numbers

2007/08 was unlike any other year for the Insolvency and Trustee Service (ITS). After forty years of operation, the Insolvency Act 1967 was repealed and replaced by the Insolvency Act 2006 ('the Act') on 3 December 2007. The Act brought about considerable change to the insolvency landscape with the Official Assignee becoming a one-stop shop for debtors struggling with their financial affairs.

The Act introduced the new No Asset Procedure, an alternative to bankruptcy. The Official Assignee also became responsible for the administration of the Summary Instalment Order regime, formerly the domain of the District Court. The Act required debtors seeking relief from creditors to provide the Official Assignee with a completed Statement of Affairs and application in order to gain entry to the insolvency procedures administered by the Official Assignee. Only after a debtor had submitted these documents to the satisfaction of the Official Assignee would they gain entry to an insolvency procedure that would provide them with relief from creditors.

In the 2007/08 financial year, ITS received and administered 3,802 new Personal Insolvency estates representing a 6% increase on the 2006/07 financial year. These new Personal Insolvency estates comprised 2,504 new bankruptcies, 1,244 No Asset Procedures and 54 Summary Instalment Orders.

Notes on Company Liquidation Numbers

While the ITS administers some court appointed liquidations, unlike personal insolvency where the ITS is the sole administrator for New Zealand, the ITS does not administer all the company liquidations in New Zealand. The majority of liquidations are administered by private liquidators and as such, the ITS cannot provide statistics on the liquidations it does not administer.

Comparative Analysis

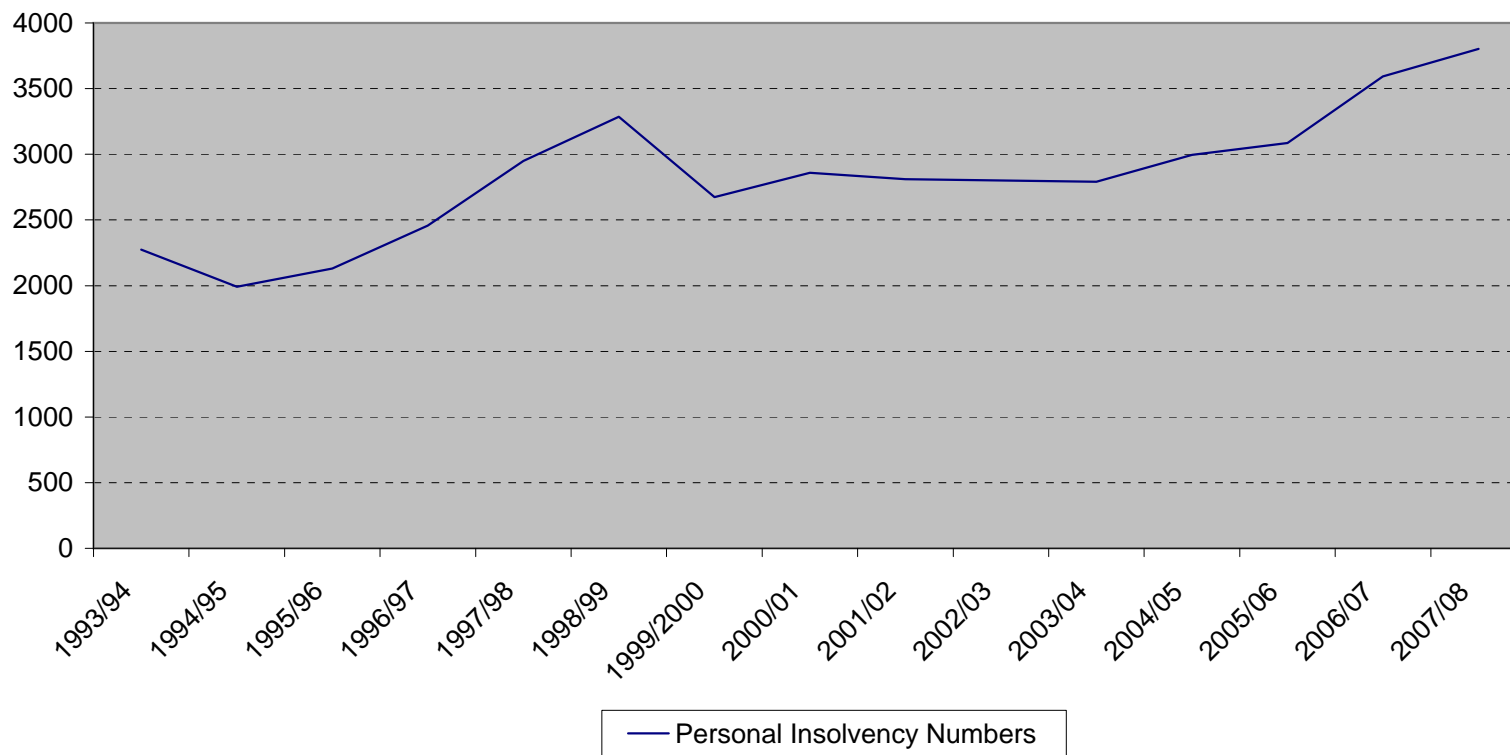
For comparative data on previous financial years please see our website <http://www.insolvency.govt.nz/cms/site-tools/about-us/statistics>.

Context

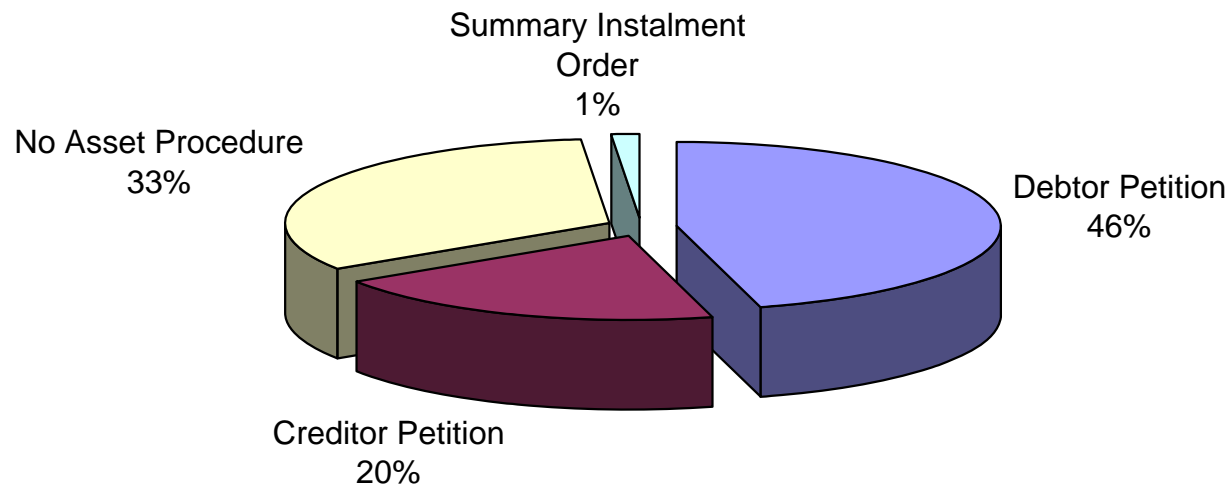
While all care is taken to ensure the accuracy of our statistical information, the Insolvency and Trustee Service cannot be held responsible for inaccuracies in any data provided to or by us, or how these statistics are used by any party.

