

Insolvency Statistics and Debtor Profile Report

For the year 1 July 2011 to 30 June 2012

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Introduction

This report is divided into the following six sections:

Annual Statistics

For further comparative data on previous financial years please refer to the Insolvency and Trustee Service website, www.insolvency.govt.nz.

Key Characteristics of Debtors 2010 to 2012

Information regarding the key characteristics of debtors has been obtained through various sources, predominantly the Statement of Affairs form which debtors are required to complete upon entering into an insolvency procedure. Other sources of information include public registers and information provided by creditors and other third parties.

Summary Instalment Orders

A Summary Instalment Order (SIO) is a formal arrangement between a debtor and their creditors which allows the debtor to pay back all, or an agreed part, of their debts by way of instalments. A Summary Instalment Order may be entered into if total unsecured debts are less than \$NZ40,000 and the debtor is unable to pay those debts immediately. Summary Instalment Orders usually last for three years, but where there are special circumstances, may be extended up to five years.

No Asset Procedures

A debtor who is unable to pay their debts may have an alternative to bankruptcy through the No Asset Procedure (NAP). Unlike bankruptcy, the No Asset Procedure lasts for one year and is designed for debtors who have between \$NZ1,000 and \$NZ40,000 of debt with no realisable assets and no means of repaying their debt. Upon discharge the debtor is released from their provable debts and they are no longer liable to repay any part of them.

Bankruptcies

Bankruptcy is a legal process which allows people who cannot pay their bills relief from the burden of their debt. The right of a debtor to apply for bankruptcy is provided by the Insolvency Act 2006. Alternatively creditors can apply to the High Court to make a debtor bankrupt.

Once a debtor is adjudicated bankrupt this stops all creditors from seeking to collect debts from the bankrupt, the bankrupt's assets then vest in the Official Assignee. Bankruptcy lasts for three years following receipt by the Official Assignee of a completed Statement of Affairs from the debtor. Upon discharge the debtor is released from the debts provable in their bankruptcy.

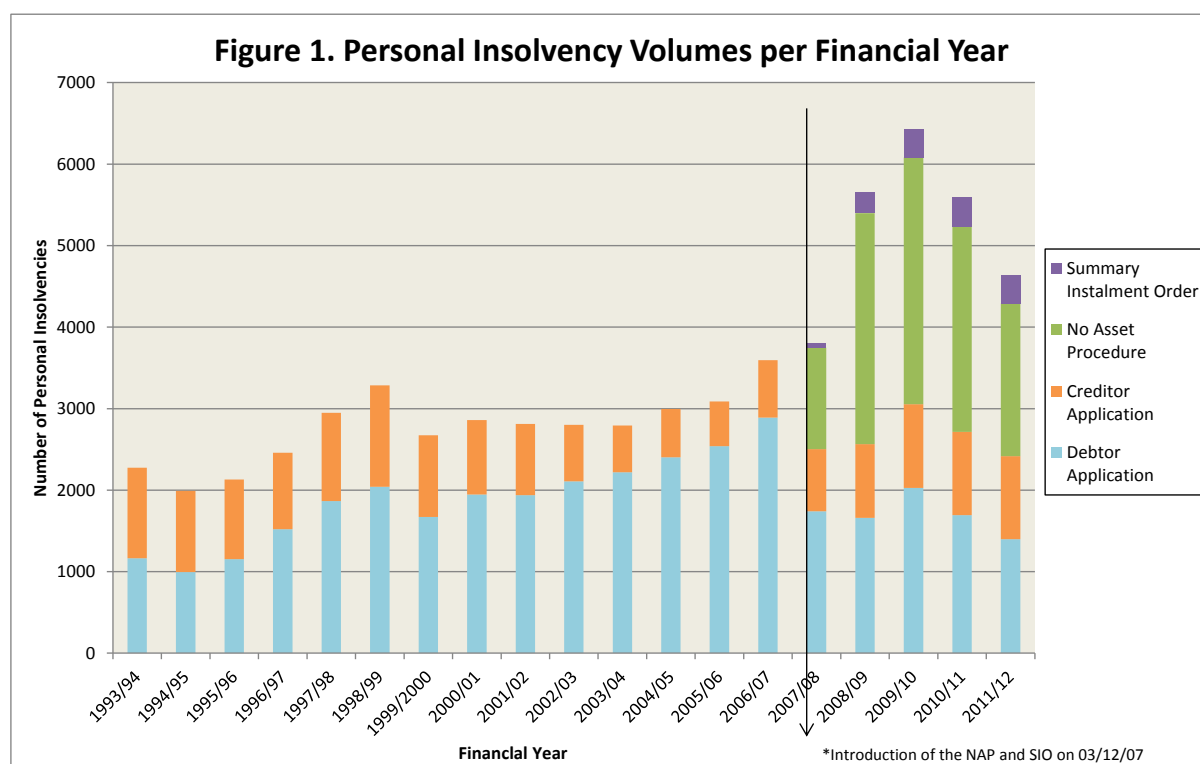
Corporate Insolvencies

Liquidation is the process by which a company is brought to an end and the assets of the company distributed to creditors by the liquidator. The Insolvency and Trustee Service administers liquidations where the Official Assignee has been appointed the liquidator. Upon completion of the liquidation process the company is then removed from the Companies Register.

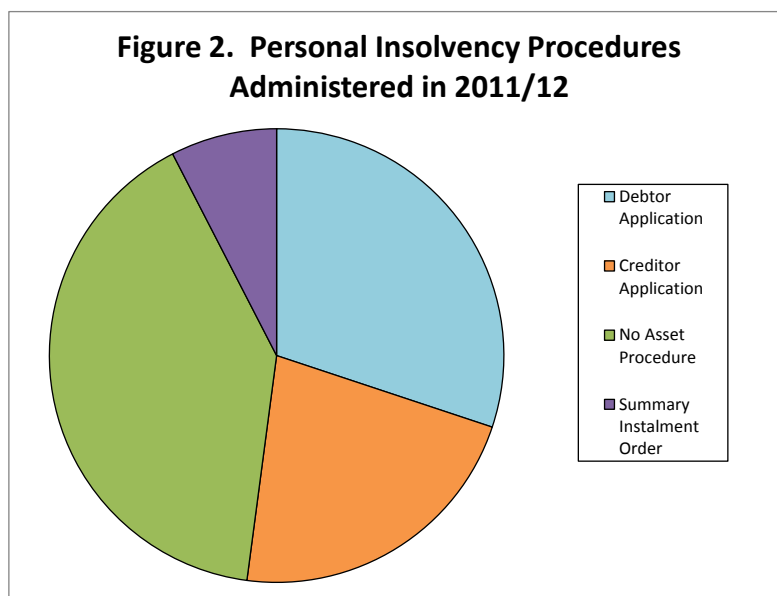
1. Annual Statistics – Personal Insolvency Volumes

Table 1. Personal Insolvency Volumes per Financial Year					
Financial Year	Total	Debtor Application	Creditor Application	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	3594	2890	704		
2007/08	3802	1741	763	1244	54
2008/09	5654	1660	904	2833	257
2009/10	6426	2026	1028	3026	346
2010/11	5596	1694	1020	2514	368
2011/12	4640	1397	1020	1872	351

In 2011/12 the Insolvency and Trustee Service administered 4,640 new personal insolvency procedures, being a decrease of 17% against the previous financial year. The total personal insolvency volume is made up of Summary Instalment Orders (SIOs), No Asset Procedures (NAPs) and Bankruptcies (both debtor and creditor applications).



The Summary Instalment Order and No Asset Procedure were introduced into the New Zealand insolvency regime on 3 December 2007. From 2007, Summary Instalment Order volumes increased annually up until 2011/12 when there was a 5% decrease in Summary Instalment Order volumes compared to the previous year. The No Asset Procedure saw considerable growth within the first two years of implementation, however, since then volumes have decreased annually, with a 26% decline in volumes being experienced from 2010/11 and 2011/12.



Debtor applications accounted for 30% of total personal insolvency volumes received in 2011/12, with creditor applications making up 22%. No Asset Procedures registered at 40% of the total personal insolvency volume, while Summary Instalment Orders made up the remaining 8%.

Financial Year 1 July - 30 June	Estimated Population*	Personal Insolvencies	Rate of Personal Insolvencies**
2006/07	3,339,900	3,594	0.11%
2007/08	3,379,500	3,802	0.11%
2008/09	3,424,600	5,654	0.17%
2009/10	3,473,200	6,426	0.19%
2010/11	3,510,700	5,596	0.16%
2011/12	3,540,800	4,640	0.13%

*Estimated resident population aged 15+

**Rate of personal insolvencies for population aged 15+

In 2011/12, 0.13% of the New Zealand population aged 15 and over entered into a personal insolvency procedure¹. Table 2. shows the rate of personal insolvency within New Zealand over the last six years.

¹ Population estimates from 2006/07 to 2011/12 sourced from Statistics New Zealand (2012), *National Population Estimates: June 2012 quarter*. Wellington: Statistics New Zealand.

Table 3. Monthly Personal Insolvency Volumes					
Month	Total	Debtor Applications	Creditor Applications	No Asset Procedure	Summary Instalment Order
Jul-11	346	83	83	163	17
Aug-11	480	146	114	202	18
Sep-11	426	129	95	173	29
Oct-11	474	124	94	212	44
Nov-11	459	147	84	170	58
Dec-11	338	114	60	135	29
Jan-12	223	86	22	97	18
Feb-12	408	105	134	144	25
Mar-12	416	124	89	167	36
Apr-12	301	104	52	120	25
May-12	412	112	111	161	28
Jun-12	357	123	82	128	24
Total	4640	1397	1020	1872	351

During 2011/12 the Insolvency and Trustee Service received an average of 29 Summary Instalment Orders per month, 156 No Asset Procedures and 201 bankruptcies. The lowest number of new personal insolvencies was received in the month of January, followed by April and then December, whilst the highest volume was received in August.

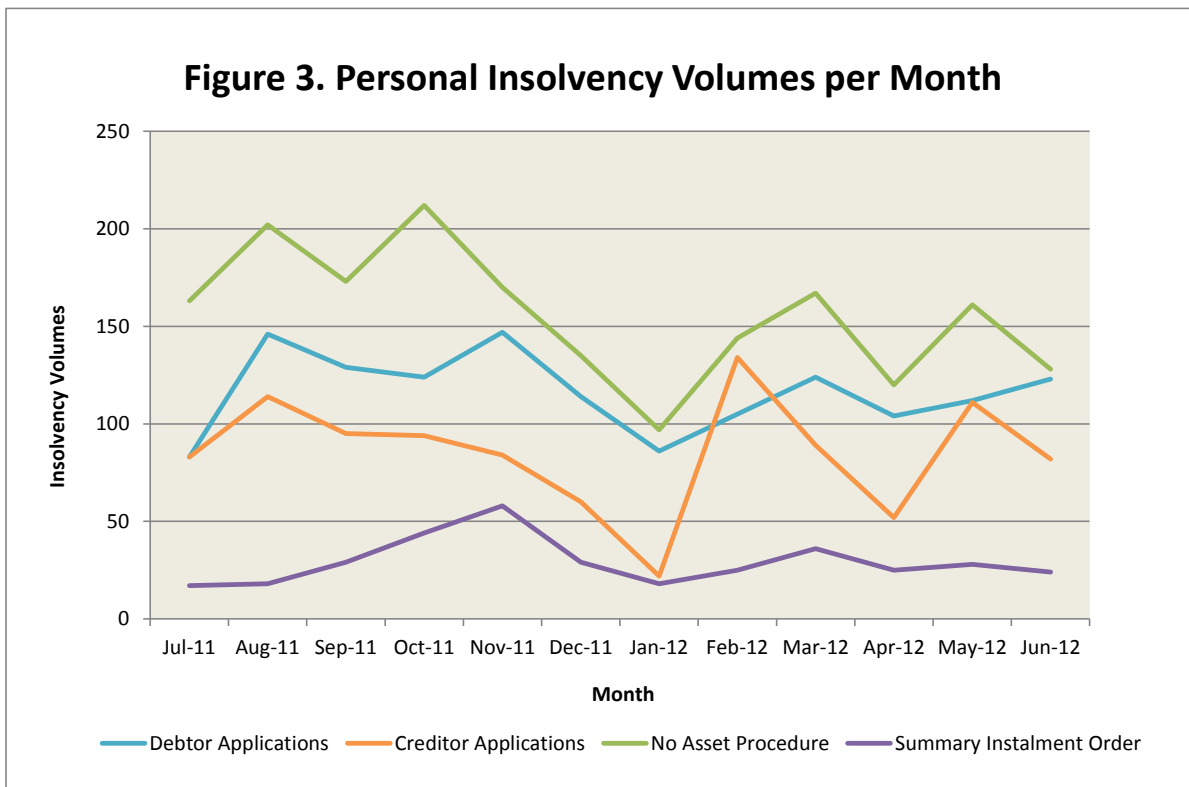


Table 4. Personal Insolvency Volumes per Region						
Court Region	%	Total	Debtor Applications	Creditor Applications	No Asset Procedure	Summary Instalment Order
Auckland	30%	1413	380	501	459	73
Blenheim	1%	25	4	3	16	2
Christchurch	9%	427	133	43	218	33
Dunedin	4%	190	57	18	101	14
Gisborne	2%	73	19	17	34	3
Greymouth	1%	25	4	3	18	0
Hamilton	7%	333	108	98	118	9
Invercargill	3%	152	43	15	58	36
Masterton	1%	24	6	5	13	0
Napier	4%	205	52	29	109	15
Nelson	2%	103	15	12	58	18
New Plymouth	3%	124	35	17	59	13
Palmerston North	4%	185	58	34	78	15
Rotorua	4%	182	54	37	69	22
Tauranga	5%	224	75	32	108	9
Timaru	3%	141	32	10	42	57
Wanganui	2%	86	15	14	52	5
Wellington	8%	370	118	87	151	14
Whangarei	4%	207	75	45	78	9
Overseas	3%	151	114	0	33	4
		4640	1397	1020	1872	351

