

## Insolvency Statistics

For the year 1 July 2008 - 30 June 2009

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Implementation of the Insolvency Act 2006 delivered quality solutions for creditors, choice for debtors and one of the most comprehensive online insolvency case management systems in the world. The team has developed a system that allows New Zealanders to deal with the impact of the credit crunch by using modern technology and redefining the boundaries between public and private activities in the course of administration of insolvent estates. With the use of leading edge technology and efficient services our systems have been recognised with a number of awards in 2009.

### **Notes on Personal Insolvency Numbers**

The significant effects of the "credit crunch" on economic growth and employment within New Zealand have significantly impacted the number of applications the Insolvency and Trustee Service (ITS) has seen this financial year.

The ITS administered 5,654 new Personal Insolvency estates representing a 49% increase on the 2007/08 financial year. 37% of debtors stated that unemployment or loss of income was the major reason for their insolvency and a further 10% stated excessive use of credit facilities as the second most common reason for their insolvency.

### **Notes on Company Liquidation Numbers**

The ITS administered 377 liquidations representing a 99% increase on the 2007/08 financial year. It is important to note that 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>.

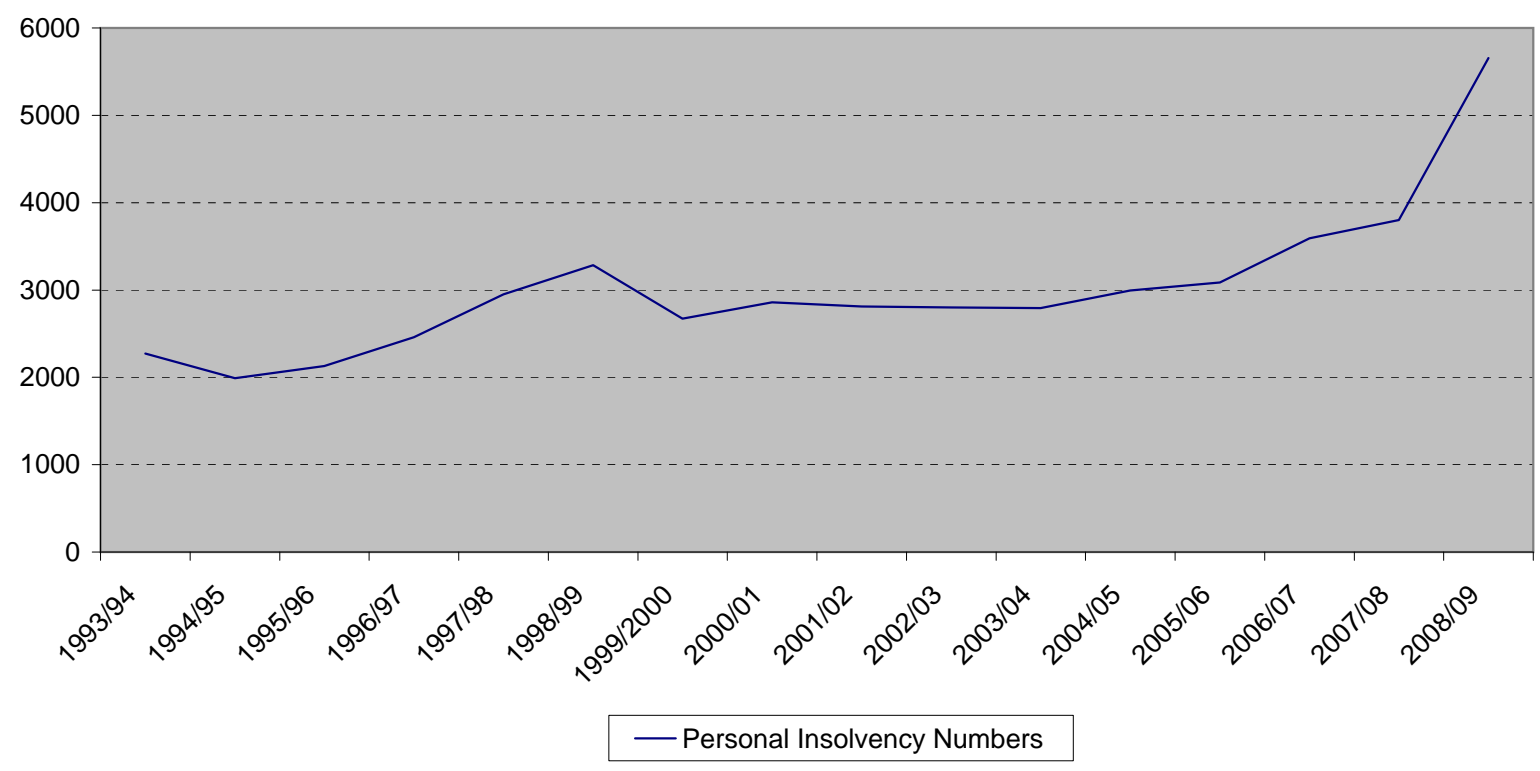
### **Context**

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.

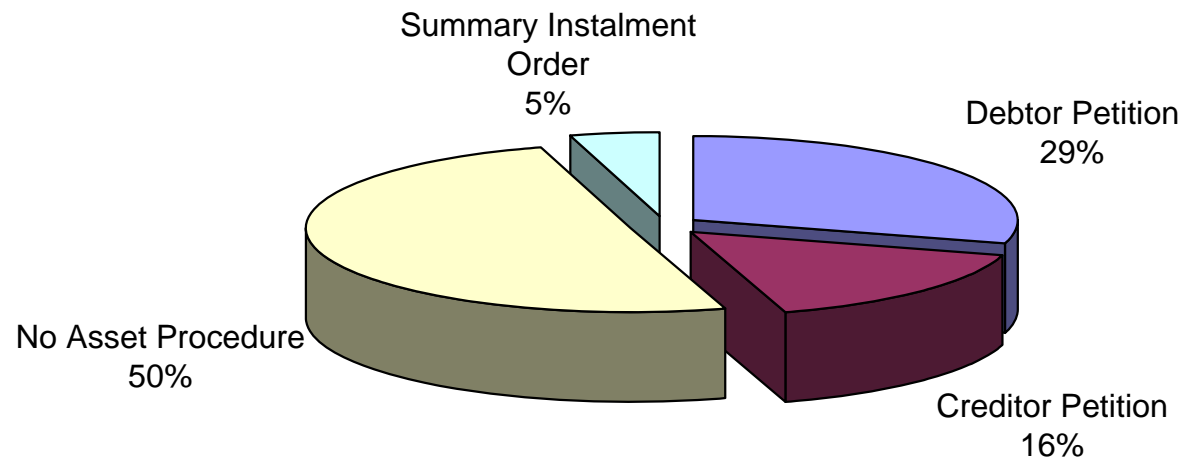
**[www.insolvency.govt.nz](http://www.insolvency.govt.nz)**

<b>Total Personal Insolvency Figures</b>					
<b>Per Financial Year</b>					
<b>Financial Year 1 July - 30 June</b>	<b>Personal Insolvency Numbers</b>	<b>Debtor Petition</b>	<b>Creditor Petition</b>	<b>No Asset Procedure</b>	<b>Summary Instalment Order</b>
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
<b>2008/09</b>	<b>5654</b>	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>