Personal Insolvency Figures					
Per Financial Year					
Financial Year 1 July - 30 June	Personal Insolvency Numbers	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
1993/94	2274	1164	1110		
1994/95	1991	994	997		
1995/96	2130	1154	976		
1996/97	2458	1521	937		
1997/98	2949	1867	1082		
1998/99	3285	2041	1244		
1999/2000	2673	1672	1001		
2000/01	2859	1946	913		
2001/02	2811	1937	874		
2002/03	2800	2107	693		
2003/04	2792	2220	572		
2004/05	2995	2403	592		
2005/06	3087	2540	547		
2006/07	3593	2890	704		
2007/08	3802	1741	763	1244	54
Total	42499	28197	13005	1244	54

Personal Insolvency Numbers

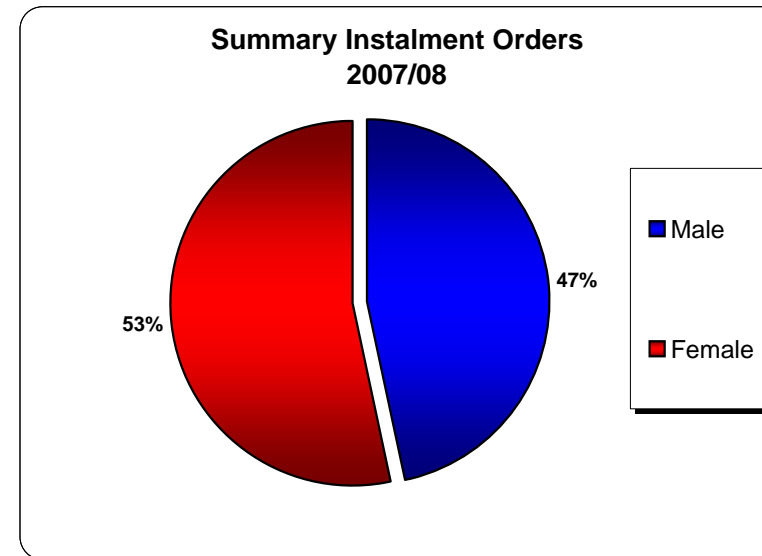
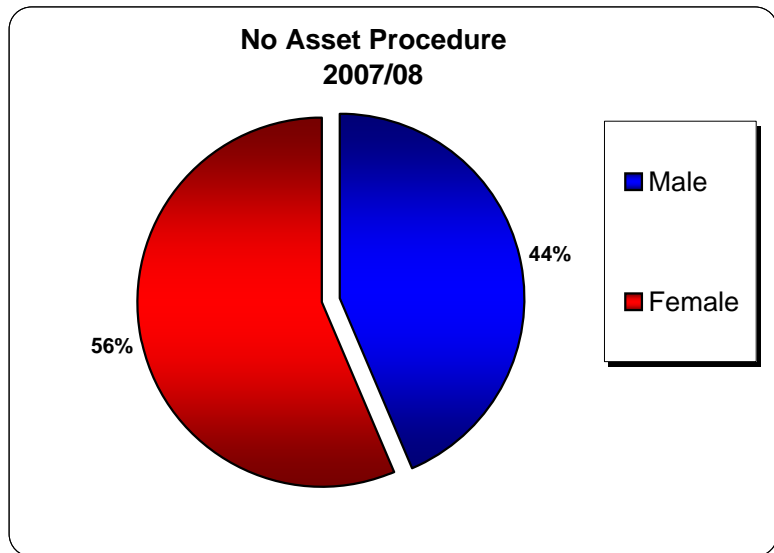
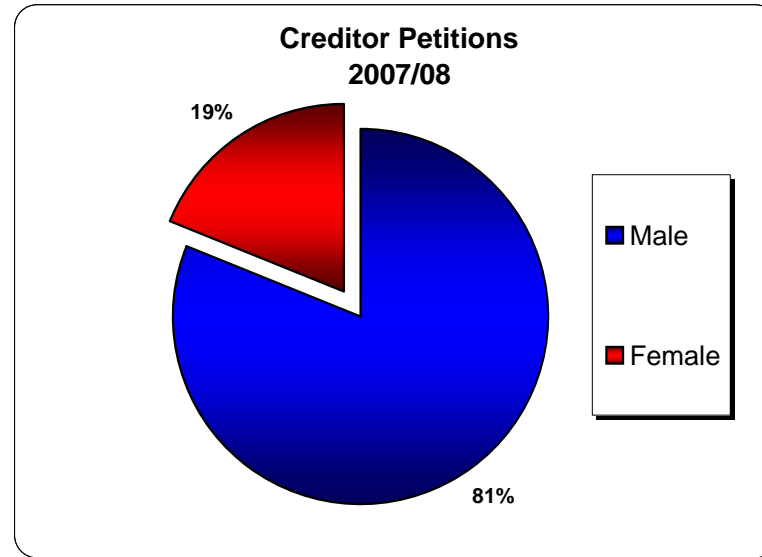
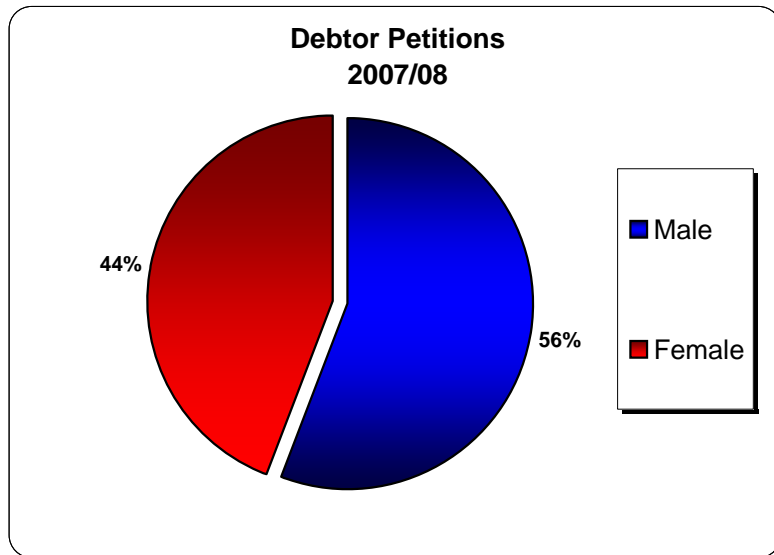


Personal Insolvency Applications Accepted 2007/08



■ Debtor Petition ■ Creditor Petition ■ No Asset Procedure ■ Summary Instalment Order

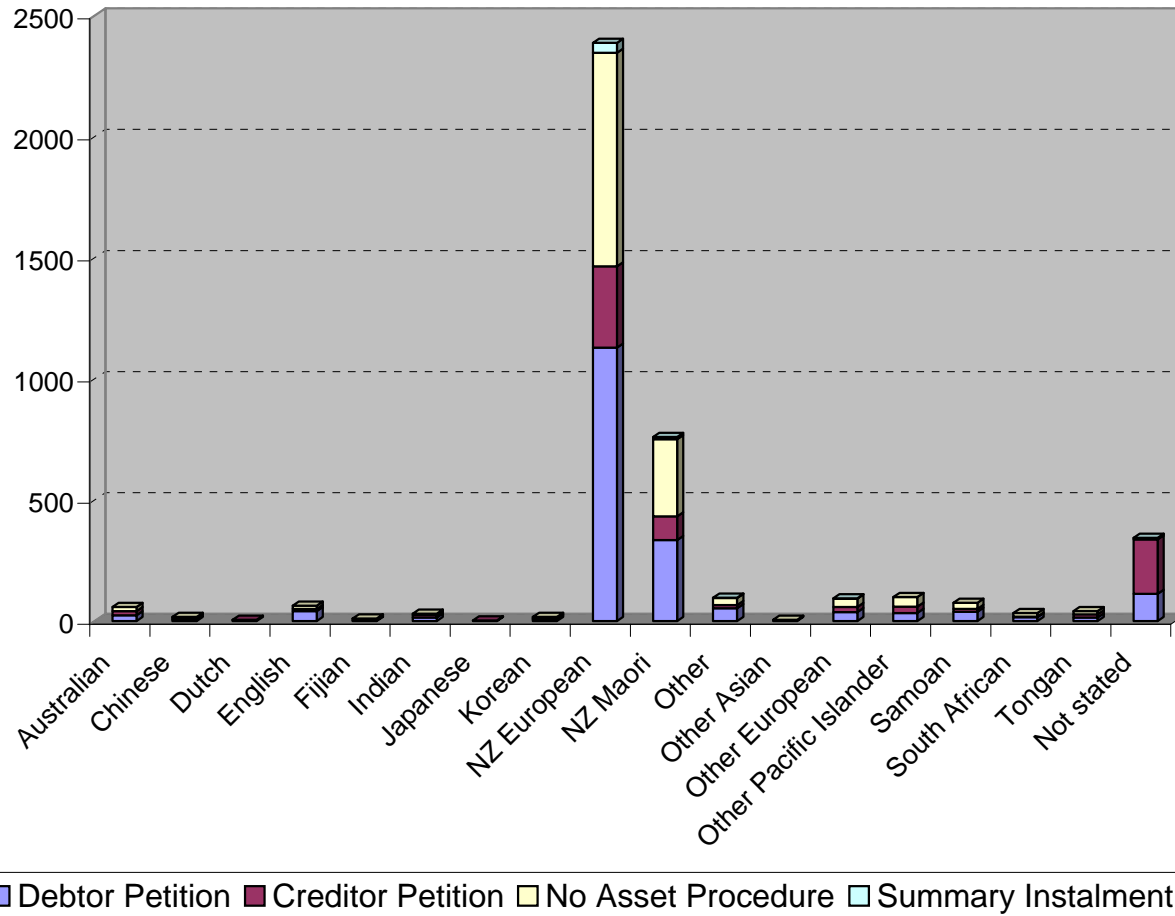
Age & Gender Breakdown of Personal Insolvencies				
2007/08				
Age Groups (years)	Total	Male	Female	Not Stated
17 - 19	42	26	16	-
20 - 24	503	248	254	1
25 - 29	472	226	244	2
30 - 34	469	243	225	1
35 - 39	468	269	197	2
40 - 44	502	291	207	4
45 - 49	408	246	161	1
50 - 54	311	191	119	1
55 - 59	184	114	67	3
60 - 64	138	80	57	1
65 - 69	42	27	15	-
70 - 74	37	18	19	-
75 - 79	21	13	8	-
80+	10	4	6	-
Age Not Stated	167	133	34	-
No Gender or Age Stated	28			28
Total	3,802	2,129	1,629	44