In 2011/12, debtors from the Auckland region accounted for 30% of personal insolvencies nationwide. In the 2006 National Census the Auckland Region made up 32% of the residential population of New Zealand².

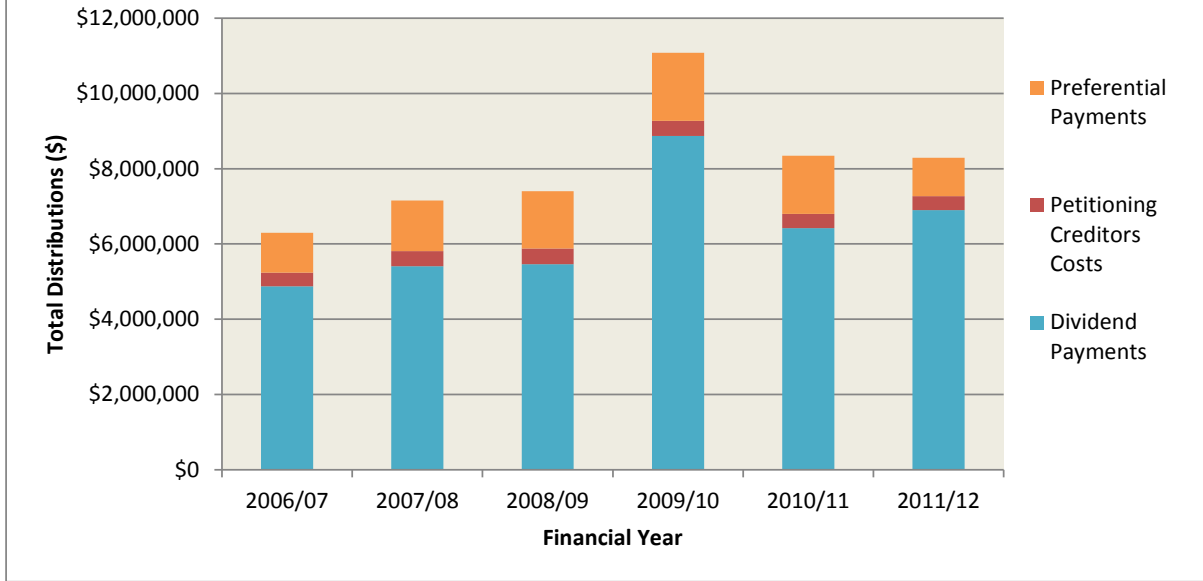
The Christchurch region was the second most represented region accounting for 9% of personal insolvencies; the Canterbury region made up 13% of the New Zealand residential population in the 2006 National Census.

The Wellington and Hamilton regions accounted for 8% and 7% of personal insolvency volumes respectively in 2011/12 compared to Wellington's 11% and Waikato's 10% of the New Zealand residential population as at 2006.

Blenheim, Greymouth and Masterton received the lowest volume of personal insolvencies in 2011/12 contributing to 1% each.

² Information regarding geographical population statistics are sourced from Statistics New Zealand (2012), *2006 Census; Quickstats*. Wellington: Statistics New Zealand.

Figure 4. Personal Insolvency Funds Distributed by the Official Assignee



In the 2011/12 financial year the Official Assignee paid out \$8,293,329.83 in distributions to creditors. 83% of these funds were dividend payments to unsecured creditors, 12% were preferential payments and 5% were distributions towards petitioning creditor's costs.

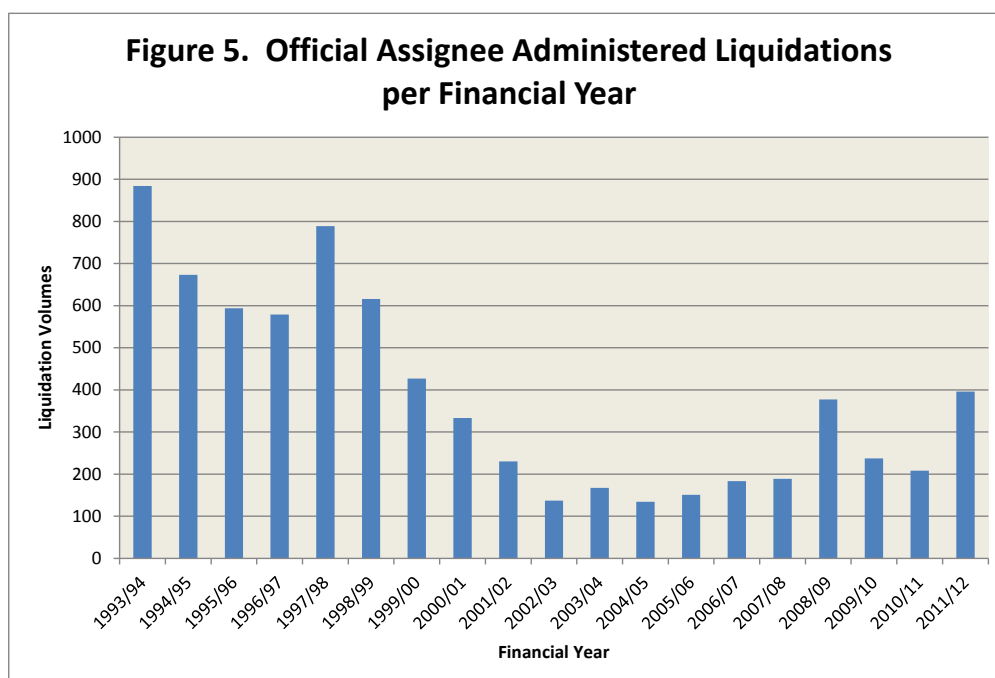
Distributions in 2011/12 were 1% lower than the previous financial year.

Corporate Insolvency Volumes

The Official Assignee can be appointed the liquidator of a company by the Court, or if a special resolution is passed by reason of the Official Assignee exercising voting rights attaching to shares in the company of a person who has been adjudged bankrupt; or another company of which the Official Assignee is liquidator. The number of companies registered in New Zealand as at 30 June 2012 was 547,893³.

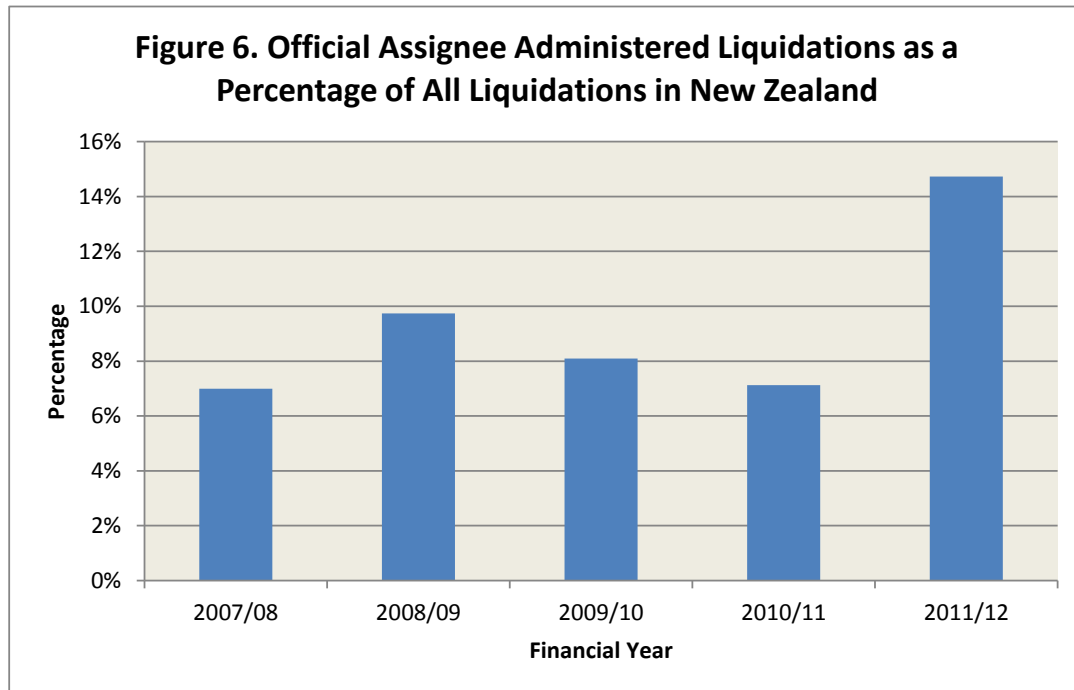
Financial Year 1 July - 30 June	Corporate Insolvency Volumes
1993/94	884
1994/95	673
1995/96	594
1996/97	579
1997/98	789
1998/99	616
1999/00	427
2000/01	333
2001/02	230
2002/03	137
2003/04	167
2004/05	134
2005/06	151
2006/07	183
2007/08	189
2008/09	377
2009/10	237
2010/11	208
2011/12	396

In 2011/12 the Official Assignee was appointed the liquidator of 396 companies which represented a 90% increase in corporate insolvency volumes administered by the Official Assignee compared to the previous financial year.

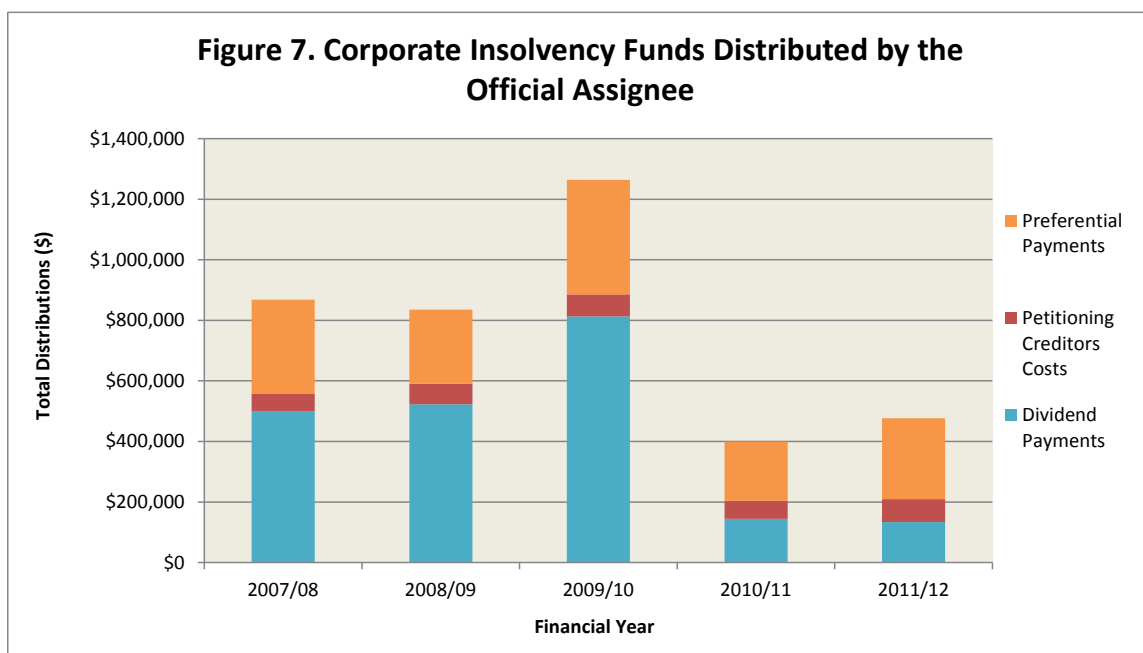


³ Registered Company statistics sourced from the Companies Office; <http://www.business.govt.nz/companies/about-us/statistics>.