### Total Personal Insolvency Numbers

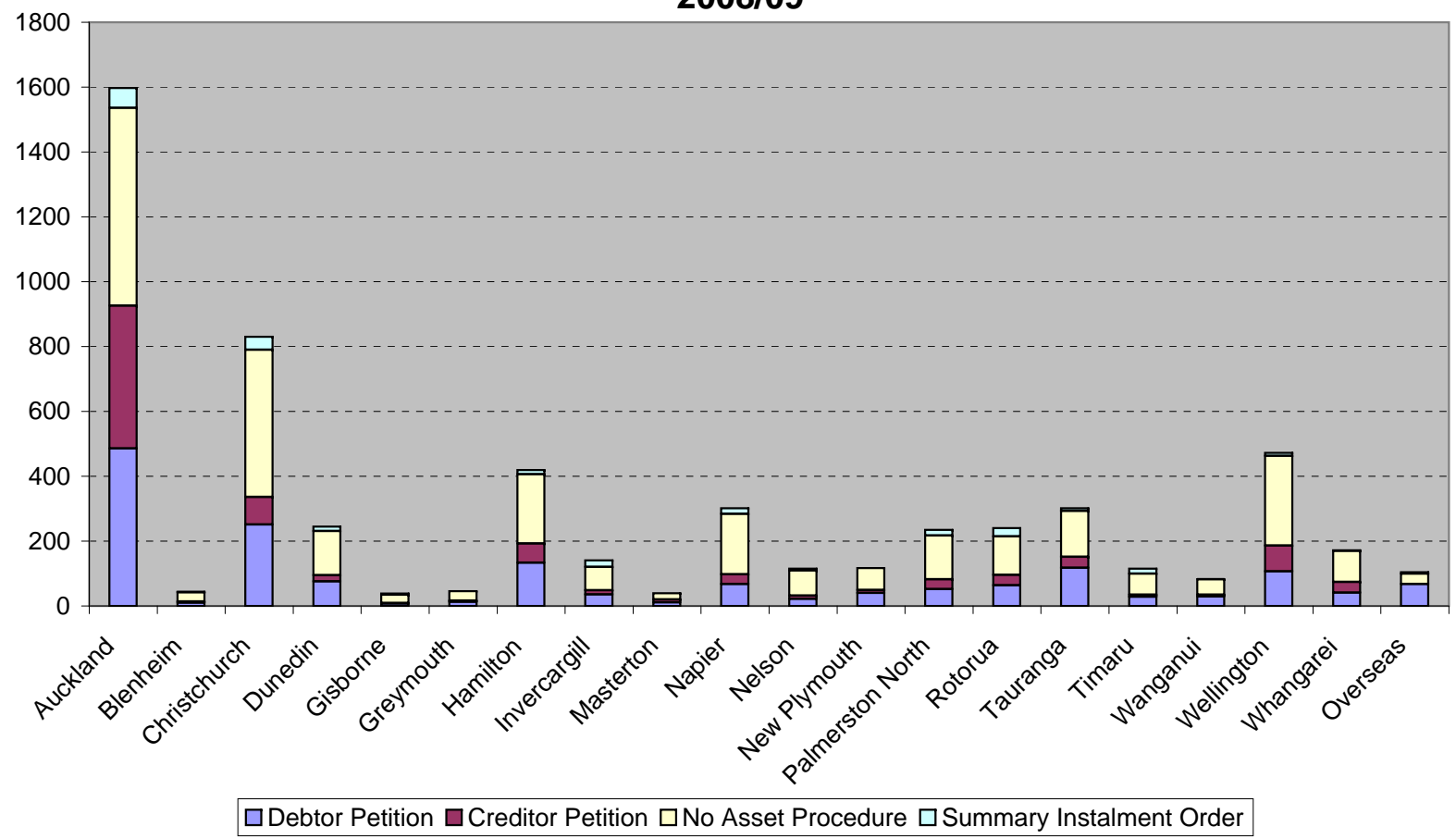


### Personal Insolvency Applications Accepted 2008/09



<b>Court Region of Debtor at Date Order Made</b>						
<b>2008/09</b>						
<b>Court Region</b>	<b>%</b>	<b>Total</b>	<b>Debtor Petition</b>	<b>Creditor Petition</b>	<b>No Asset Procedure</b>	<b>Summary Instalment Order</b>
Auckland	28%	1597	486	440	610	61
Blenheim	1%	44	10	4	28	2
Christchurch	15%	830	251	85	454	40
Dunedin	4%	245	76	19	136	14
Gisborne	1%	38	7	2	26	3
Greymouth	1%	46	13	3	30	-
Hamilton	7%	419	133	60	213	13
Invercargill	2%	141	36	12	73	20
Masterton	1%	39	11	9	19	-
Napier	5%	301	68	30	186	17
Nelson	2%	115	22	10	78	5
New Plymouth	2%	117	40	9	68	-
Palmerston North	4%	235	52	30	135	18
Rotorua	4%	240	64	32	119	25
Tauranga	5%	301	118	34	141	8
Timaru	2%	115	28	7	65	15
Wanganui	1%	83	29	6	47	1
Wellington	8%	472	107	79	277	9
Whangarei	3%	172	41	33	96	2
Overseas	2%	104	68	-	32	4
		<b>5654</b>	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>

### Court Region 2008/09



	No Asset Procedure Applications			
	Received	Accepted	Rejected	Terminated
2008/09	4310	2833	1432	106
2007/08	1654	1213	383	8

#### Notes on No Asset Procedure

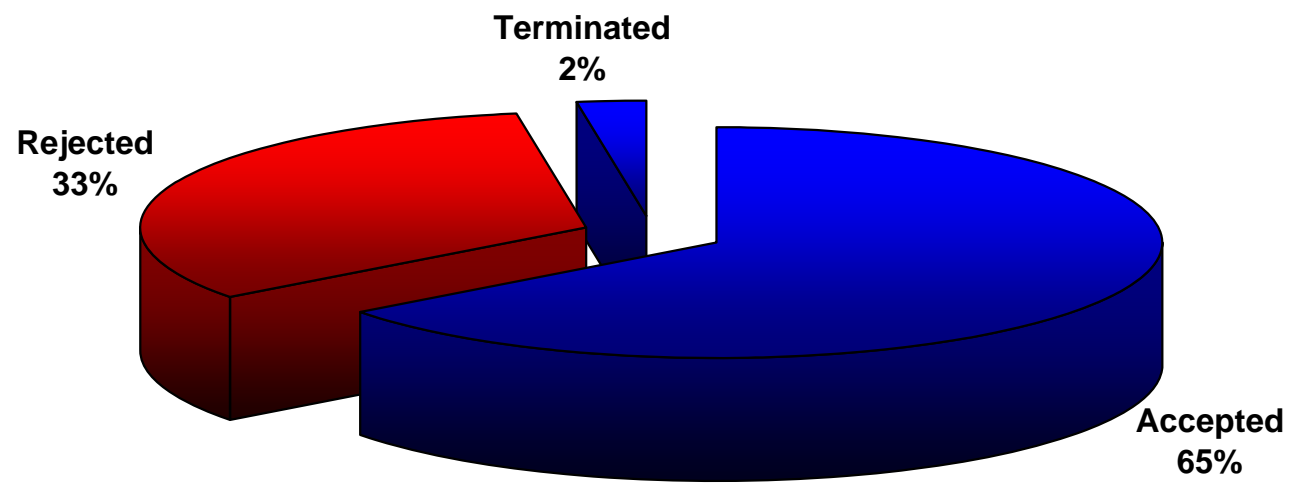
The 2006 Insolvency Act introduced the No Asset Procedure (NAP) as an alternative to bankruptcy that only lasts for 12 months and provides a one-off opportunity for the debtor to sort out their financial affairs and get back on their feet.

The Official Assignee may grant a NAP if the total debts (excluding student loans) are not less than \$NZ1,000 and not more than \$NZ40,000 and the debtor has no realisable assets and has never been declared bankrupt or previously been admitted to a NAP.