Ethnicity					
2007/08					
Ethnicity*	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Australian	59	24	17	18	
Chinese	17	7	6	4	
Dutch	6	4	2		
English	64	41	9	14	
Fijian	11	3	7	1	
Indian	31	15	11	5	
Japanese	3	2	1		
Korean	18	8	4	6	
NZ European	2388	1129	336	881	42
NZ Maori	760	335	98	318	9
Other	97	53	14	28	2
Other Asian	6	3	1	2	
Other European	94	37	21	35	1
Other Pacific Islander	100	34	26	40	
Samoan	75	39	11	25	
South African	33	16	3	14	
Tongan	41	15	13	13	
Not stated	344	113	224	5	2
	4147	1878	804	1409	56

*Debtors can list more than one ethnicity

Ethnicity 2007/08

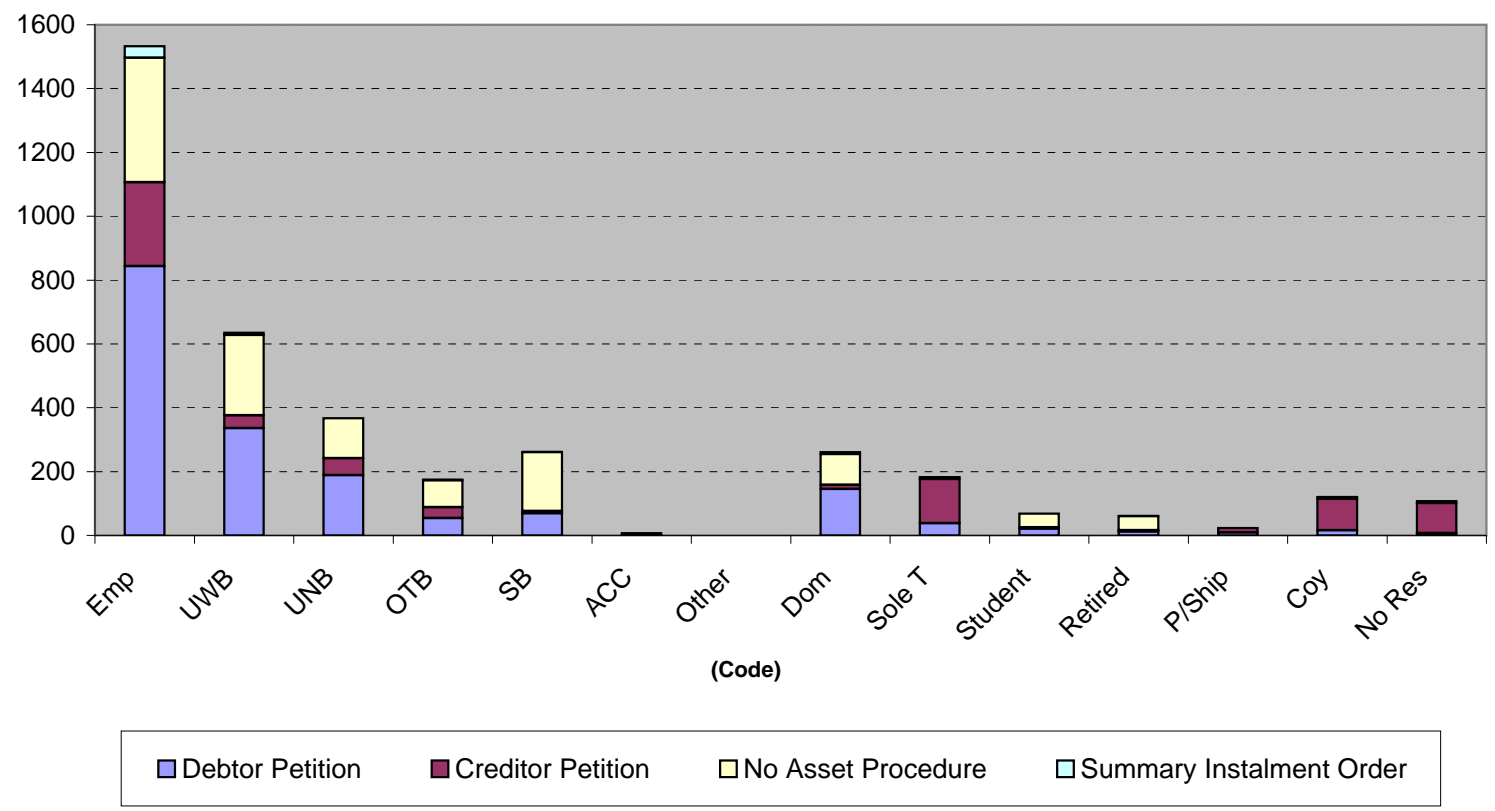


*Debtors can list more than one ethnicity

**Employment Status of Personal Insolvency Applicants at Date of
Adjudication
2007/08**

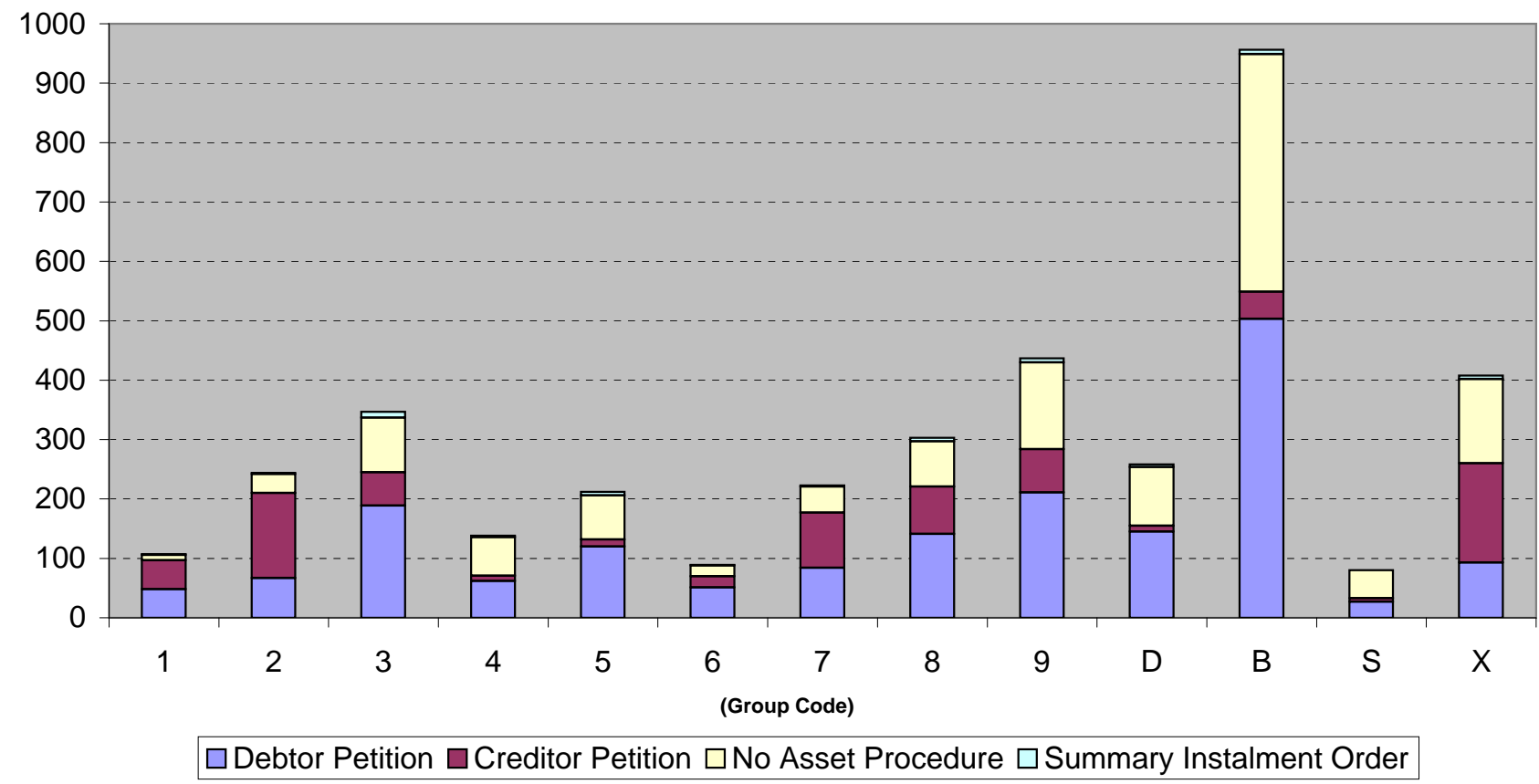
Description	Code	Total	Male	Female	Gender not specified
Employed (by a 3rd party)	Emp	1533	991	534	8
Unemployed - With Benefit	UWB	637	270	360	7
Unemployed - No Benefit	UNB	362	245	116	1
Other Benefit	OTB	173	70	101	2
Sickness Benefit	SB	260	135	125	
ACC	ACC	7	3	4	