In 2011/12, 2,688 companies were placed into liquidation within New Zealand⁴. The Official Assignee was appointed the liquidator of 15% of these liquidations. The appointment rate for 2011/12 was significantly higher than in 2010/11 where the Official Assignee was appointed the liquidator of 7% of all liquidations within New Zealand and in 2009/10 in which the Official Assignee administered 8% of liquidations.



The Official Assignee distributed \$476,998.95 in corporate insolvency distributions in 2011/12. Of these funds, 56% were paid in preferential payments, 16% were distributed towards petitioning creditor’s costs and 28% were dividend payments.



⁴ Registered Company statistics sourced from the Companies Office; <http://www.business.govt.nz/companies/>.

The Auckland region accounted for 61% of liquidations administered by the Official Assignee in 2011/12, Wellington was the next most represented region accounting for 9% of liquidations administered.

Table 6. Corporate Insolvency Volumes 2011/12		
Court Region	%	Number of liquidations
Auckland	61%	242
Blenheim	0%	0
Christchurch	1%	4
Dunedin	0%	1
Gisborne	2%	6
Greymouth	0%	0
Hamilton	7%	29
Invercargill	0%	1
Masterton	0%	2
Napier	2%	8
Nelson	1%	5
New Plymouth	2%	6
Palmerston North	1%	2
Rotorua	3%	10
Tauranga	6%	23
Timaru	0%	0
Wanganui	1%	5
Wellington	9%	34
Whangarei	3%	10
Interim Liquidation	0%	0
Voluntary Liquidation	2%	8
		396

2. Key Characteristics of Debtors 2010 to 2012

Table 7. Debtor Characteristics 2010 to 2012	Bankrupts		NAP Debtors		SIO Debtors	
	2011/12	2009/10	2011/12	2009/10	2011/12	2009/10
Number	2417	3054	1872	3026	351	346
Gender % male	62%	62%	41%	45%	39%	40%
Age (most represented)	40-44 (16%)	40-44 (16%)	25-29 (16%)	20-24 (20%)	20-24 (16%)	20-24 (20%)
Ethnicity (most represented)	NZ European (55%)	NZ European (56%)	NZ European (60%)	NZ European (62%)	NZ European (66%)	NZ European (60%)
% not employed	48%	45%	82%	78%	47%	41%
Debt < \$20,000	9%	28%	65%	60%	73%	59%

The key characteristics of insolvent debtors have remained fairly consistent between 2010 and 2012. Men are more likely than women to become bankrupt, while women are more likely than men to enter into a Summary Instalment Order or the No Asset Procedure.

It is more common for debtors between the ages of 20-29 to enter the No Asset Procedure or the Summary Instalment Order than any other age-group, bankrupts are most likely to be between the ages of 40-44.

The majority of debtors who enter insolvency procedures within New Zealand identify as being New Zealand European.

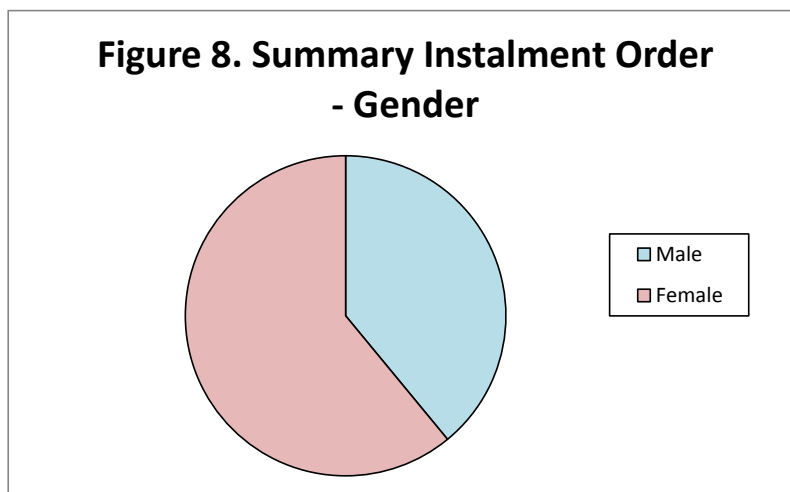
48% of bankrupts and 47% of Summary Instalment Order debtors in 2011/12 were unemployed, while No Asset Procedure debtors represented a higher unemployment rate of 82% as at the date they were admitted into the procedure.

The majority of debtors who enter into a No Asset Procedure or a Summary Instalment Order had debts under \$20,000, whereas 28% bankrupts in 2010 and just 9% of bankrupts in 2012 had debt levels under \$20,000.

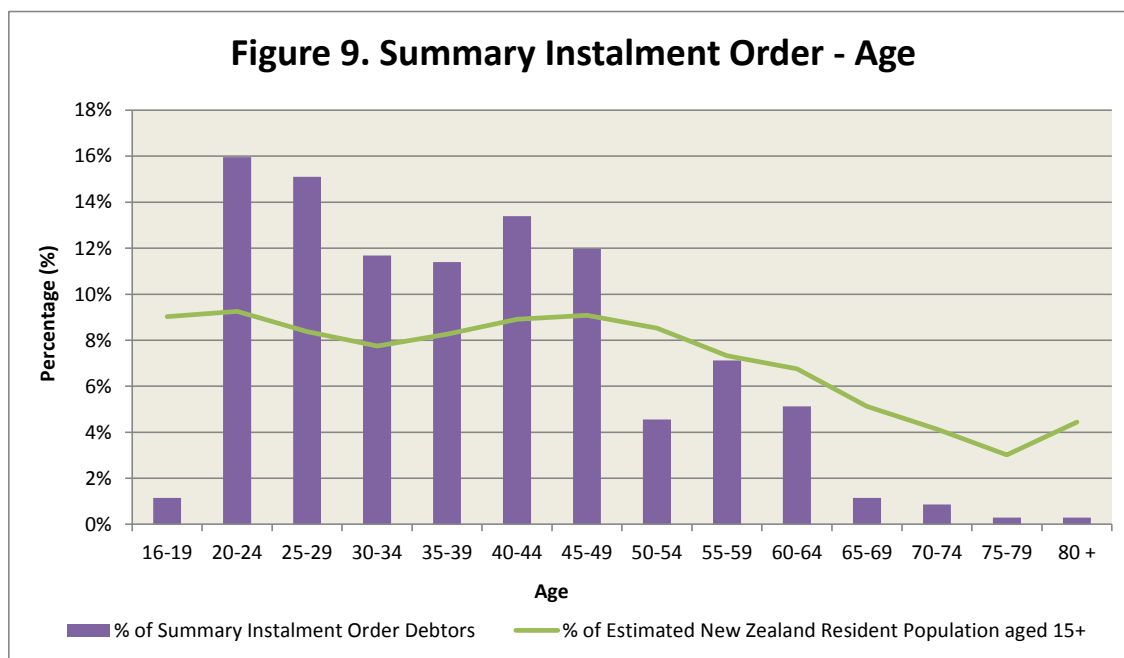
3. Summary Instalment Orders

Age and Gender

A total of 351 debtors entered into a Summary Instalment Order in 2011/12. Of those who did, 39% were male and 61% were female.



Amongst Summary Instalment Order debtors the three age groups most represented were 20-24 (16%), 25-29 (15%) and 40-44 years (13%). The corresponding percentages of the estimated New Zealand residential population aged over 15 for those age groups are 9%, 8% and 9% respectively⁵.

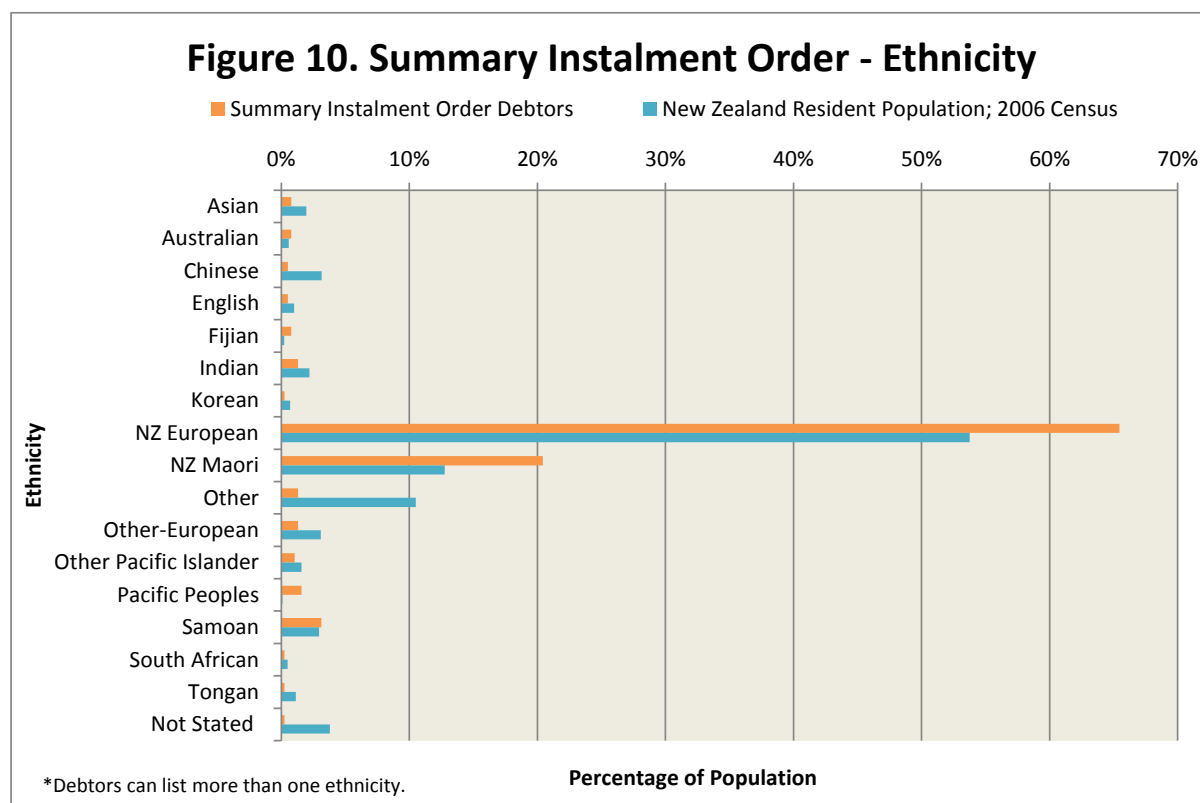


The median age for males and the median age for females who entered into a Summary Instalment Order in 2011/12 was 35-39 years.

⁵ The New Zealand residential population statistics are sourced from Statistics New Zealand (2012), *Demographic trends: 2011*. Wellington: Statistics New Zealand.

Ethnicity

On the Statement of Affairs form debtors are asked to tick as many boxes as they need to show which ethnic group(s) they belong to. Ethnicity is self-perceived and people can belong to more than one ethnic group. 65% of debtors who entered Summary Instalment Orders in 2011/12 identified as being of New Zealand European descent compared to 54% of the New Zealand population⁶. The second most represented ethnicity amongst Summary Instalment Order debtors was New Zealand Maori who accounted for 20% of debtors, as against 13% of the New Zealand residential population.