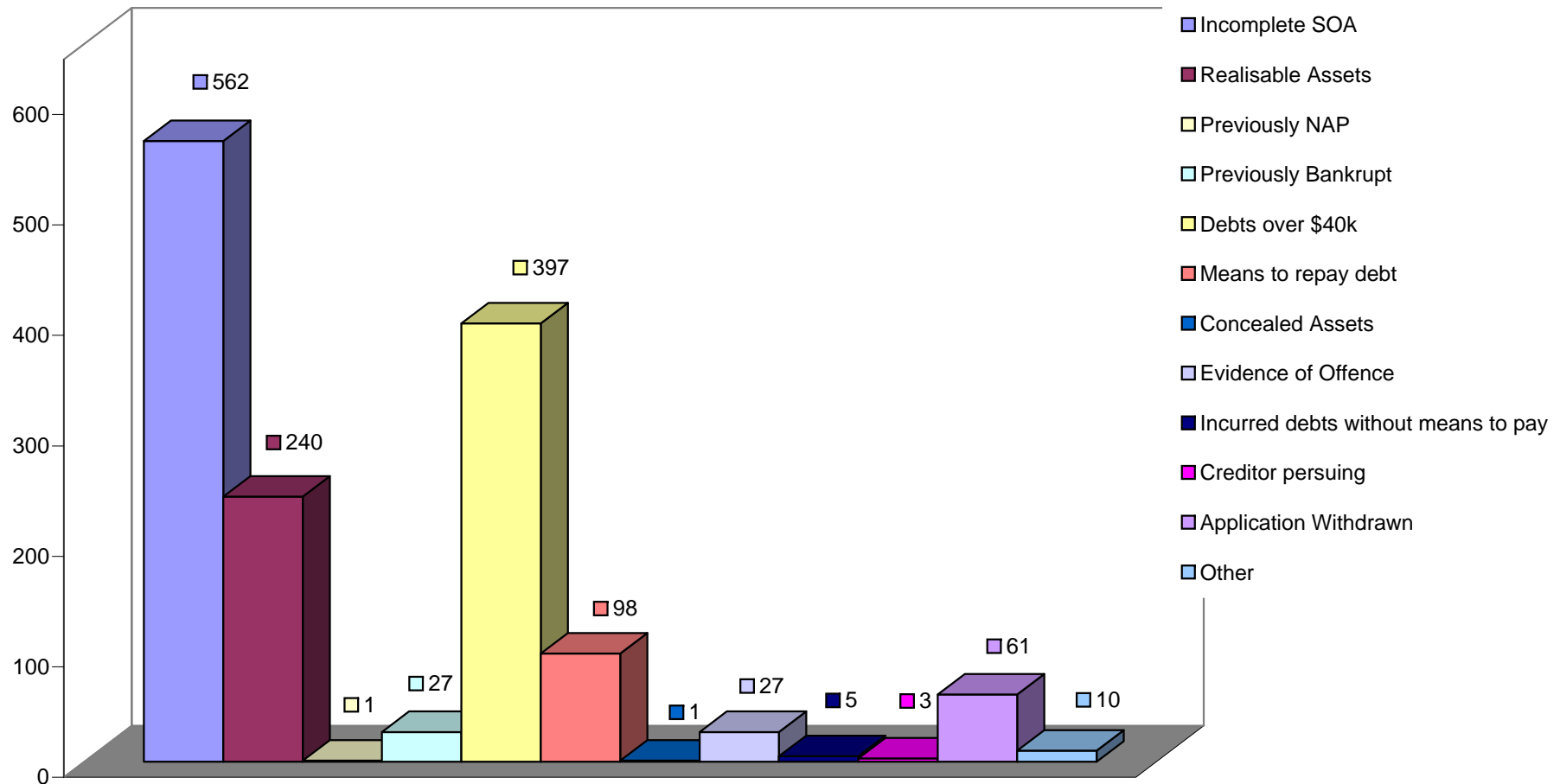
The ITS received 4,310 applications to enter a NAP and accepted 2,833 of these for the financial year ending 30 June 2009. The accepted applications represents 50% of all Personal Insolvency work administered by the Official Assignee.



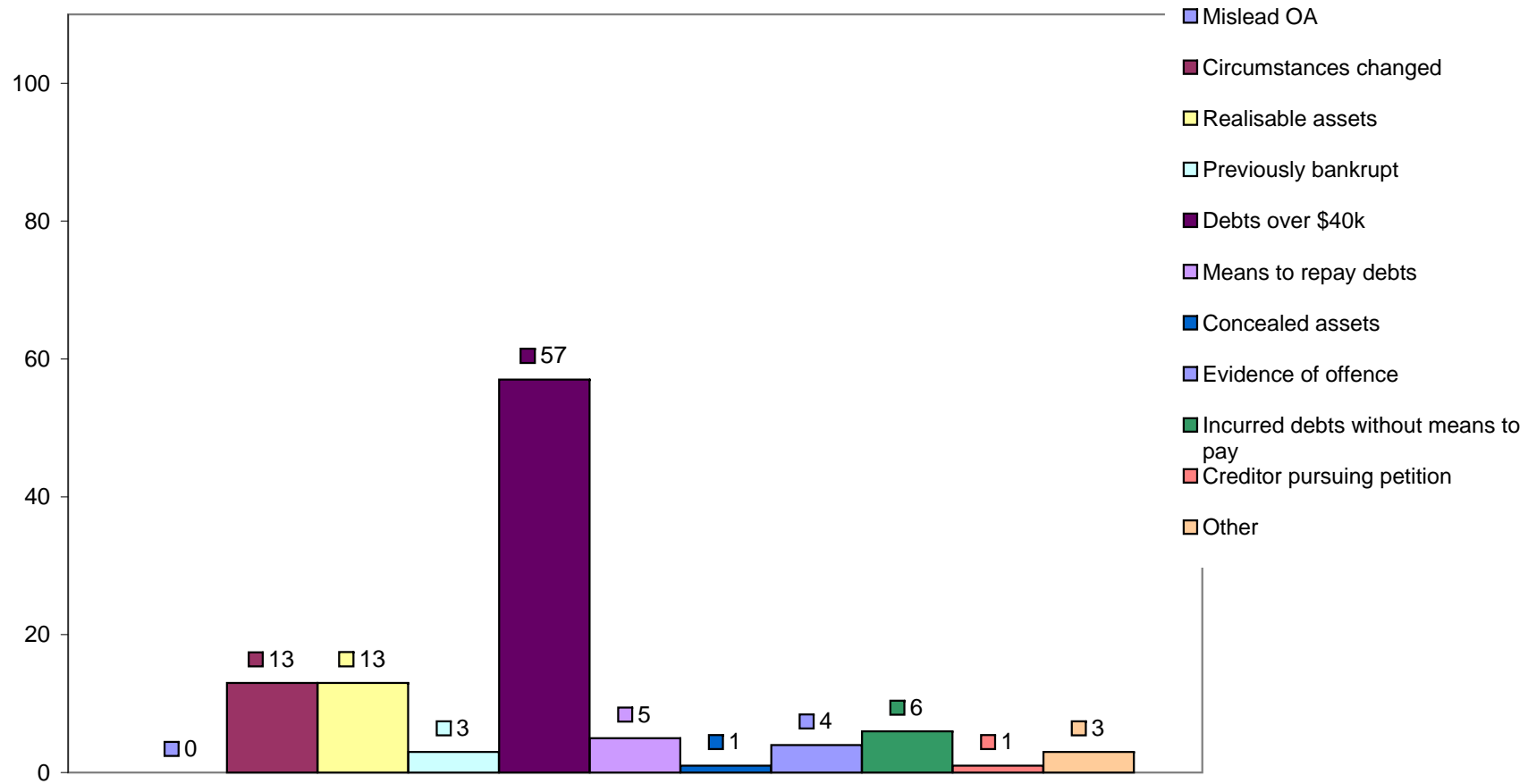
### No Asset Procedure Application Status 2008/09