Other	Other	0	0	0	0
Domestic	Dom	260	13	246	1
Sole Trader	Sole T	179	159	17	3
Student	Student	68	23	45	
Retired	Retired	61	30	30	1
Trading in a Partnership	P/Ship	21	8	6	7
Director of a Limited Liability Company	Coy	122	101	19	2
No Response	No Res	119	81	26	12
		3802	2129	1629	44

Employment Status 2007/08



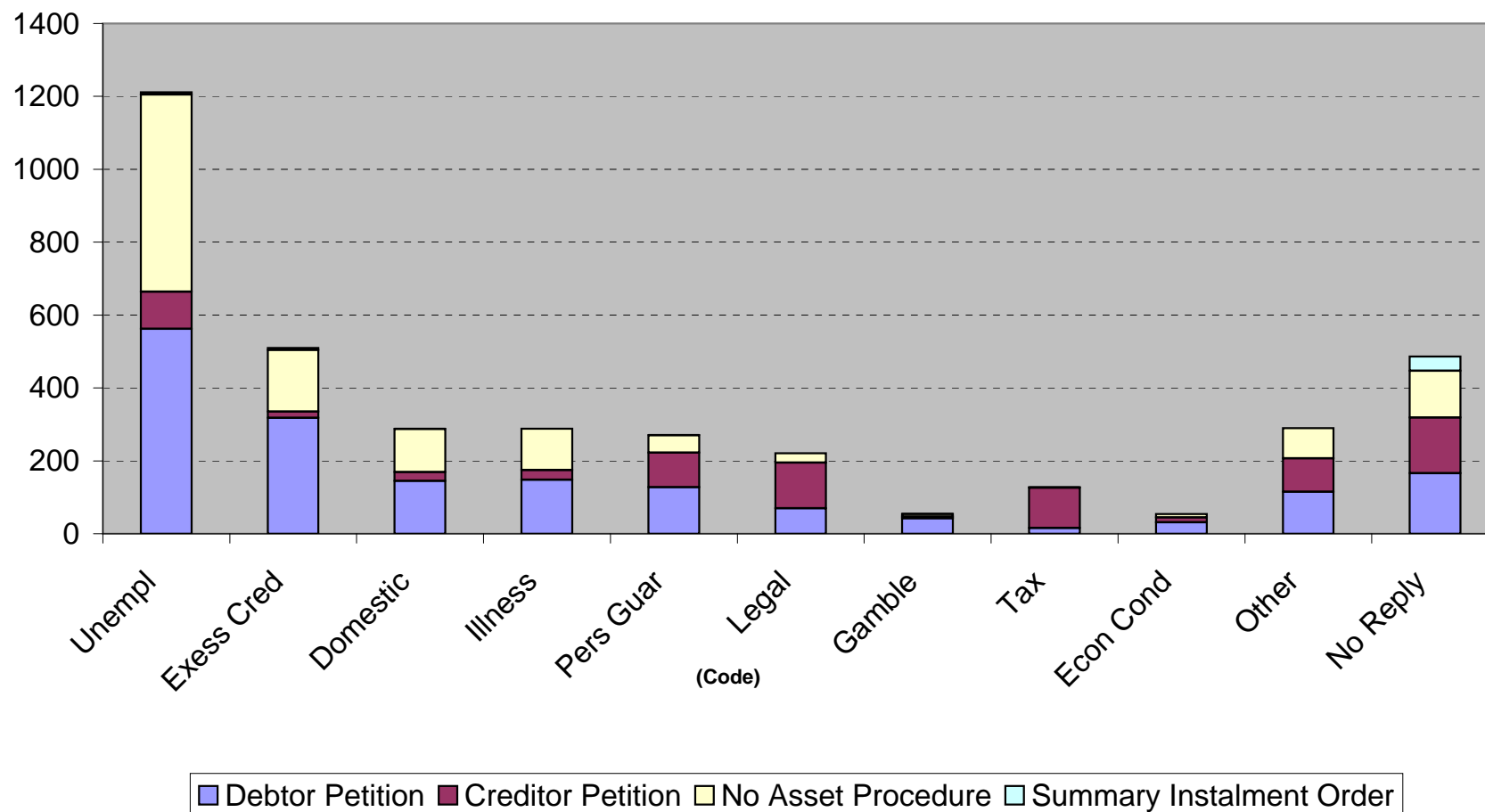
Statistical Occupation of Personal Insolvencies at Date of Adjudication						
2007/08						
Major Group Name	Group Code	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Legislators, Administrators and Managers	1	107	48	49	9	1
Professionals	2	244	67	143	32	2
Associate Professionals and Technicians	3	347	189	56	92	10
Clerks	4	138	62	9	65	2
Service and Sales Workers	5	212	120	12	74	6
Agriculture and Fishery Worker	6	89	51	19	18	1
Trades Workers	7	223	84	93	44	2
Plant and Machine Operators and Assemblers	8	303	141	80	76	6
Elementary Occupations	9	437	211	73	146	7
Domestic	D	258	145	10	99	4
Beneficiary	B	956	503	46	400	7
Student	S	80	27	6	47	0
No Response	X	408	93	167	142	6
Total:		3802	1741	763	1244	54