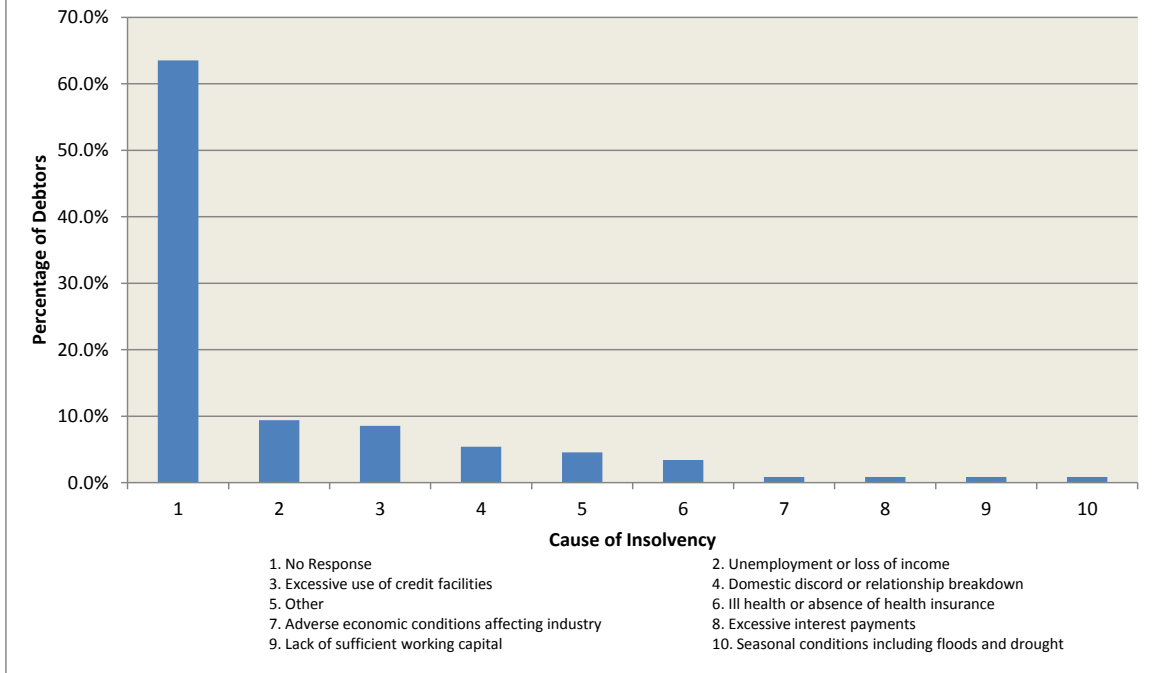
Cause of Insolvency

Debtors are asked to choose a 'main' cause of their insolvency from a selection in the Statement of Affairs with the option of selecting 'other' and specifying their primary cause. Debtors are then given the option of selecting additional contributing causes in the following question.

64% of debtors who entered Summary Instalment Orders in 2011/12 did not provide details as to the cause of their insolvency, however of those who did, 'unemployment or loss of income' was identified as the most significant cause, followed by 'excessive use of credit facilities' and 'domestic discord or relationship breakdown'.

⁶ The New Zealand resident population statistics are sourced from Statistics New Zealand (2012), *2006 Census Data*. Wellington: Statistics New Zealand.

Figure 11. Primary Cause of Insolvency Amongst Summary Instalment Order Debtors

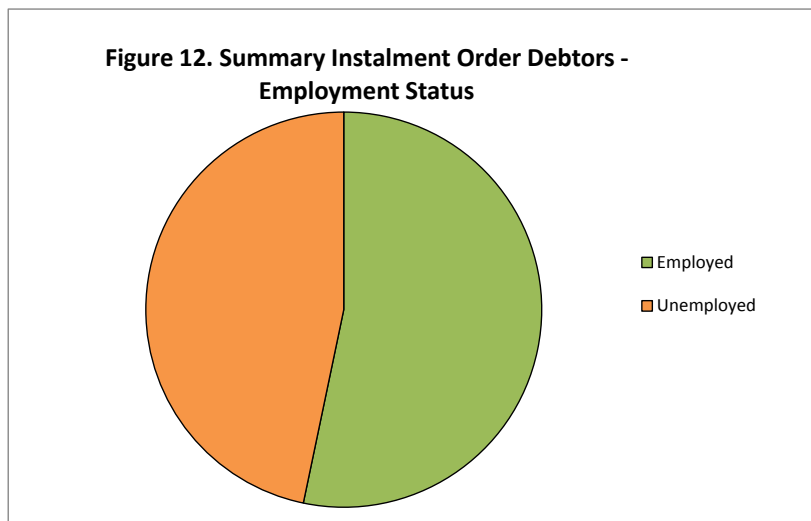


Employment

53% of Summary Instalment Order debtors were employed at the date they entered into the Summary Instalment Order; 41% of female debtors and 73% of male debtors. 51% were employed by third parties with an additional 2% trading either on their own account or as a director/shareholder.

47% were recorded as being unemployed, this includes beneficiaries, students, and retirees. The seasonally adjusted national unemployment rate for the June 2012 quarter was 6.8%⁷.

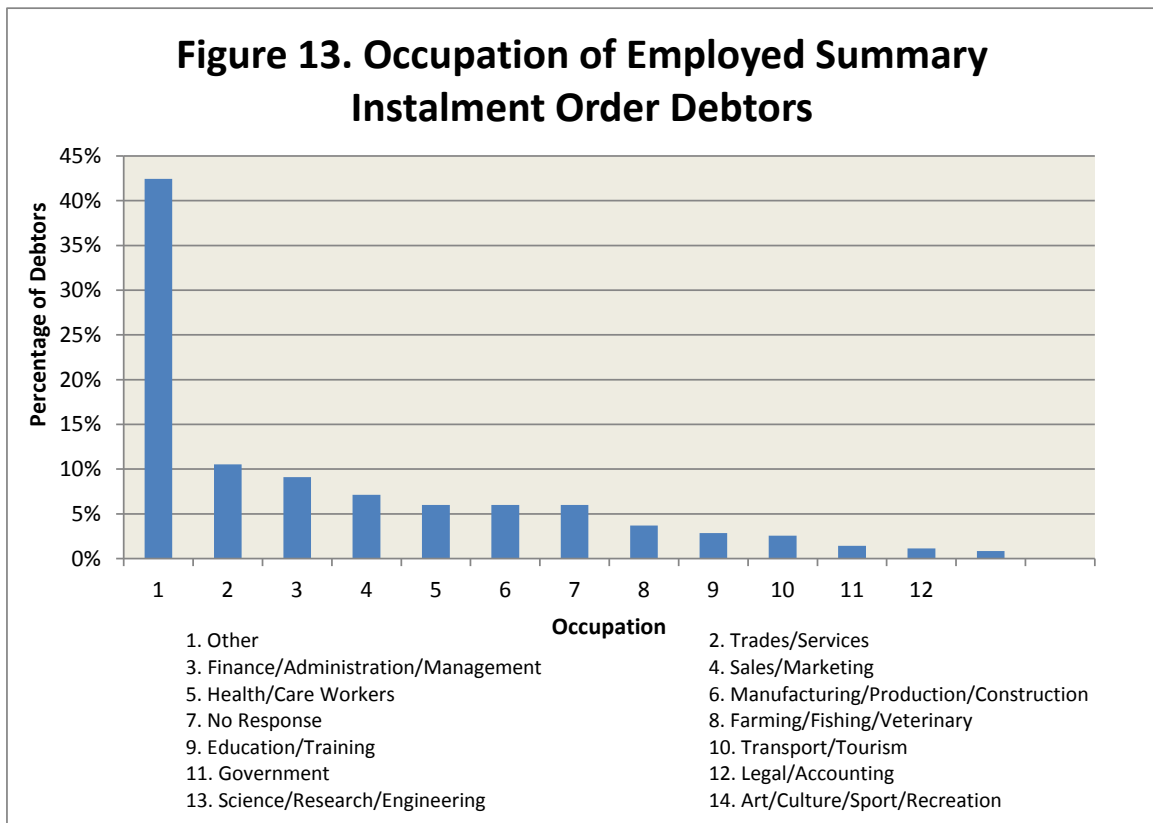
Figure 12. Summary Instalment Order Debtors - Employment Status



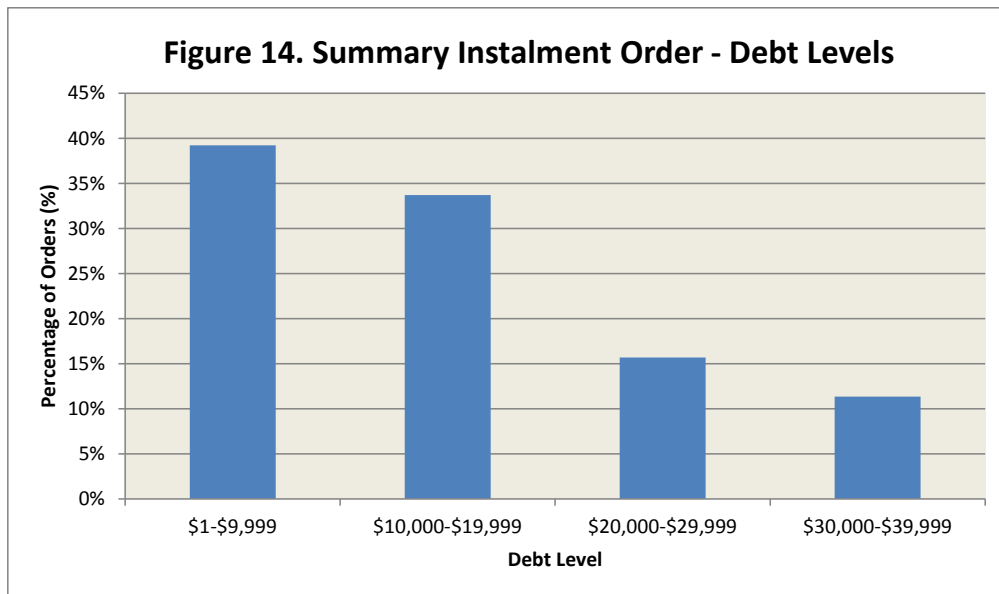
⁷ The New Zealand unemployment rate is sourced from Statistics New Zealand (2012), *Household Labour Force Survey; June 2012 quarter*. Wellington: Statistics New Zealand.

Table 8. Employment Status of Summary Instalment Order Debtors			
Description	Male	Female	Total %
Curently employed	63%	36%	46%
Other Benefit	6%	18%	13%
Unemployment Benefit	8%	17%	13%
Employed part-time with benefit	7%	3%	5%
Other	4%	4%	4%
Retired	2%	3%	3%
Sickness Benefit	1%	4%	3%
Sickness Benefit/ACC	2%	3%	3%
Student	1%	3%	2%
Domestic	0%	4%	2%
Trading as director/shareholder	1%	0%	1%
Trading on own account	2%	1%	1%
Unemployed no Benefit	1%	1%	1%
Unpaid family worker	0%	1%	1%
ACC	1%	0%	1%

Of the Summary Instalment Order debtors who were employed, 11% identified that they were involved in 'trades/services' and 9% were involved in 'finance/administration/management'. 42% of debtors were involved in 'other' employment not identified in the listed group classifications.



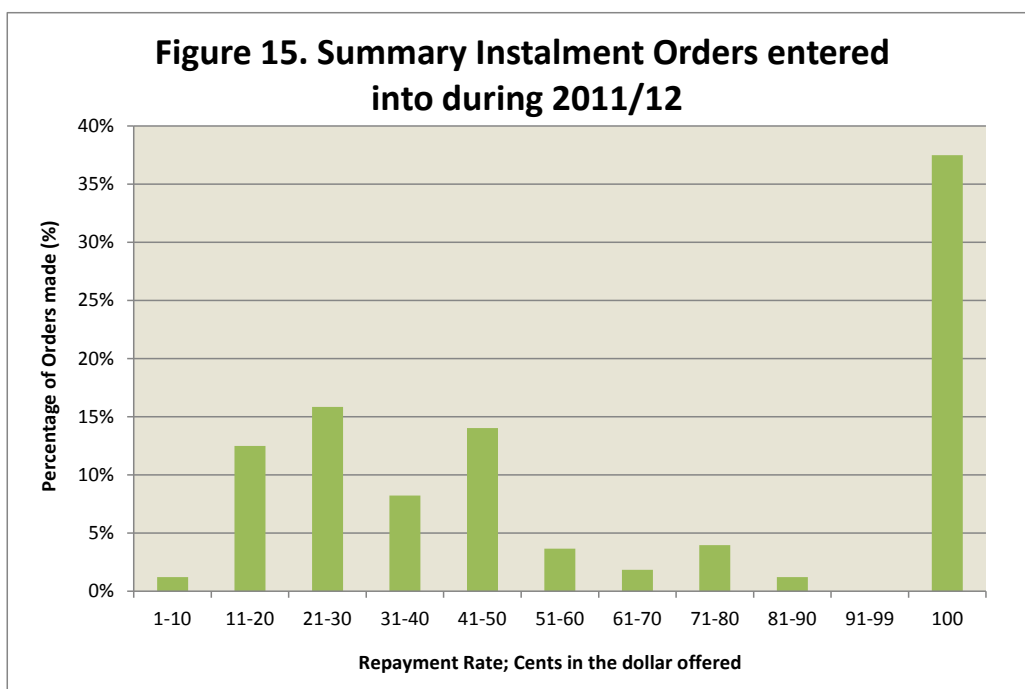
Debt Levels



The Official Assignee may grant a Summary Instalment Order if a debtors total unsecured debts (excluding student loans, fines, penalties, and reparation orders) are less than \$NZ40,000. In 2011/12, 39% of Summary Instalment Order debtors had debt levels of less than \$10,000, 34% had debt levels between \$10,000-\$19,999 and 27% had debt levels over \$20,000.