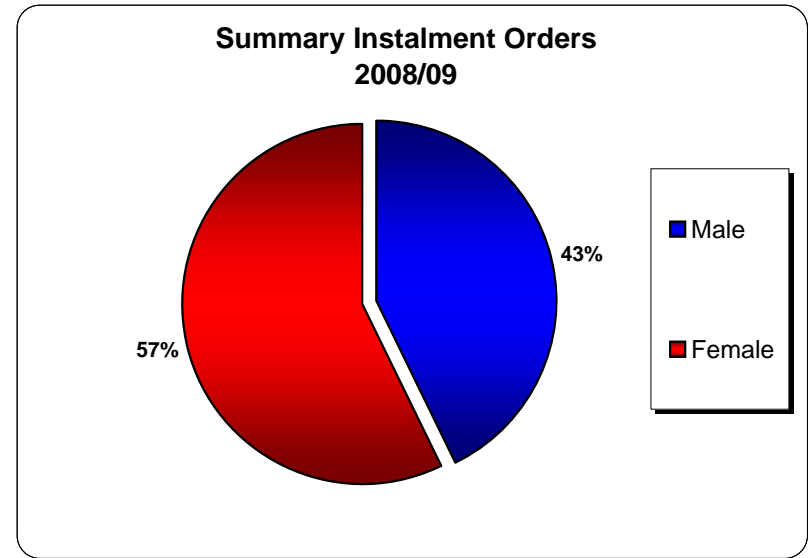
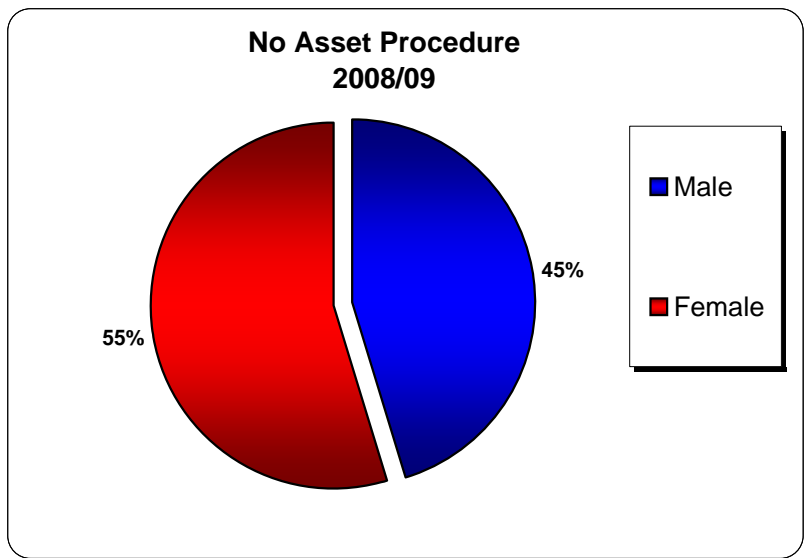
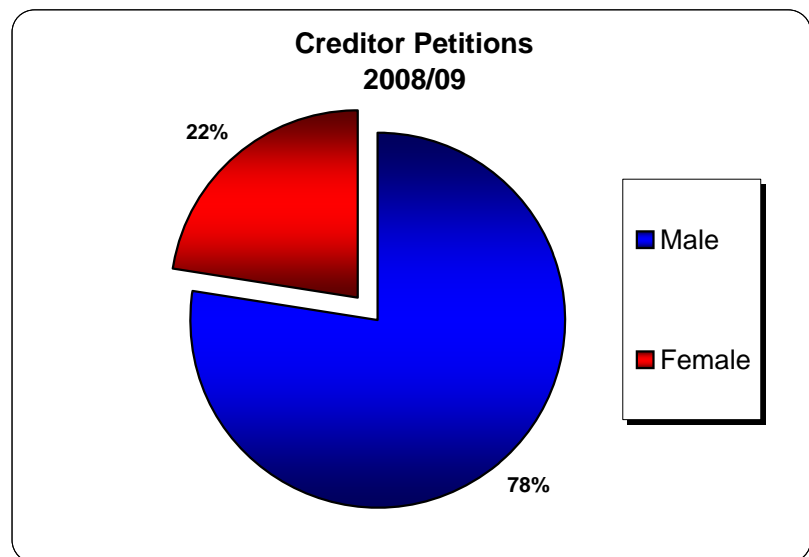
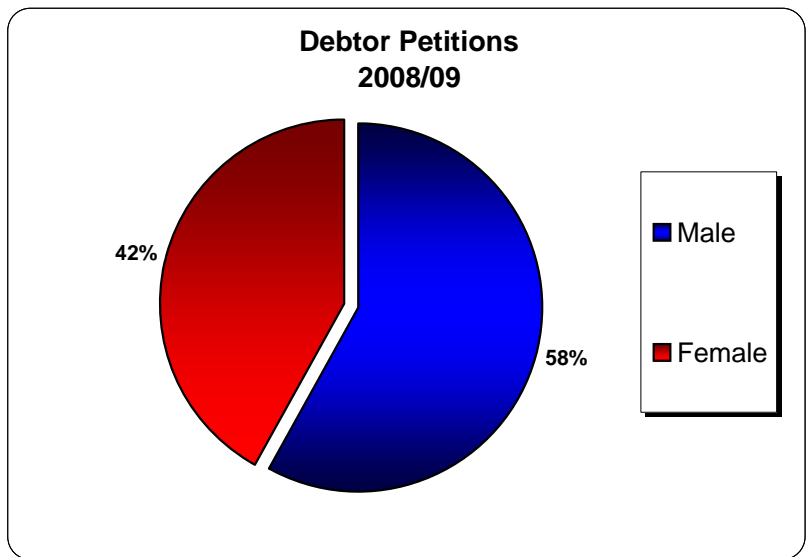
### Number and Reason for NAP Application Rejections 2008/09



## Number and Reason for NAP Terminations 2008/09



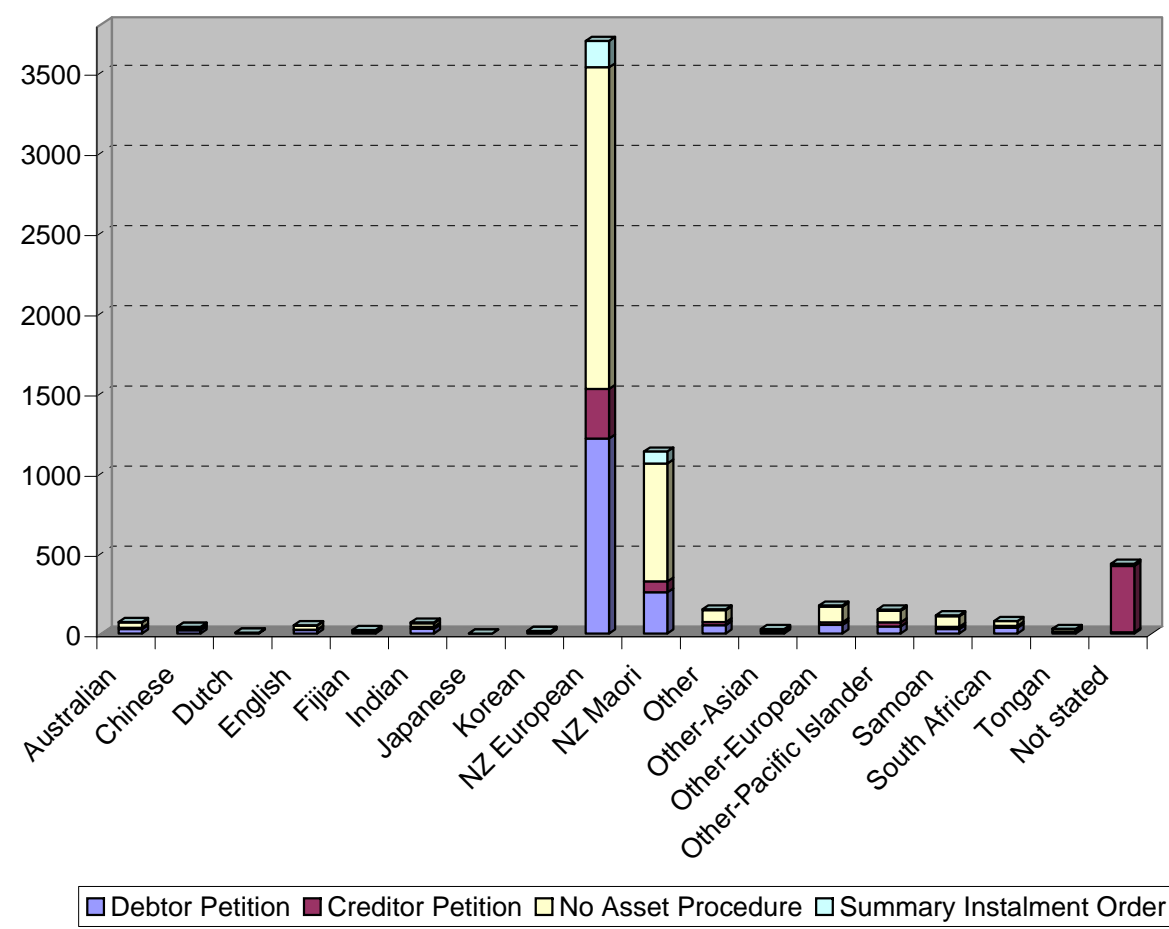
<b>Age &amp; Gender Breakdown of Debtor</b>					
<b>2008/09</b>					
<b>Age Groups (years)</b>	<b>%</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Not Stated</b>
16 - 19	2%	89	49	40	-
20 - 24	14%	779	344	435	-
25 - 29	12%	662	335	327	-
30 - 34	11%	638	324	314	-
35 - 39	13%	761	415	346	-
40 - 44	13%	739	396	343	-
45 - 49	11%	611	340	271	-
50 - 54	7%	424	254	170	-
55 - 59	5%	308	165	143	-
60 - 64	3%	190	110	80	-
65 - 69	1%	75	47	28	-
70 - 74	1%	56	30	26	-
75 - 79	1%	33	21	12	-
80+	0%	16	11	5	-
Age Not Stated	5%	261	205	56	-
No Gender or Age Stated	0%	12	-	-	12
	<b>Total</b>	<b>5,654</b>	<b>3,046</b>	<b>2,596</b>	<b>12</b>