Statistical Occupation of Personal Insolvencies at Date of Adjudication 2007/08



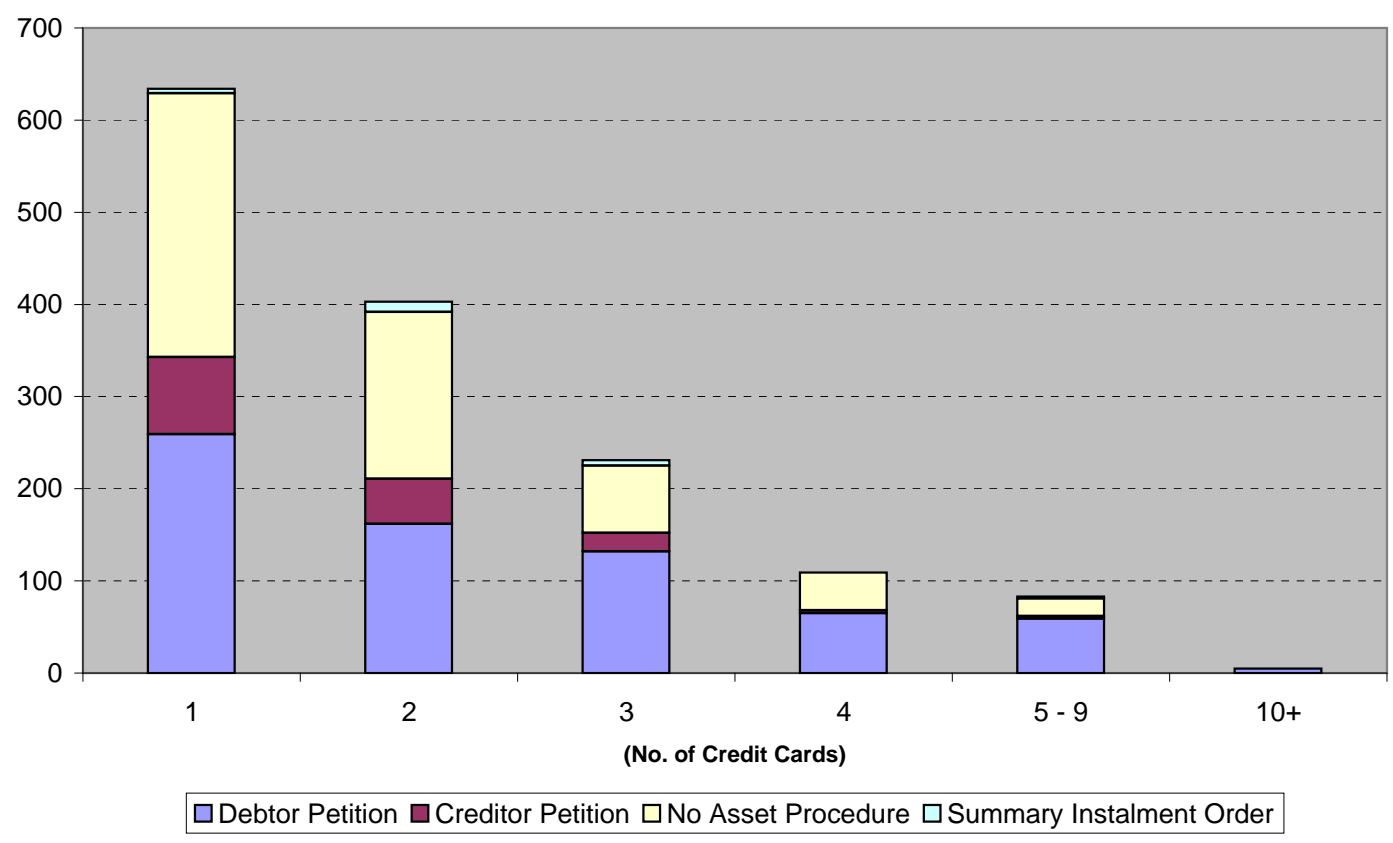
Major Reason Given as Cause of Personal Insolvency						
2007/08						
Cause	Code	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Unemployment or loss of income	Unempl	1211	562	102	541	6
Excessive use of credit facilities	Exess Cred	510	318	17	169	6
Domestic discord or relationship breakdowns	Domestic	288	145	24	118	1
Ill health or absence of health insurance	Illness	288	148	27	113	0
Liabilities due to guarantees	Pers Guar	271	128	94	48	1
Adverse legal action	Legal	221	70	125	26	0
Gambling, speculation and extravagance in living	Gamble	55	42	5	7	1
Failure to provide for taxation	Tax	128	16	110	2	0
Economic conditions affecting industry	Econ Cond	54	31	14	9	0
Other	Other	290	115	92	83	0
No Response	No Reply	486	166	153	128	39
		3802	1741	763	1244	54

Major Reason Given as Cause of Personal Insolvency 2007/08



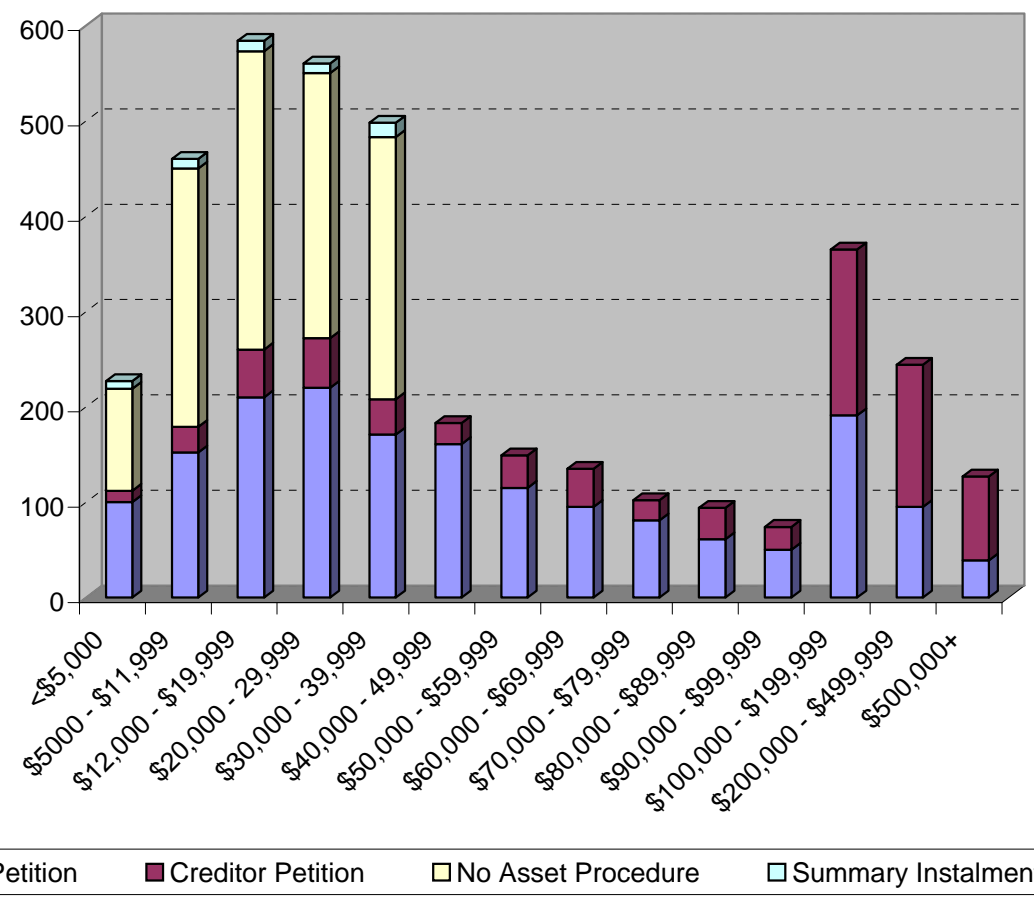
Number of Credit Cards at Date of Adjudication				
2007/08				
No. of Credit Cards	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
1	259	84	286	5
2	162	49	181	11
3	132	20	73	6
4	65	3	41	
5 - 9	59	3	19	2
10+	5			
Not Disclosed	1059	604	644	30
	1741	763	1244	54