Repayment Rate

The repayment rate of Summary Instalment Orders is negotiated between debtors and their creditors. In 2011/12, 38% of all Summary Instalment Orders entered into were for the repayment of 100 cents in the dollar. The next most represented repayment rate was for 21- 30 cents in the dollar (16%), followed by 41-50 cents in the dollar (14%).



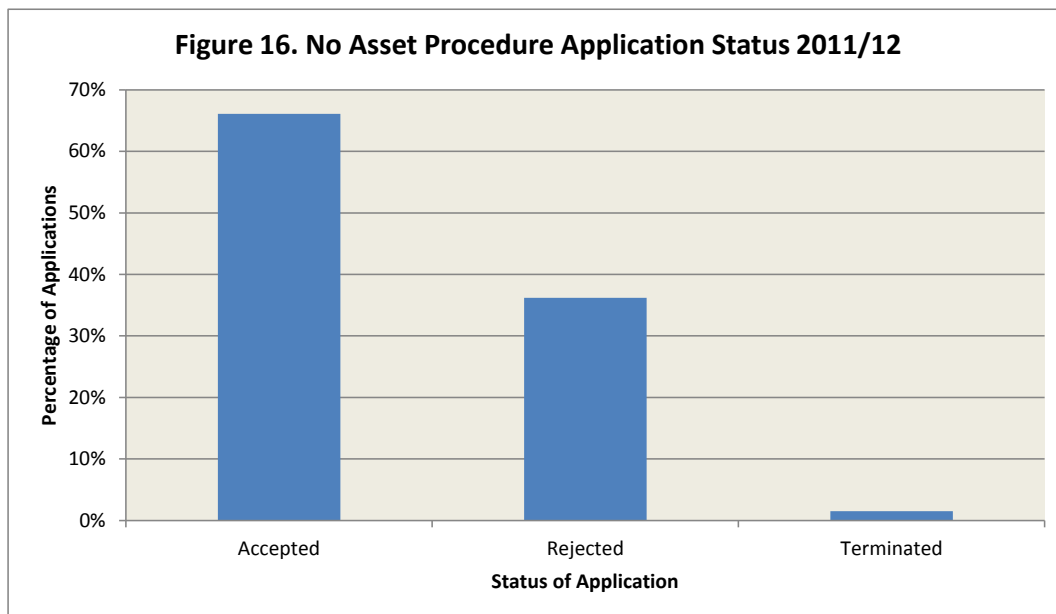
4. No Asset Procedures

Applications – Rejections and Terminations

In 2011/12, 2,832 applications were received for entry into the No Asset Procedure. Of these, 1,872 were accepted.

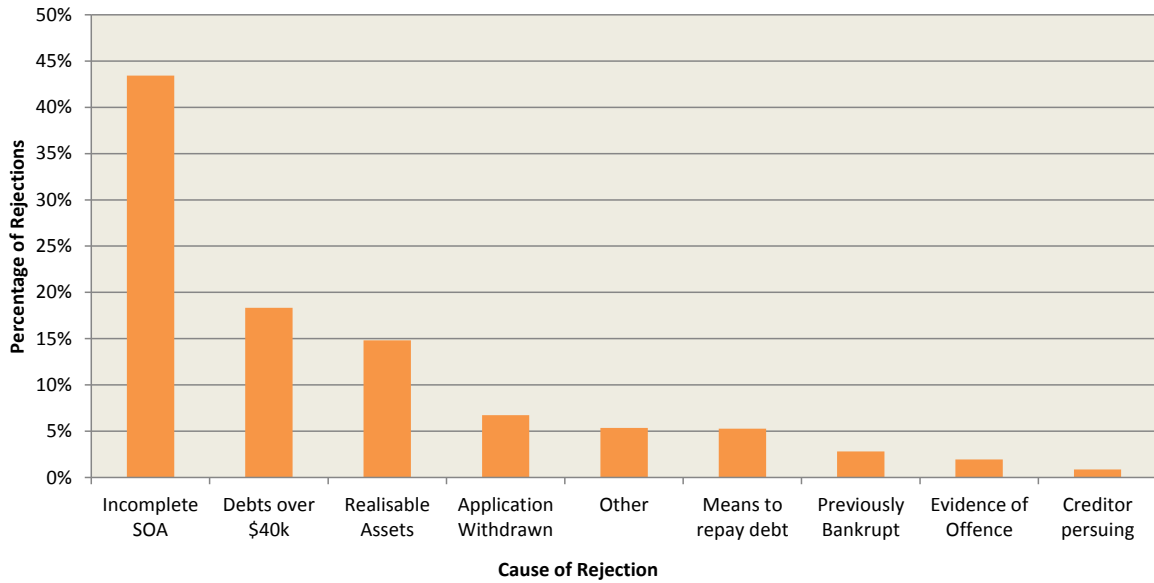
Table 9. No Asset Procedure Applications				
	Received	Accepted	Rejected	Terminated
2007/08	1654	1244	383	8
2008/09	4310	2833	1432	106
2009/10	4200	3026	1341	68
2010/11	3337	2514	928	53
2011/12	2832	1872	1025	43

An application that has been rejected from entry into the No Asset Procedure can be resubmitted depending on the reason for the rejection, for example submitting an 'incomplete Statement of Affairs'. In such instances, certain applications may be counted as having been both rejected and accepted, likewise an application which has been accepted can then be terminated. For this reason the percentages in Figure 16. do not add to 100%.



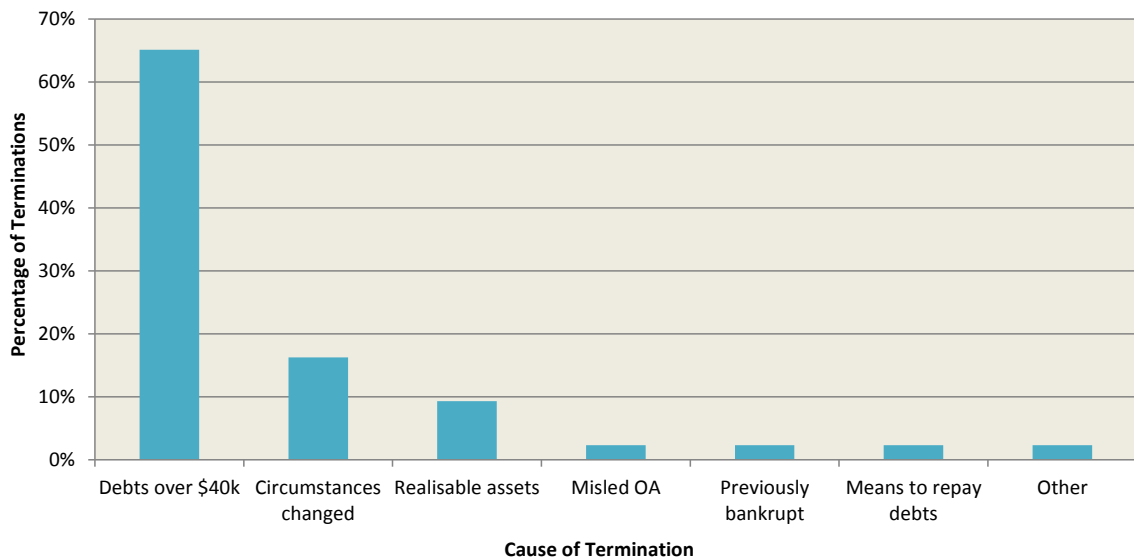
In 2011/12, 66% of No Asset Procedure applications were accepted, 36% were rejected and 2% were ultimately terminated.

Figure 17. Cause of Rejection from No Asset Procedure



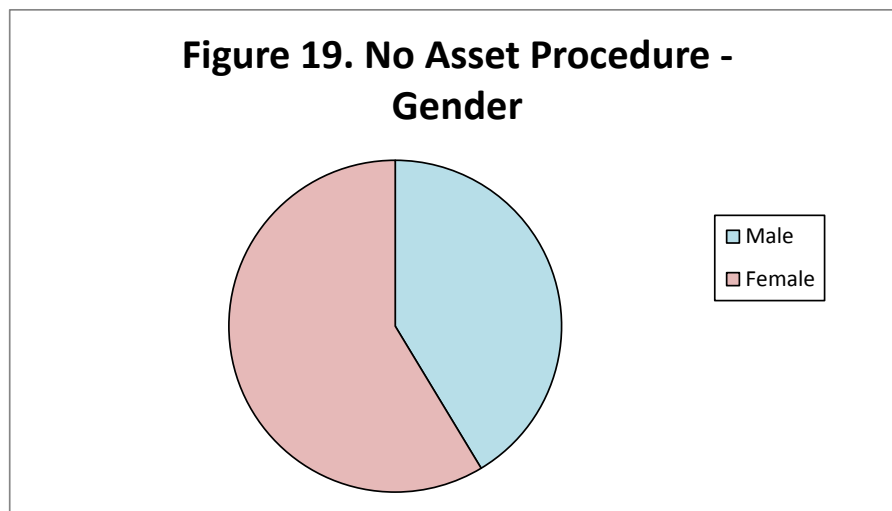
The most common cause of rejection of a No Asset Procedure application in 2011/12 was an 'incomplete Statement of Affairs' which accounted for 43% of rejections. Having 'debts of over \$40,000' was the second most common cause, accounting for 18% of rejections, with the existence of 'realisable assets' accounting for a further 15%.

Figure 18. Cause of Termination from No Asset Procedure



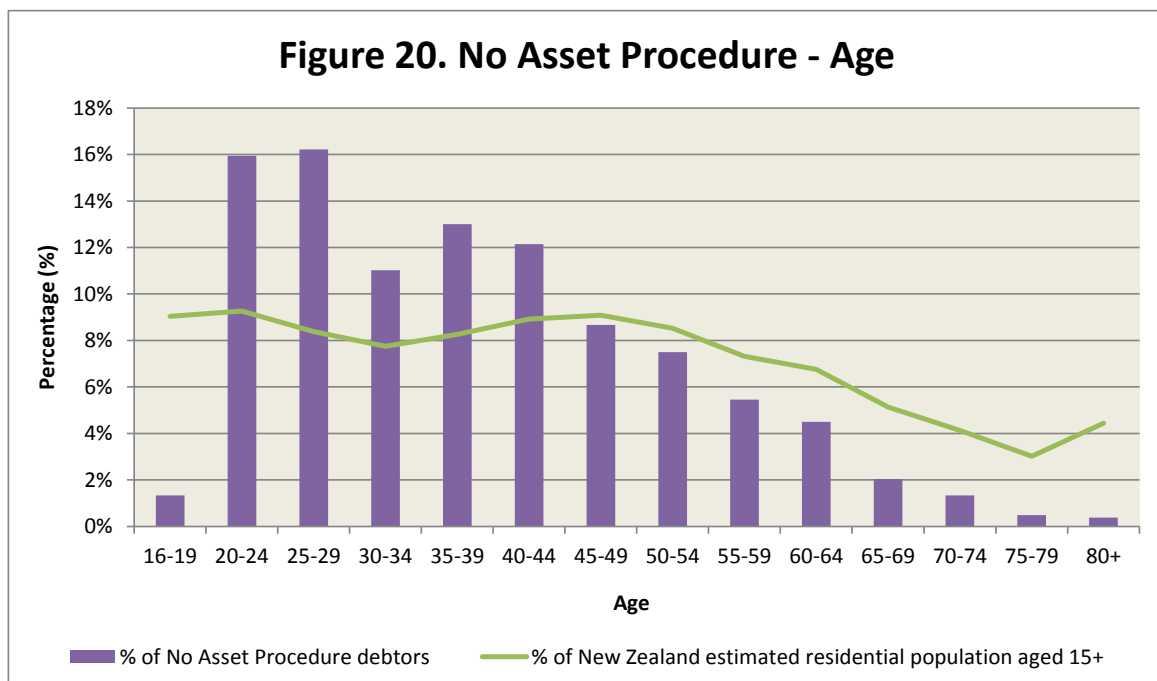
In 2011/12, 2% of No Asset Procedures were terminated, the most common cause being 'debts over \$40,000' which accounted for 65% of all terminations.