Ethnicity						
2008/09						
Ethnicity*	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Australian	1%	72	27	10	32	3
Chinese	1%	42	20	9	13	-
Dutch	0%	6	1	2	3	-
English	1%	52	21	4	24	3
Fijian	0%	22	7	9	5	1
Indian	1%	69	29	14	21	5
Japanese	0%	1	-	-	1	-
Korean	0%	16	4	10	2	-
NZ European	59%	3696	1216	310	2005	165
NZ Maori	18%	1135	257	68	736	74
Other	2%	151	52	19	74	6
Other-Asian	0%	28	12	7	8	1
Other-European	3%	175	53	17	97	8
Other-Pacific Islander	2%	150	44	26	71	9
Samoan	2%	114	27	15	65	7
South African	1%	78	36	12	29	1
Tongan	0%	29	8	4	15	2
Not stated	7%	436	9	412	12	3
		<b>6272</b>	<b>1823</b>	<b>948</b>	<b>3213</b>	<b>288</b>

\*Debtors can list more than one ethnicity

### Ethnicity 2008/09

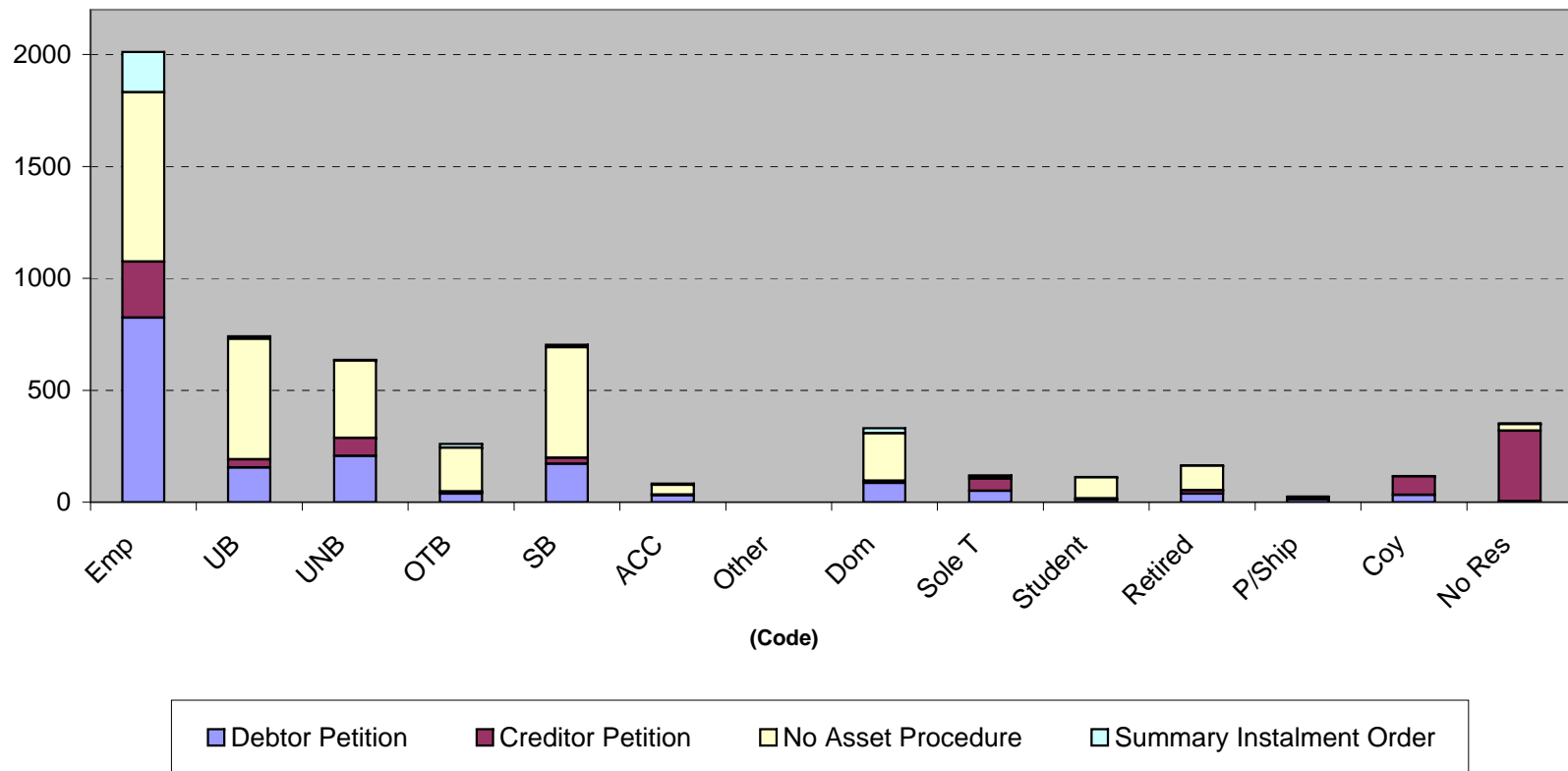


\*Debtors can list more than one ethnicity

Employment Status of Debtor at Date Order Made						
2008/09						
Description	Code	%	Total	Male	Female	Gender not specified
Employed (by a 3rd party)	Emp	36%	2016	1189	827	-
Unemployment - Benefit	UB	13%	741	301	440	-
Unemployed - No Benefit	UNB	11%	638	445	193	-
Other Benefit	OTB	5%	260	55	205	-
Sickness Benefit	SB	12%	703	375	328	-
ACC	ACC	1%	83	62	21	-
Other	Other	0%	-	-	-	-
Domestic	Dom	6%	330	27	303	-
Sole Trader	Sole T	2%	120	97	23	-
Student	Student	2%	113	49	64	-
Retired	Retired	3%	165	86	79	-
Trading in a Partnership	P/Ship	0%	14	8	6	-
Director of a Limited Liability Company	Coy	2%	117	100	17	-
No Response	No Res	6%	354	252	90	12
			<b>5654</b>	<b>3046</b>	<b>2596</b>	<b>12</b>