Number of Credit Cards at Date of Adjudication 2007/08

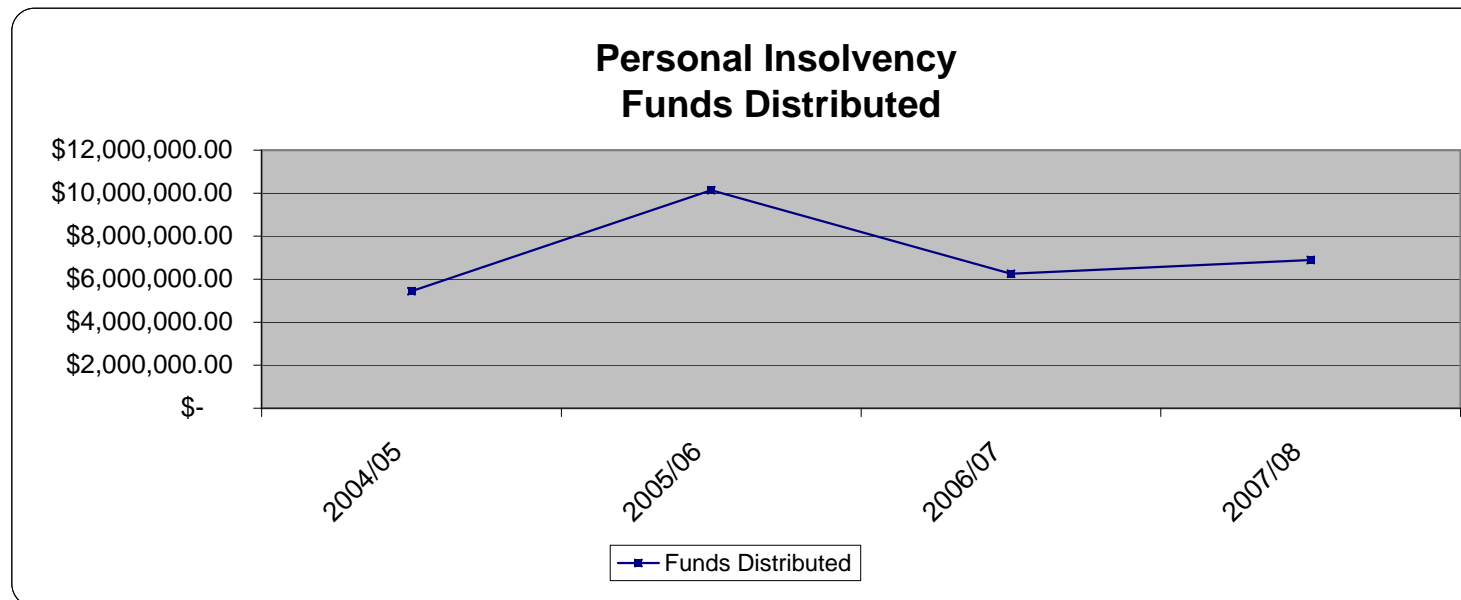


Debt Levels by Petition Type				
2007/08				
Debt Level	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
<\$5,000	100	12	107	8
\$5000 - \$11,999	152	27	271	10
\$12,000 - \$19,999	210	50	313	11
\$20,000 - 29,999	220	52	278	10
\$30,000 - 39,999	171	37	275	15
\$40,000 - 49,999	161	22		
\$50,000 - \$59,999	115	34		
\$60,000 - \$69,999	95	40		
\$70,000 - \$79,999	81	21		
\$80,000 - \$89,999	61	33		
\$90,000 - \$99,999	50	24		
\$100,000 - \$199,999	191	174		
\$200,000 - \$499,999	95	149		
\$500,000+	39	88		
	1741	763	1244	54

Debt Levels for Personal Insolvencies 2007/08

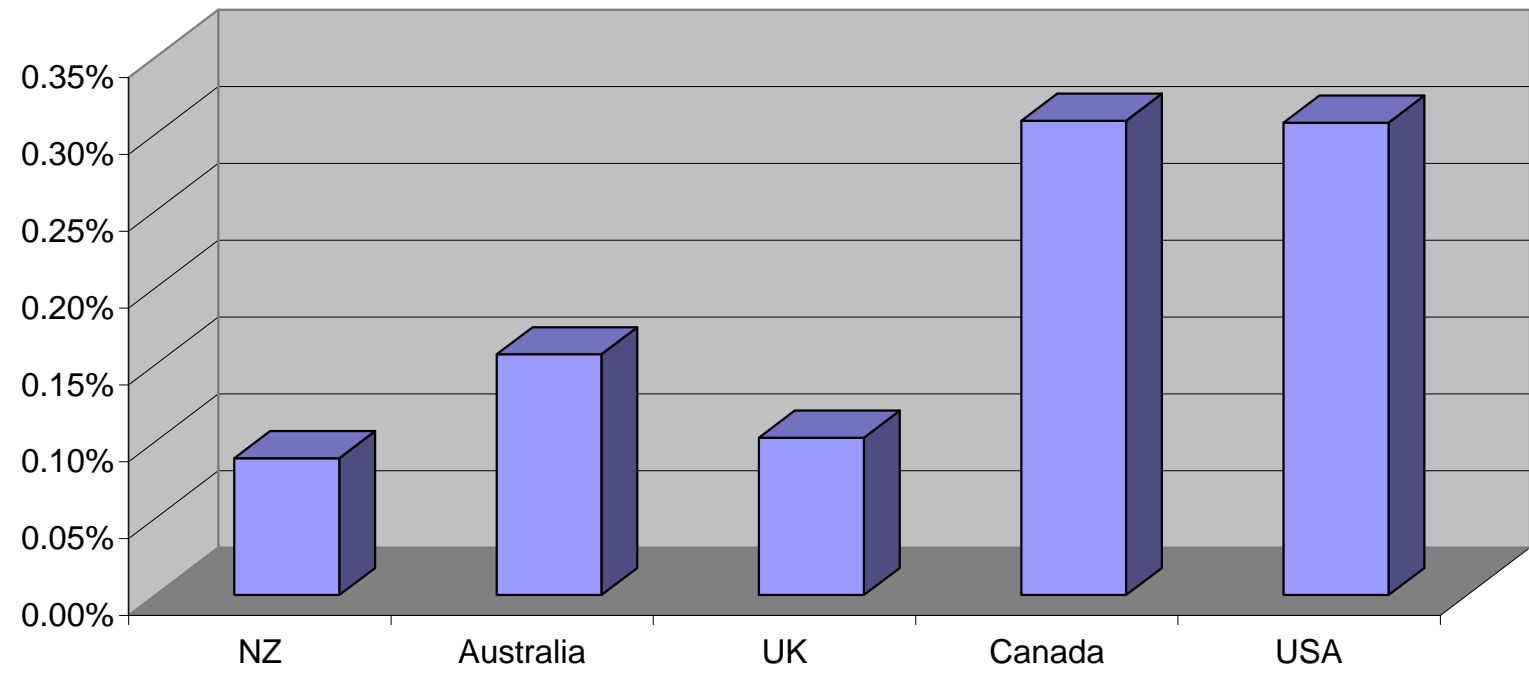


Personal Insolvency Funds Distributed by the Official Assignee Per Financial Year	
Financial Year 1 July - 30 June	Funds Distributed
2004/05	\$ 5,441,551.00
2005/06	\$ 10,140,042.53
2006/07	\$ 6,252,370.21
2007/08	\$ 6,892,833.09
Total	\$ 23,285,245.83



Annual Rates of Personal Insolvency as a Percentage of Population			
2007/08			
Country	Est. Population at July 2008	Number of Personal Insolvencies for a 12 month period	% of Population July 08
NZ	4,268,900	3,802	0.09%
Australia	21,007,310	32,909	0.16%
UK	60,943,912	62,357	0.10%
Canada	33,212,696	102,523	0.31%
USA	303,824,640	934,009	0.31%

Personal Insolvencies as a Percentage of Population 2007/08



Population Estimates Obtained From:

NZ: www.stats.govt.nz

Australia: www.cia.gov/library/publications/the-world-factbook/geos/as.html

UK: www.cia.gov/library/publications/the-world-factbook/geos/uk.html

Canada: www.cia.gov/library/publications/the-world-factbook/geos/ca.html

USA: www.cia.gov/library/publications/the-world-factbook/geos/us.html

International Bankruptcy Numbers Obtained From:

Australia: www.itsa.gov.au/dir228/itsaweb.nsf/5f1ef24e022e5fc44a256c05001f5b86/ae1b45959b3a3042ca257480001e11ae?OpenDocument&Highlight=0,statistics