Age and Gender



59% of debtors who entered into a No Asset Procedure in 2011/12 were female, 41% were male.

The most common age of debtors entering into a No Asset Procedure in 2011/12 was between the ages of 25-29, followed by 20-24 years. Debtors in their 20's alone accounted for 32% of all No Asset Procedure debtors, as compared to making up 18% of the estimated New Zealand residential population aged 15 and over⁸. Debtors in their 30's were the next most represented age group, making up 24% of No Asset Procedure debtors compared to 16% of the estimated New Zealand residential population.

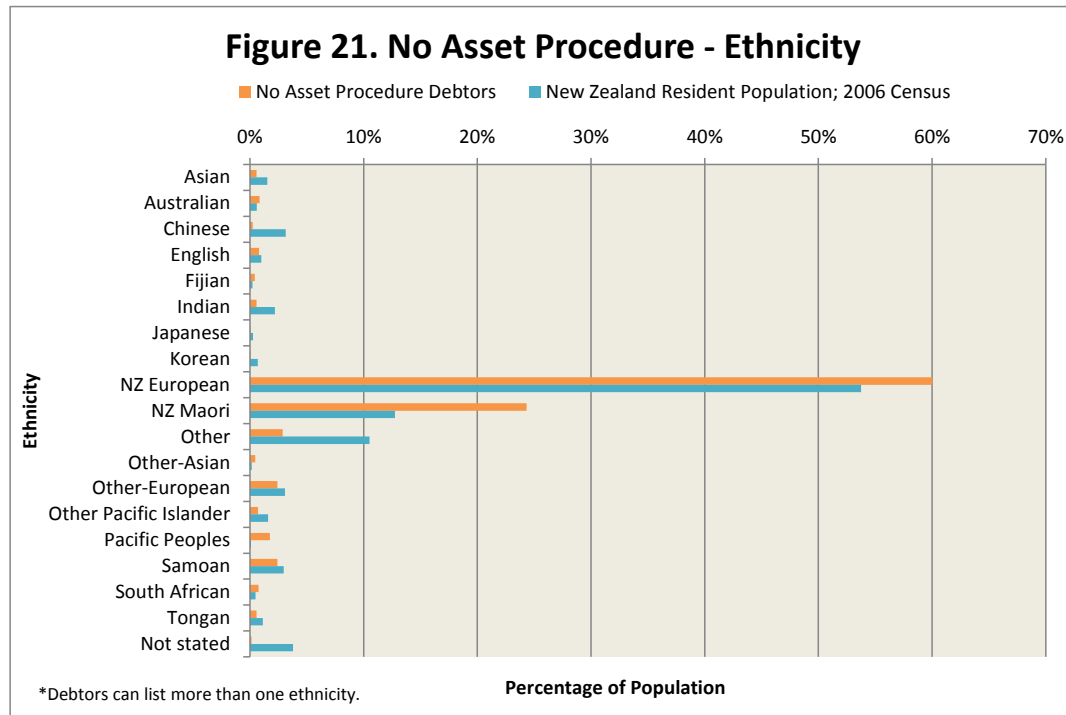


The median age for males and the median age for females who entered into the No Asset Procedure in 2011/12 was 35-39 years.

⁸ The New Zealand residential population statistics are sourced from Statistics New Zealand (2012), *Demographic trends: 2011*. Wellington: Statistics New Zealand.

Ethnicity

60% of No Asset Procedure debtors in 2011/12 identified as being of New Zealand European descent, 24% identified as being New Zealand Maori. Both ethnicities are over-represented in comparison to the New Zealand population breakdown as recorded in the 2006 National Census⁹.

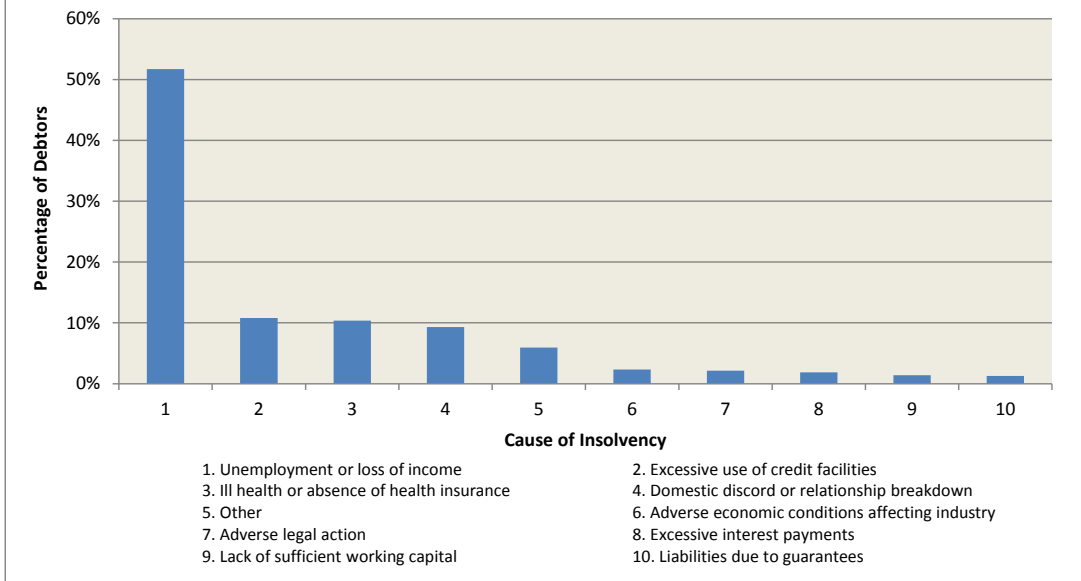


Cause of Insolvency

52% of No Asset Procedure debtors listed 'unemployment or loss of income' as the primary cause of their insolvency in 2011/12. The next most common causes were 'excessive use of credit facilities' and 'ill health or absence of health insurance' which accounted for 11% and 10% respectively.

⁹ The New Zealand resident population statistics are sourced from Statistics New Zealand (2012), *2006 Census Data*. Wellington: Statistics New Zealand.

Figure 22. Primary Cause of Insolvency Amongst No Asset Procedure Debtors



Employment

In order to gain entry into the No Asset Procedure, debtors are subject to a means test to determine whether they have the ability to repay any amounts towards their debts. Debtors who are in the position to make on-going contributions towards their debts will not be accepted into the procedure. For this reason, No Asset Procedure debtors are less likely to be employed than debtors who enter into alternative insolvency procedures.

18% of No Asset Procedure debtors noted that they were employed in their Statement of Affairs; this is represented by 19% of male debtors and 18% of female debtors.

Figure 23. No Asset Procedure Debtors - Employment Status

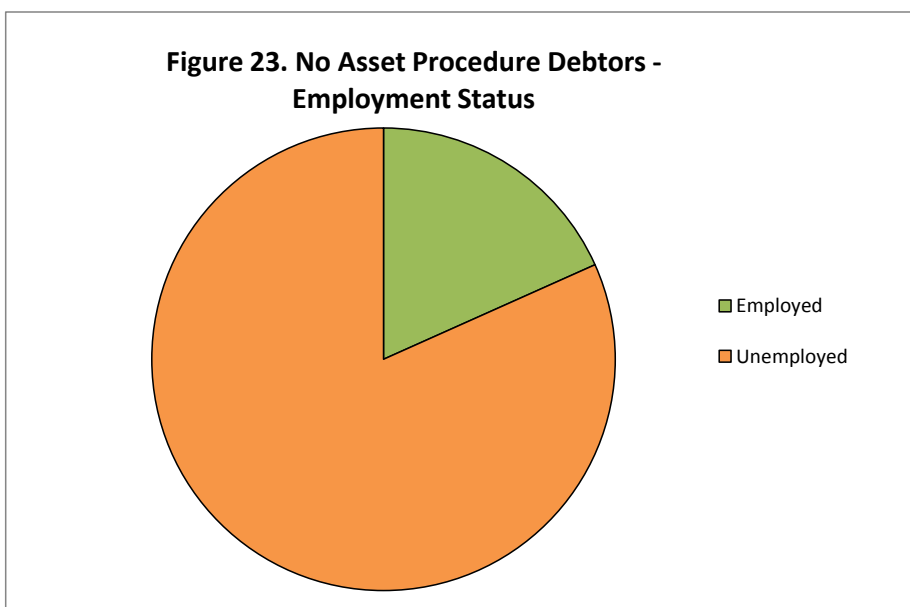
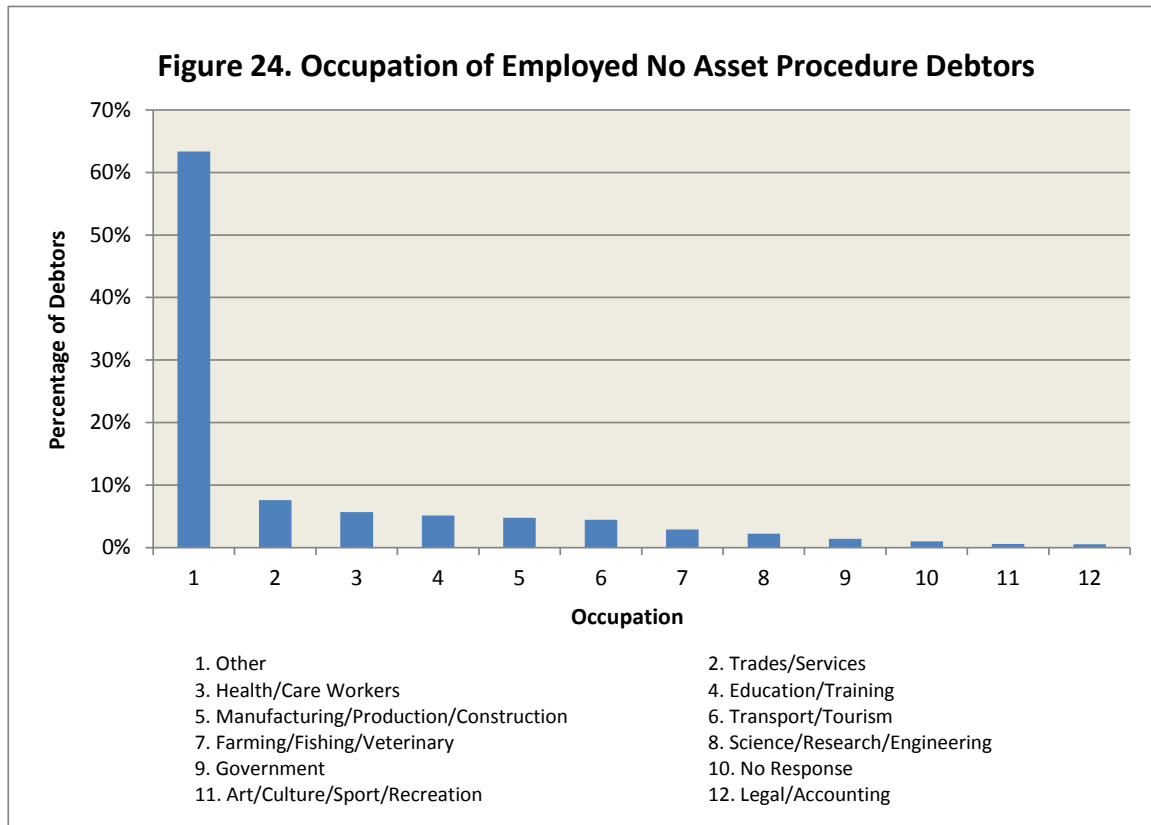