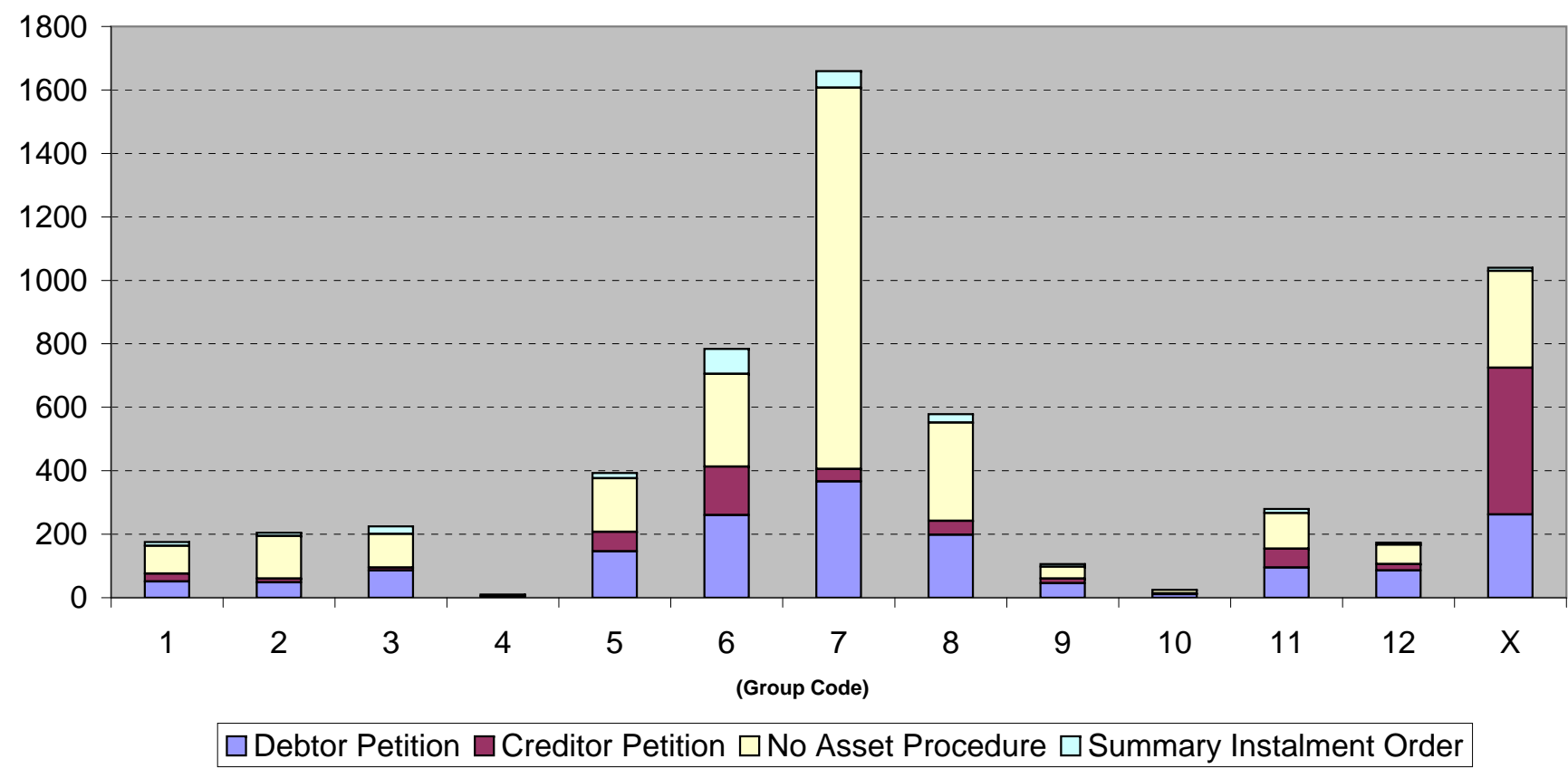


### Employment Status 2008/09



Statistical Occupation of Debtor at Date Order Made							
2008/09							
Major Group Name	Group Code	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Agriculture, Horticulture	1	3%	175	51	25	88	11
Education	2	4%	205	48	12	135	10
Health, Social Work	3	4%	225	86	9	106	24
Legal	4	0%	10	5	1	4	-
Manufacturing, Processing, Building	5	7%	393	146	61	169	17
Office, Administration, Financial	6	14%	784	260	153	292	79
Other	7	29%	1659	366	40	1201	52
Sales, Services	8	10%	578	198	44	310	26
Science, Engineering	9	2%	106	46	14	38	8
Sports, Arts	10	0%	25	11	3	11	-
Trades	11	5%	280	95	59	113	13
Travel, Transport	12	3%	174	86	20	61	7
No Response	X	18%	1040	262	463	305	10
<b>Total:</b>			<b>5654</b>	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>

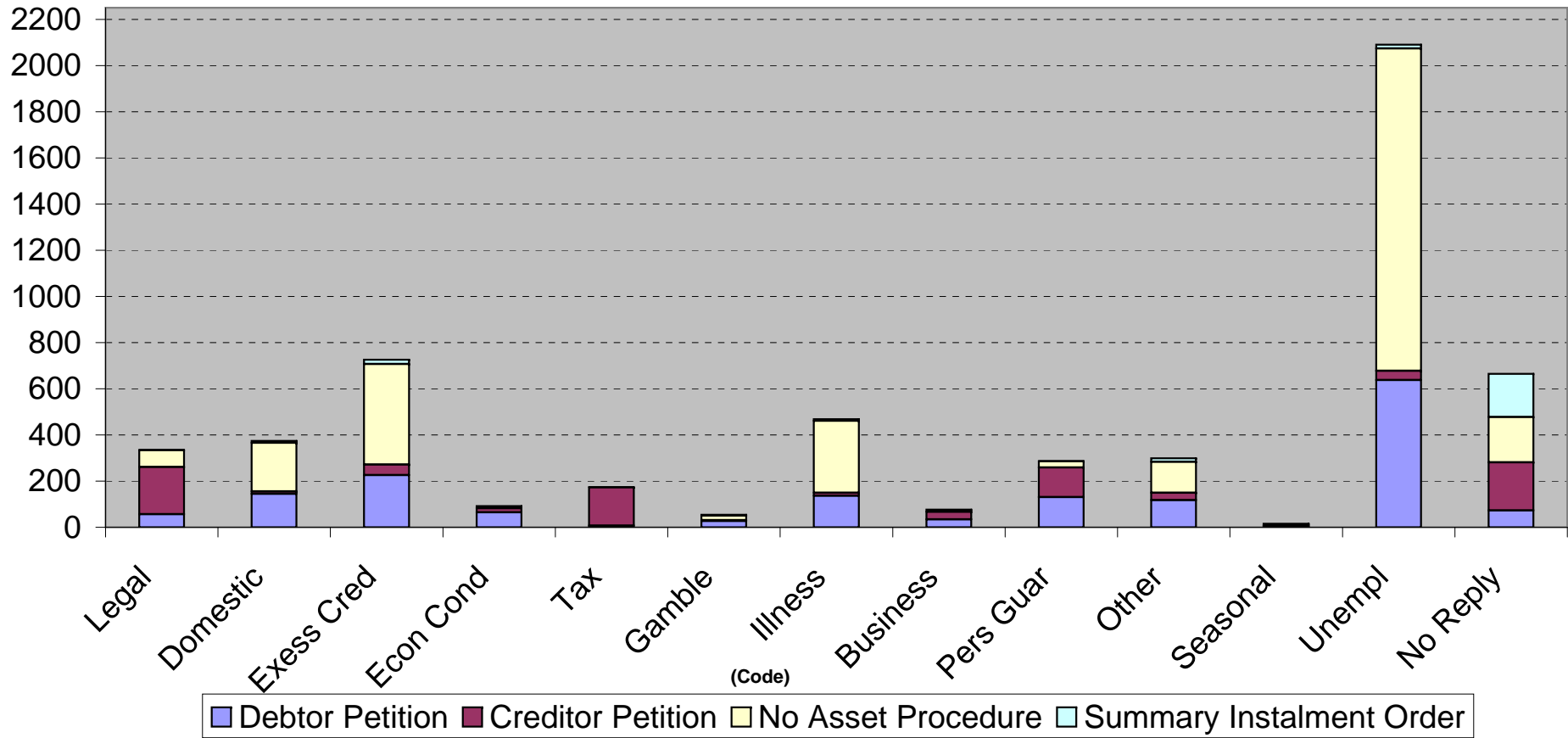
### Statistical Occupation of Debtor at Date Order Made 2008/09