UK: www.insolvency.gov.uk/pdfs/guidanceleafletspdf/InsolvencyReport0708.pdf

Canada: www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br01779.html

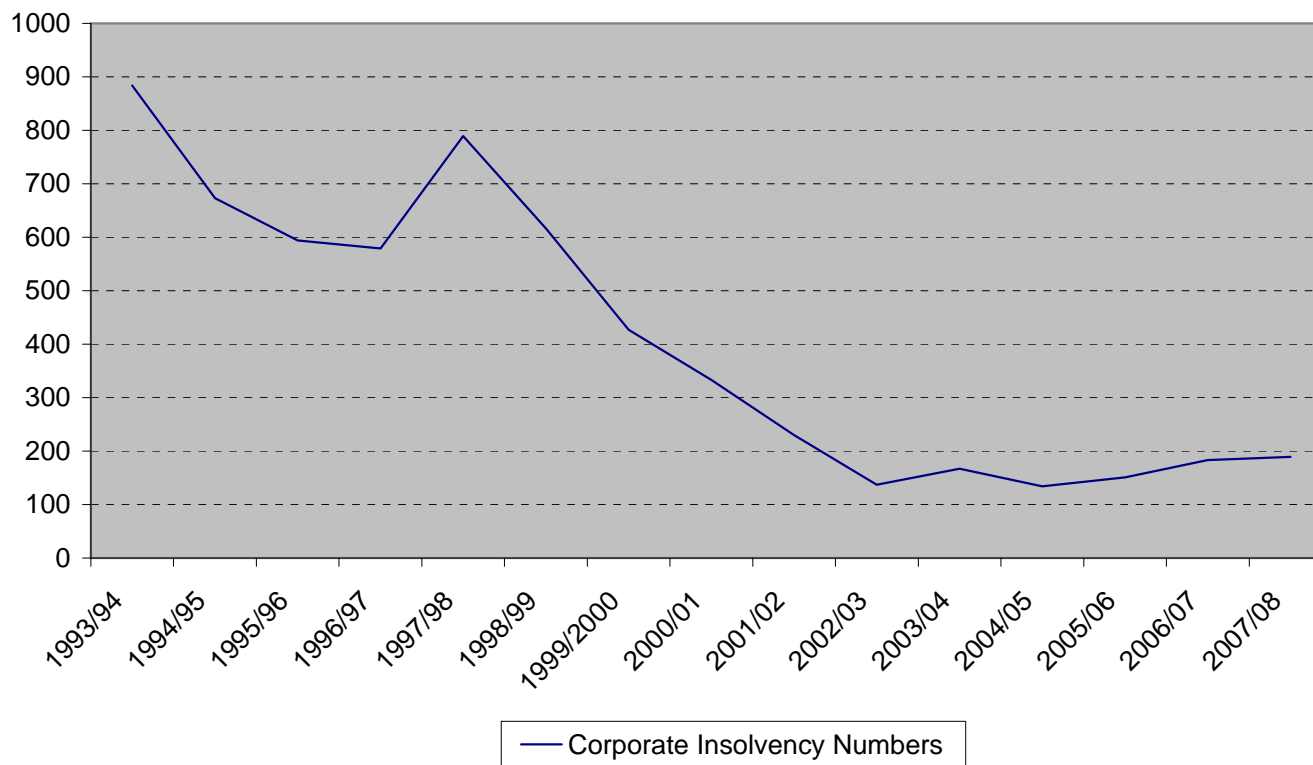
USA: www.uscourts.gov/Press_Releases/2008/bankrupt_newstat_f2table_jun2008.xls

Canada's international bankruptcy figures are for the 12 months 01 January 2007 - 31 December 2008.

It should be noted that differing insolvency regimes are operated in the various international jurisdictions examined. Although our best efforts have been made to compare similar insolvency types across the countries, some of the above figures may include types of insolvencies that would not be viewed as Personal Insolvency in NZ.

Corporate Insolvency Figures Per Financial Year	
Financial Year 1 July - 30 June	Corporate Insolvency Numbers
1993/94	884
1994/95	673
1995/96	594
1996/97	579
1997/98	789
1998/99	616
1999/2000	427
2000/01	333
2001/02	230
2002/03	137
2003/04	167
2004/05	134
2005/06	151
2006/07	183
2007/08	189
Total	6086

Corporate Insolvency Figures



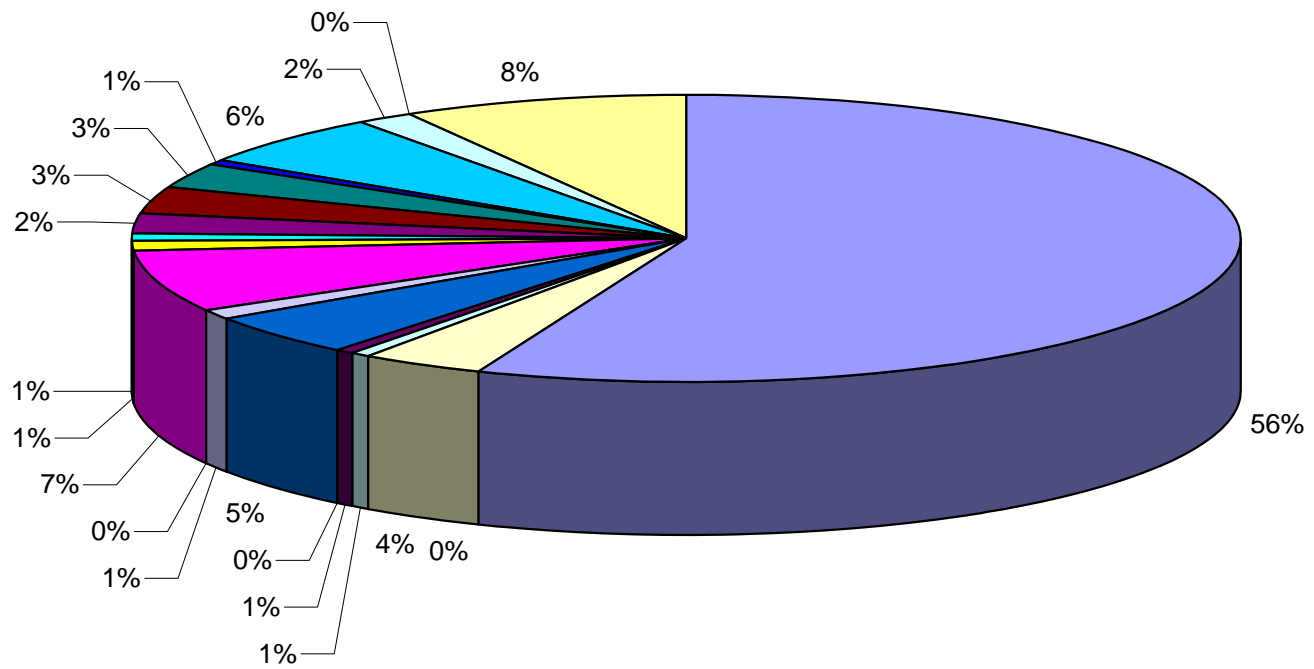
Corporate Insolvency Figures			
2007/08			
High Court	2007/08	High Court	2007/08
Auckland	106	Nelson	2
Blenheim	0	New Plymouth	2
Christchurch	7	Palmerston North	4
Dunedin	1	Rotorua	6
Gisborne	1	Tauranga	5
Greymouth	0	Timaru	1
Hamilton	9	Wellington	11
Invercargill	2	Whangarei	3
Masterton	0	Wanganui	0
Napier	13	*Voluntary Liquidations	16
TOTAL		189	

Notes:

The above figures detail the total number of bankruptcies adjudicated in each NZ High Court that the Official Assignee was appointed liquidator.

*Voluntary Liquidations: These are liquidations that have no court order associated with the liquidation. This is likely to be due to the shareholders (usually the Official Assignee as a result of a bankruptcy in these cases) placing the company into voluntary liquidation and subsequently appointing the Official Assignee (themselves) liquidator.