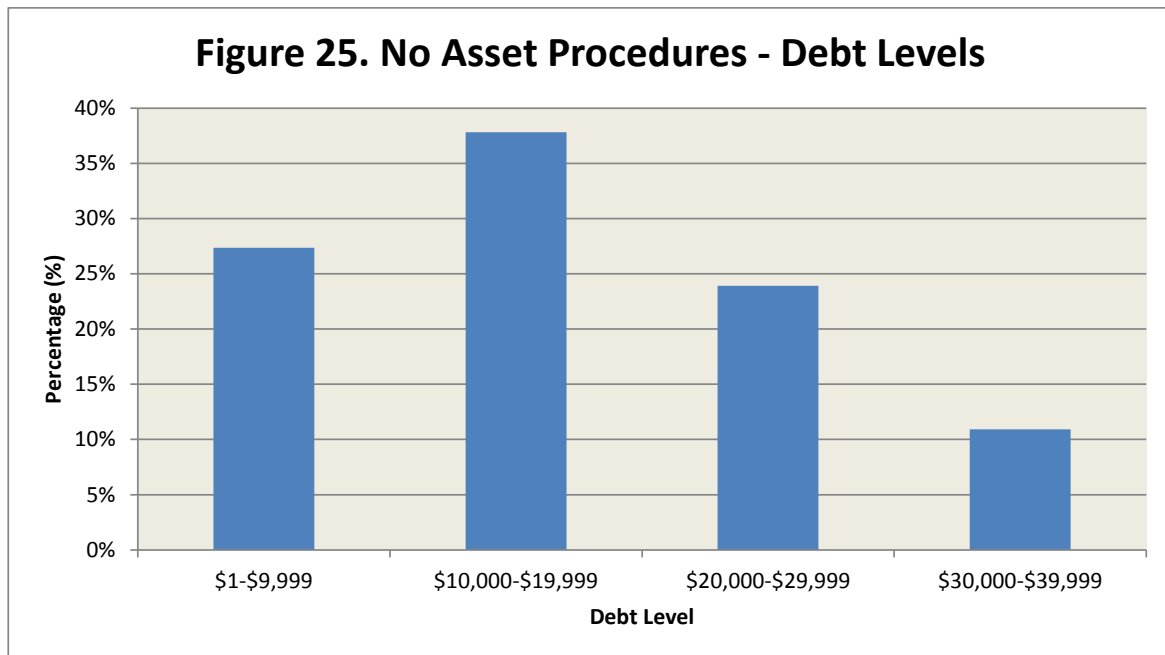
Table 10. Employment Status of No Asset Procedure Debtors			
Description	Male	Female	Total %
Unemployment benefit	24%	31%	28%
Other benefit	8%	22%	16%
Currently Employed	16%	12%	14%
Sickness benefit	13%	9%	11%
Unemployed no benefit	15%	4%	8%
Sickness benefit/ACC	8%	5%	6%
Employed part-time with benefit	2%	5%	4%
Retired	5%	3%	4%
Student	5%	3%	4%
Other	1%	2%	2%
Domestic	0%	3%	2%
Unpaid family worker	0%	1%	1%
ACC	1%	0%	0%
Trading on own account	1%	0%	0%
Trading as director/shareholder	0%	0%	0%

The most common employment status of males and females who entered the No Asset Procedure in 2011/12 was to be on the unemployment benefit, 31% for females and 24% for males.

Of the No Asset Procedure debtors who were employed, 63% were employed in an undefined category, 8% were employed in 'trades/services', and 6% in 'health/care worker' occupations.



Debt Levels

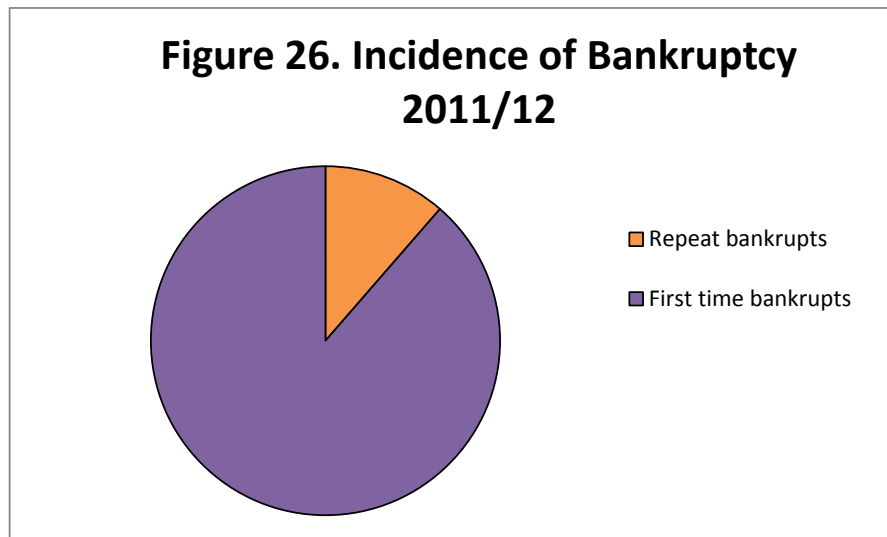


In 2011/12, the most common level of debt amongst No Asset Procedure debtors was \$10,000-\$19,999 (38%). 27% of debtors had debt levels of \$1,000-\$9,999, 24% had debt levels of \$20,000-\$29,999, while 11% had debts over \$30,000.

5. Bankruptcies

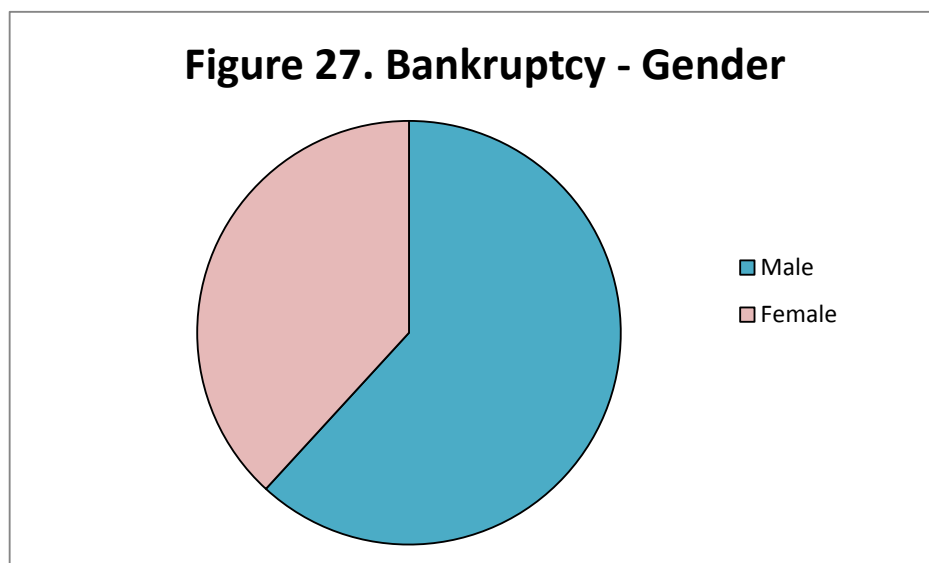
Incidence of Bankruptcy

11% of debtors adjudicated bankrupt in 2011/12 had been bankrupt before, while 89% of debtors were first time bankrupts. The level of repeat bankruptcy was higher for those adjudicated by way of a debtor's application with a repeat bankruptcy rate of 14%, compared to creditor's applications which had a repeat rate of 8%.

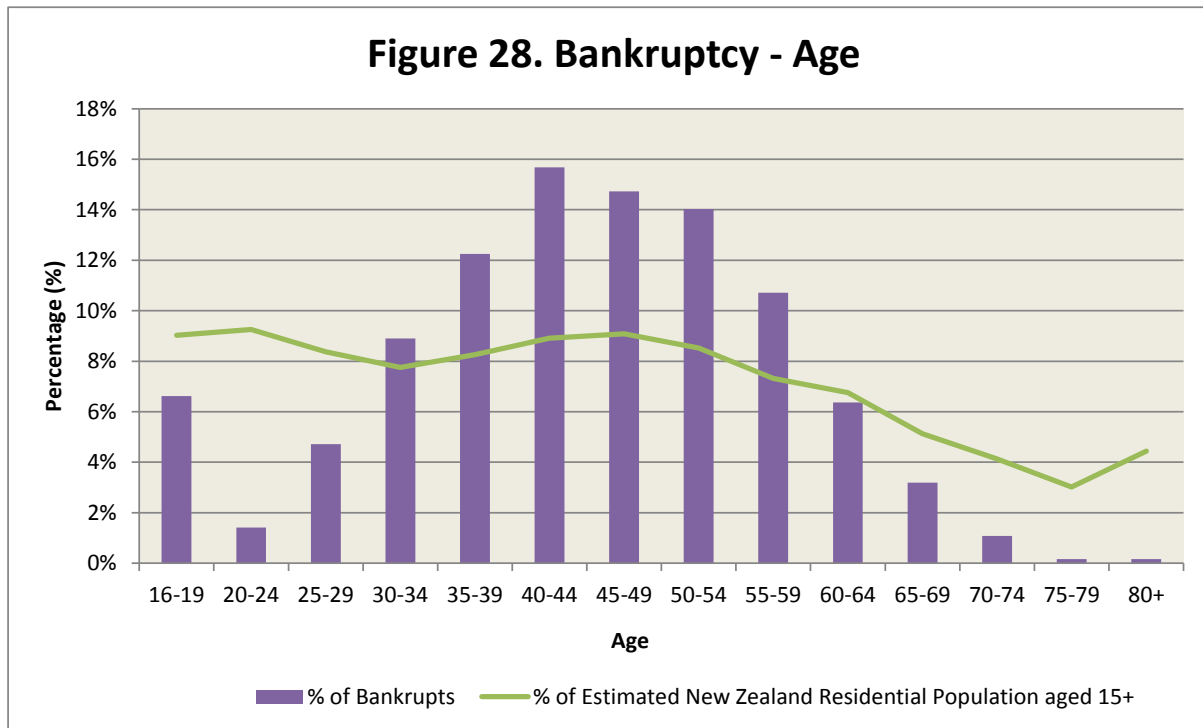


Age and Gender

62% of bankrupts adjudicated in 2011/12 were male, 38% were female. The gender ratio varied between debtor's and creditor's applications with creditor's applications having a higher portion of male debtors (74%) than debtor's applications (54%).



The most represented age group of bankrupts in 2011/12 was 40-44 years. 31% of Bankrupts were between the ages of 40-49, as compared to 18% of the estimated New Zealand Residential Population aged 15 and over¹⁰. Debtors in their 30's and 50's were also over-represented compared to their respective New Zealand residential population age-group percentages.



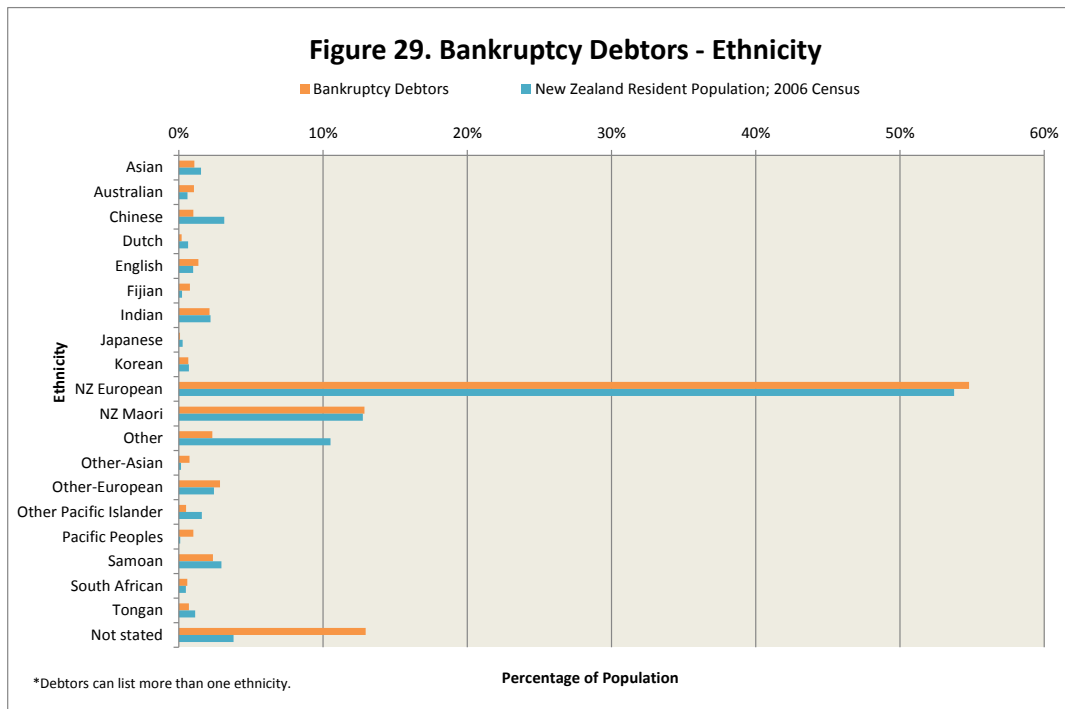
The median age of females who became bankrupt in 2011/12 was 40-45, for males it was 45-49.