The statistical occupation field for personal insolvencies in the ITS database is based on the Statistics New Zealand classification on their website at:  
<http://www.stats.govt.nz/NR/rdonlyres/1D8293AE-D42B-47FB-8A9E-61B5F2A15494/0/NZSCO99.pdf>

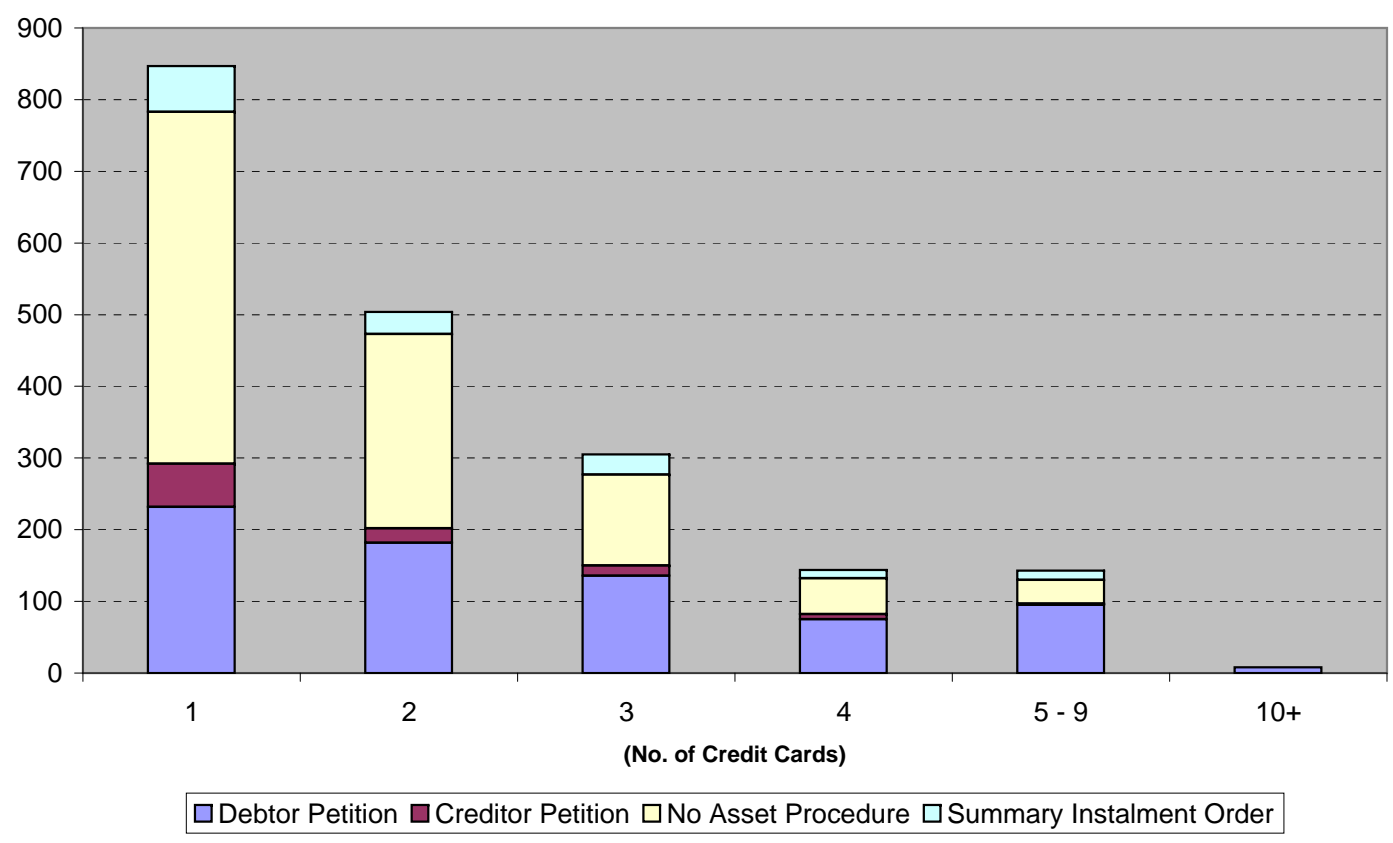
Major Reason Given as Cause of Personal Insolvency							
2008/09							
Cause	Code	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Adverse legal action	Legal	6%	335	57	204	73	1
Domestic discord or relationship breakdown	Domestic	7%	374	145	10	211	8
Adverse economic conditions affecting industry	Econ Cond	1%	82	62	11	9	-
Excessive drawings	Exess Cred	0%	6	-	5	1	-
Excessive interest payments	Exess Cred	3%	155	47	18	85	5
Excessive use of credit facilities	Exess Cred	10%	565	179	23	349	14
Failure of another business organisation	Econ Cond	0%	10	3	6	1	-
Failure to keep proper books of account and costing records	Business	0%	9	6	3	-	-
Failure to provide for taxation	Tax	3%	174	7	166	1	-
Gambling, speculation and extravagance in living	Gamble	1%	54	27	4	20	3
Ill health or absence of health insurance	Illness	8%	468	137	12	312	7
Inability to collect debts due to disputes, faulty work or bad debts	Business	0%	5	2	2	1	-
Lack of business ability including under-quoting or failure to assess potential of business	Business	0%	19	6	7	6	-
Lack of sufficient working capital	Business	1%	43	20	21	2	-
Liabilities due to guarantees	Pers Guar	5%	287	130	129	27	1
Other	Other	5%	299	118	31	135	15
Seasonal conditions including floods and drought	Seasonal	0%	15	4	3	8	-
Unemployment or loss of income	Unempl	37%	2090	637	41	1396	16
No Response	No Reply	12%	664	73	208	196	187
			<b>5654</b>	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>

### Major Reason Given as Cause of Personal Insolvency 2008/09



<b>Number of Credit Cards Held By Debtors</b>				
<b>2008/09</b>				
<b>No. of Credit Cards</b>	<b>Debtor Petition</b>	<b>Creditor Petition</b>	<b>No Asset Procedure</b>	<b>Summary Instalment Order</b>
1	232	60	491	64
2	182	20	271	31
3	136	14	127	28
4	75	7	50	12
5 - 9	95	2	33	13
10+	8	-	-	-
Not Disclosed	932	801	1861	109
	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>
<b>5654</b>				