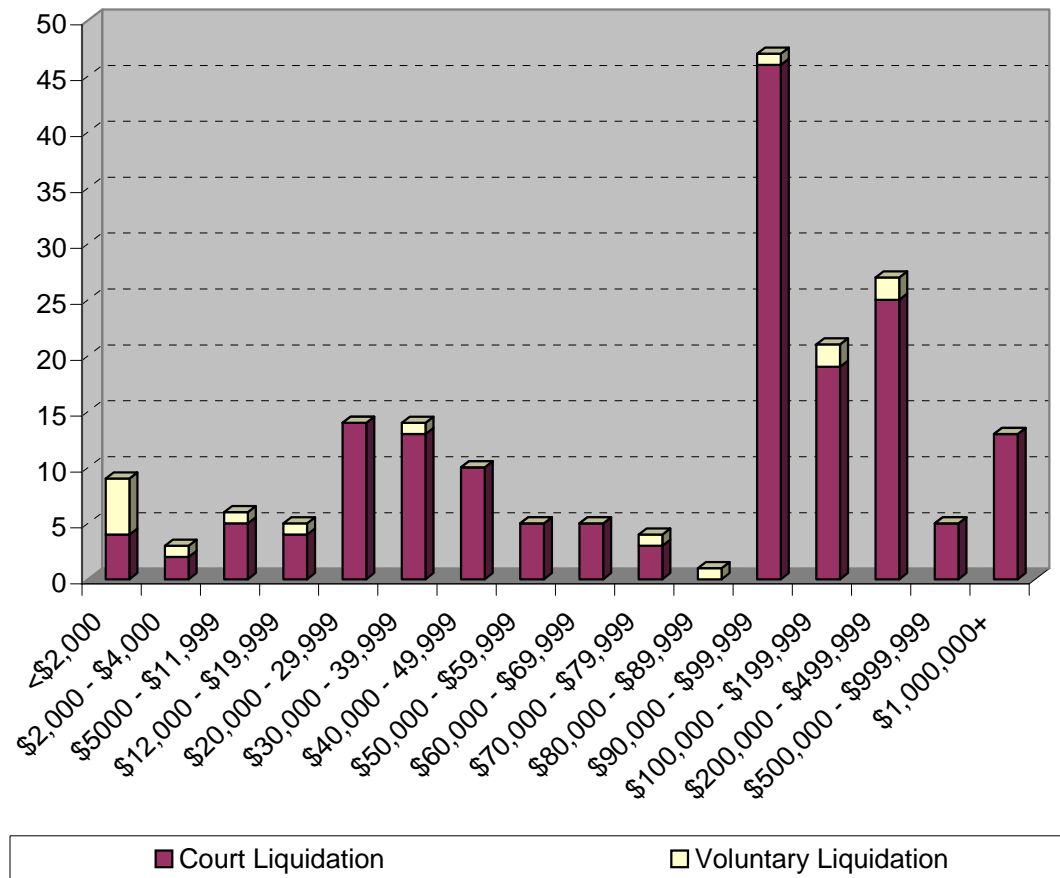
Corporate Insolvency by Region 2007/08



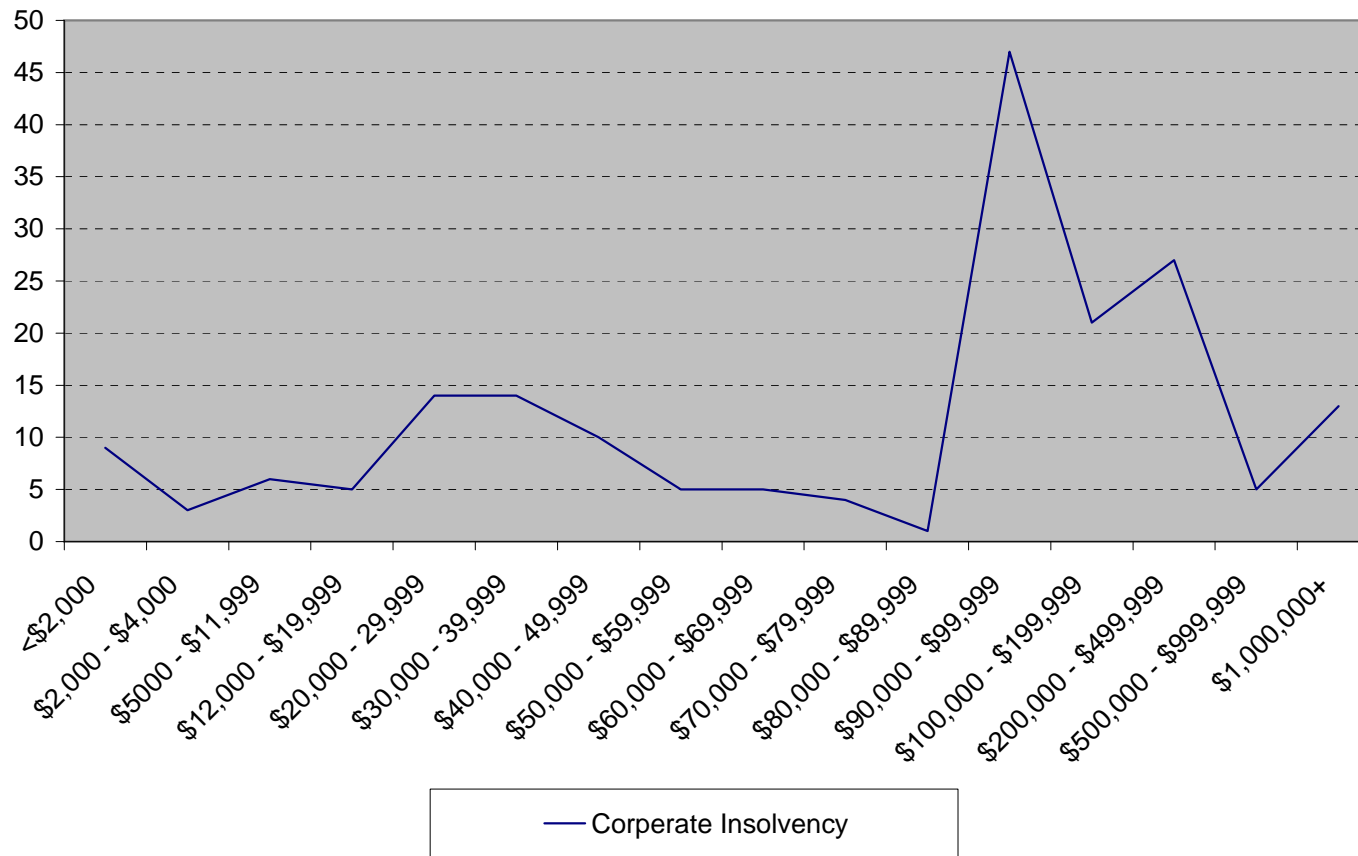
- | | | | |
|--|--|--|---|
| ■ Auckland | ■ Blenheim | ■ Christchurch | ■ Dunedin |
| ■ Gisborne | ■ Greyouth | ■ Hamilton | ■ Invercargill |
| ■ Masterton | ■ Napier | ■ Nelson | ■ New Plymouth |
| ■ Palmerston North | ■ Rotorua | ■ Tauranga | ■ Timaru |
| ■ Wellington | ■ Whangarei | ■ Wanganui | ■ *Voluntary Liquidations |

Corporate Insolvency Debt Levels			
2007/08			
Debt Level	Total	Court Liquidation	Voluntary Liquidation
<\$2,000	9	4	5
\$2,000 - \$4,000	3	2	1
\$5000 - \$11,999	6	5	1
\$12,000 - \$19,999	5	4	1
\$20,000 - 29,999	14	14	-
\$30,000 - 39,999	14	13	1
\$40,000 - 49,999	10	10	-
\$50,000 - \$59,999	5	5	-
\$60,000 - \$69,999	5	5	-
\$70,000 - \$79,999	4	3	1
\$80,000 - \$89,999	1	-	1
\$90,000 - \$99,999	47	46	1
\$100,000 - \$199,999	21	19	2
\$200,000 - \$499,999	27	25	2
\$500,000 - \$999,999	5	5	-
\$1,000,000+	13	13	-
	189	173	16

Corporate Insolvency Debt Levels 2007/08



Corporate Insolvency Debt Levels



Corporate Insolvency Funds Distributed by the Official Assignee Per Financial Year	
Financial Year 1 July - 30 June	Funds Distributed
2004/05	\$ 2,020,434.00
2005/06	\$ 1,169,801.86
2006/07	\$ 2,814,061.26
2007/08	\$ 875,497.82
Total	\$ 4,859,360.94