Ethnicity

55% of bankrupts adjudicated in 2011/12 identified as being New Zealand European compared to 54% of the estimated New Zealand residential population¹¹. 13% did not state their ethnicity while 13% identified as being New Zealand Maori.

¹⁰ The Estimated New Zealand Resident Population statistics are taken from Statistics New Zealand (2012), *Demographic trends: 2011*. Wellington: Statistics New Zealand.

¹¹ The New Zealand resident population statistics are taken from Statistics New Zealand, *2006 Census Data*. Wellington: Statistics New Zealand.



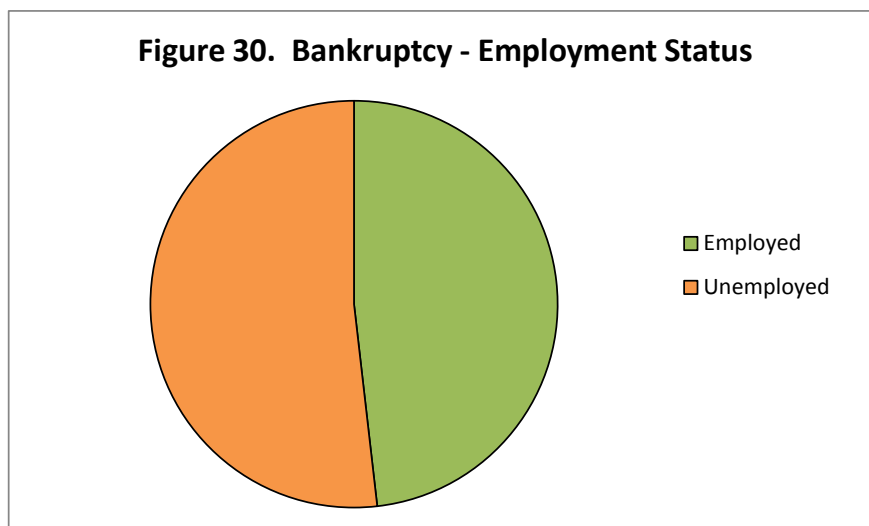
Cause of Bankruptcy

The most common cause of insolvency selected by bankrupts who were adjudicated in 2011/12 was 'unemployment or loss of income'. 21% of debtors listed this reason as the primary cause of their insolvency. 'Liabilities due to guarantees' and 'adverse legal action' were the only other primary causes identified to be selected by at least 10% of bankrupts.

Cause	Debtor Application	Creditor Application	Total
Unemployment or loss of income	29%	10%	21%
No response	0%	24%	10%
Liabilities due to guarantees	8%	13%	10%
Adverse legal action	5%	17%	10%
Adverse economic conditions affecting industry	11%	8%	9%
Domestic discord or relationship breakdown	12%	3%	8%
Other	6%	5%	6%
Failure to provide for taxation	3%	9%	6%
Excessive use of credit facilities	8%	1%	5%
Ill health or absence of health insurance	8%	1%	5%
Excessive interest payments	3%	3%	3%
Lack of sufficient working capital	2%	2%	2%
Lack of business ability	1%	1%	1%
Gambling, speculation and extravagance in living	2%	0%	1%
Inability to collect debts	1%	1%	1%
Failure to keep proper books and records	0%	1%	1%
Seasonal conditions including floods and drought	1%	0%	0%
Excessive drawings	0%	0%	0%
Failure of another business organisation	0%	0%	0%
Withdrawal of credit facilities	0%	0%	0%

Employment

48% of bankrupts adjudicated in 2011/12 were employed at the date of adjudication, 52% were unemployed. Bankrupts who were adjudicated by way of a debtor's application had a higher employment rate (50%) than those adjudicated by way of a creditor's application (46%).

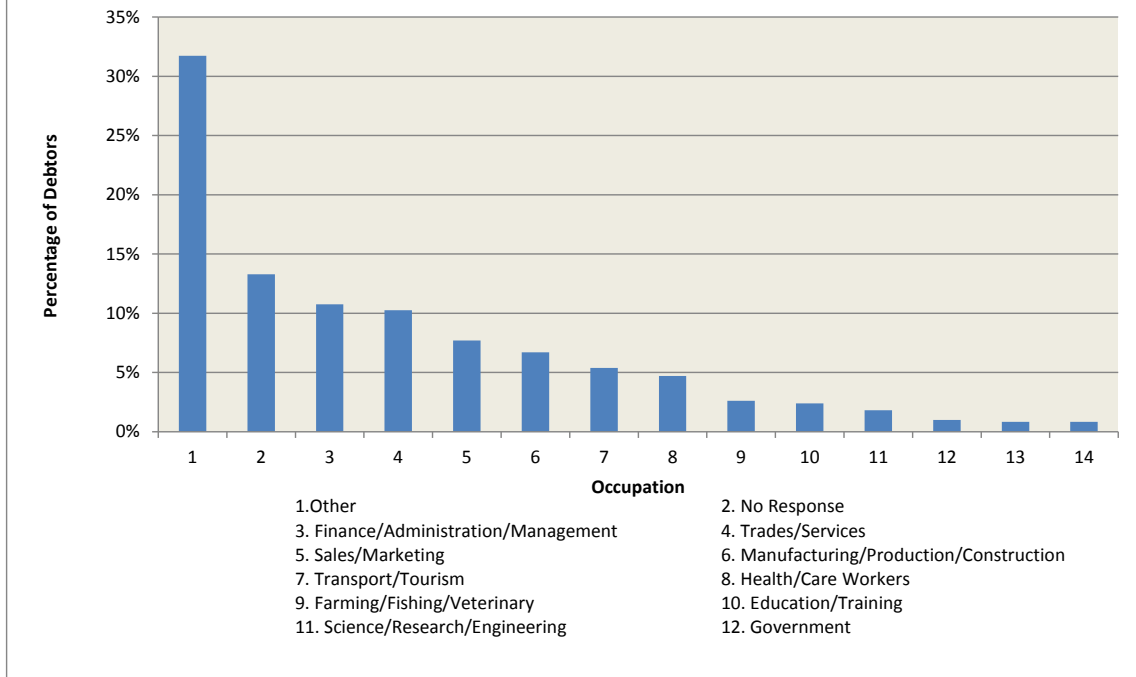


41% of debtors adjudicated bankrupt in 2011/12 were employed by third parties while an additional 7% were either trading as a director/shareholder or trading on their own account.

Description	Male	Female	Total %
Currently Employed	41%	34%	39%
Unemployed no benefit	12%	9%	10%
Unemployment Benefit	8%	13%	10%
No response	11%	6%	9%
Sickness Benefit	5%	6%	6%
Other Benefit	2%	11%	5%
Trading on own account	6%	1%	4%
Retired	4%	3%	4%
Trading as director/shareholder	4%	1%	3%
Sickness benefit/ACC	2%	4%	3%
Employed part-time and receiving benefit	1%	4%	2%
Other	2%	2%	2%
Unpaid family worker	1%	2%	1%
Domestic	0%	3%	1%
Student	1%	1%	1%
Trading in partnership	1%	0%	0%
ACC	0%	0%	0%

Amongst employed bankrupts, 'finance/administration/management' was the highest defined occupational category with 11% of bankrupts working in these fields, the second most common occupational field identified was 'trades/services'.

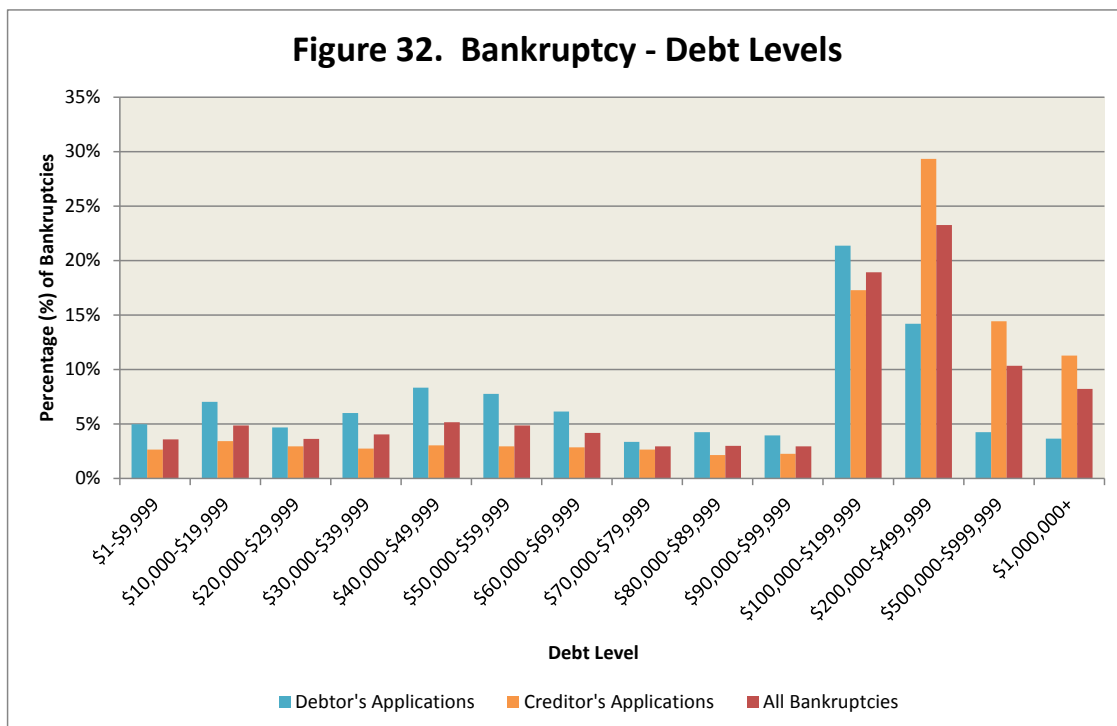
Figure 31. Occupation of Employed Bankrupts



Debt Levels

Unlike No Asset Procedures and Summary Instalment Orders there is no upper limit to the level of debt a bankrupt can have. 61% of bankrupts adjudicated in 2011/12 had debt of over \$100,000. 42% of bankrupts had debt levels of over \$200,000 and 19% had debt levels over \$500,000.

Figure 32. Bankruptcy - Debt Levels



6. Corporate Insolvencies

Cause of Liquidation

Upon commencement of a company liquidation the Official Assignee seeks to obtain a completed Statement of Affairs for the company. In 2011/12, 'economic conditions affecting industry' was listed as the primary cause of liquidation by those who completed a company Statement of Affairs and provided a response to this question.

Cause	Percentage
No response	27%
Economic conditions affecting industry	19%
Adverse legal action	15%
Failure to provide for taxation	11%
Other	6%
Domestic discord or relationship breakdown	5%
Failure of another business organisation	4%
Inability to collect debts	4%
Withdrawal of credit facilities	2%
Lack of sufficient working capital	2%
Failure to keep proper books and records	1%
Ill health or absence of health insurance	1%
Seasonal conditions	1%
Liabilities due to guarantees	1%
Lack of business ability	1%
Excessive interest payments	1%
Excessive drawings	1%

Debt Level

69% of liquidations administered by the Official Assignee in 2011/12 had company debt of more than \$100,000, 20% of liquidations had debt of more than \$500,000.