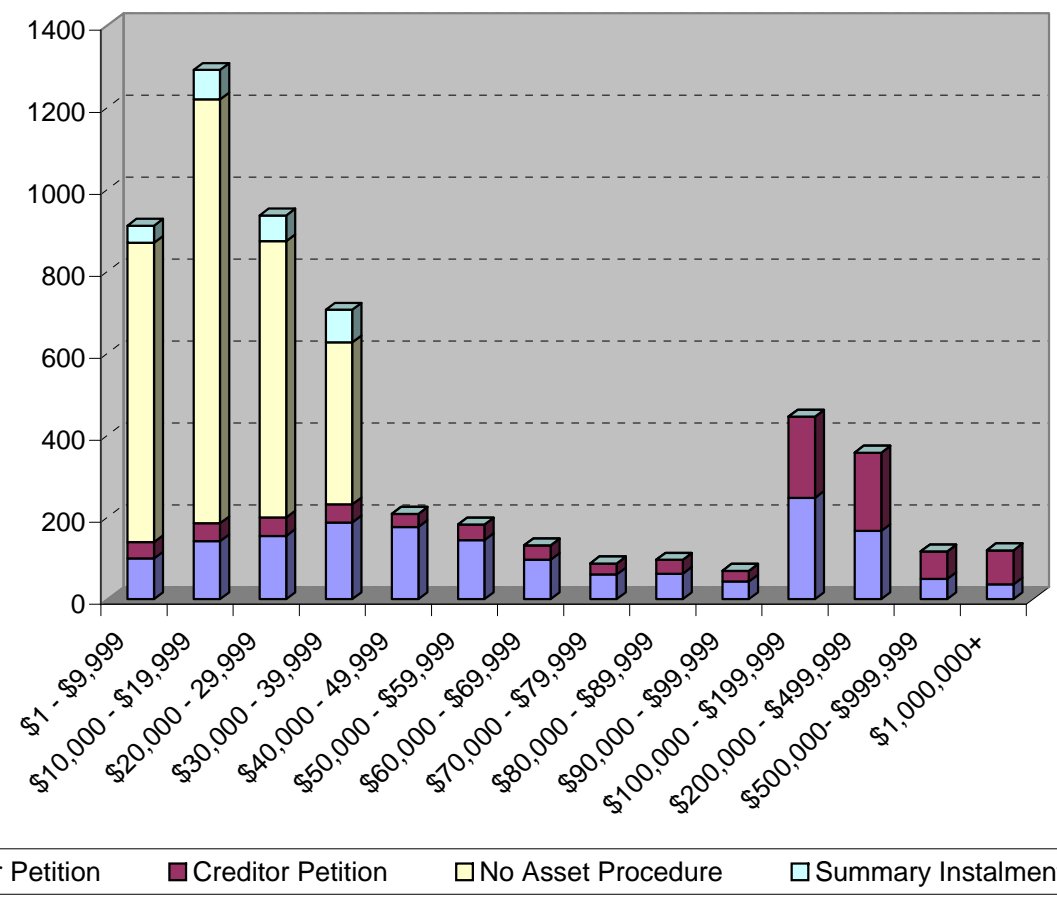
### Number of Credit Cards Held by Debtors 2008/09



<b>Debt Levels</b>				
<b>2008/09</b>				
<b>Debt Level</b>	<b>Debtor Petition</b>	<b>Creditor Petition</b>	<b>No Asset Procedure</b>	<b>Summary Instalment Order</b>
\$1 - \$9,999	99	40	730	42
\$10,000 - \$19,999	141	44	1034	72
\$20,000 - 29,999	154	45	674	63
\$30,000 - 39,999	187	44	395	80
\$40,000 - 49,999	176	32	-	-
\$50,000 - \$59,999	144	38	-	-
\$60,000 - \$69,999	96	35	-	-
\$70,000 - \$79,999	60	27	-	-
\$80,000 - \$89,999	62	34	-	-
\$90,000 - \$99,999	43	26	-	-
\$100,000 - \$199,999	247	198	-	-
\$200,000 - \$499,999	166	191	-	-
\$500,000- \$999,999	49	67	-	-
\$1,000,000+	36	83	-	-
	<b>1660</b>	<b>904</b>	<b>2833</b>	<b>257</b>
	<b>5654</b>			



### Debt Levels 2008/09



<b>Funds Recovered by ITS Per Financial Year 1 July - 30 June</b>					
<b>Bankruptcies</b>					
<b>Financial Year</b>	2005/06	2006/07	2007/08	2008/09	TOTAL
<b>Funds Recovered</b>	\$8,961,333.53	10,316,152.84	10,090,260.59	13,990,206.54	\$43,357,953.50

\*This excludes Summary Instalment Order figures

<b>Funds Distributed to Creditors Per Financial Year 1 July - 30 June</b>					
<b>Bankruptcies</b>					
<b>Financial Year</b>	2005/06	2006/07	2007/08	2008/09	TOTAL
<b>Funds Recovered</b>	\$7,553,019.97	5,935,697.04	6,752,692.00	6,532,823.01	\$26,774,232.02

\*This excludes Summary Instalment Order figures

Funds Recovered by ITS Per Financial Year 1 July - 30 June			
Summary Instalment Orders			
Financial Year	2007/08	2008/09	TOTAL
Funds Recovered	\$37,287.66	\$641,189.60	\$678,477.26

Funds Distributed to Creditors Per Financial Year 1 July - 30 June			
Summary Instalment Orders			
Financial Year	2007/08	2008/09	TOTAL
Funds Recovered	\$875.75	\$442,307.83	\$443,183.58

#### Notes on Summary Instalment Orders

The Official Assignee became responsible for the administration of the Summary Instalment Order (SIO) regime, formerly the domain of the District Court, in December 2007.

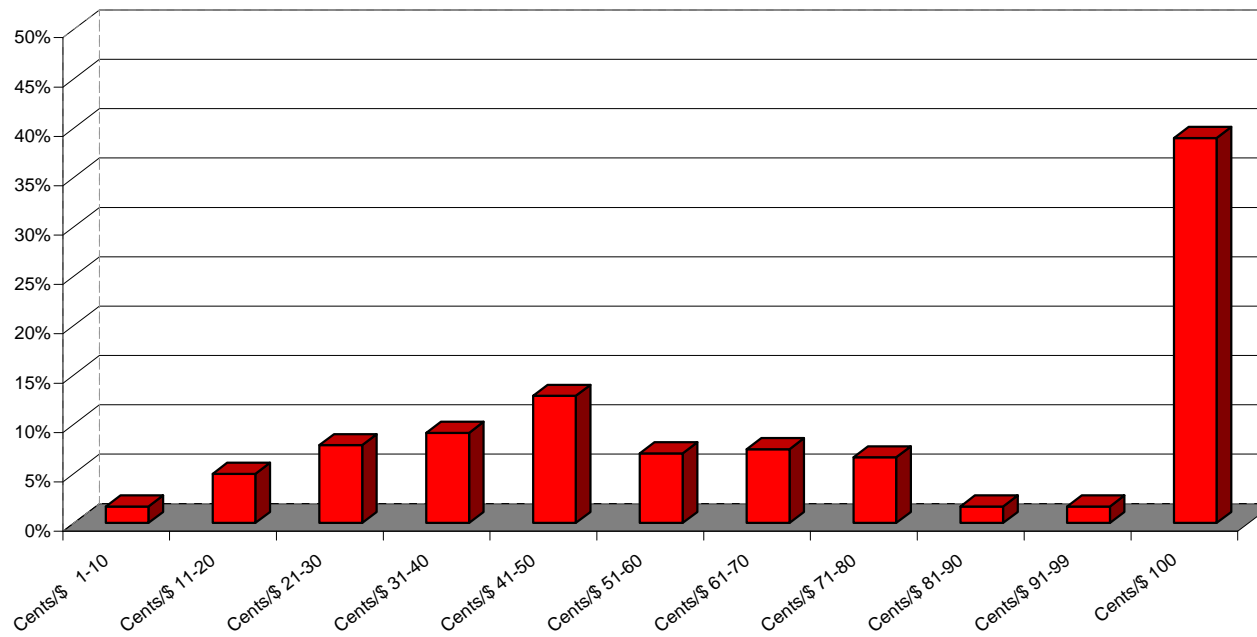
A SIO is an alternative to bankruptcy and is a formal arrangement between a debtor and their creditor(s) that allows the debtor to pay back all, or an agreed part, of their debts by instalments. SIO's are usually for three years, but where there are special circumstances the period can be extended to five years.

SIO's provide an opportunity for the debtor to learn to live on a budget and to manage finances. These skills may prevent the debtor from getting into financial difficulties in the future and a return to creditors is assured.

The debtor or the creditor(s) (with the debtor's consent) may apply for entry into a SIO. The Official Assignee may grant a SIO if the total unsecured debts (excluding student loans, fines, penalties, and reparation orders) are less than \$NZ40,000 and the debtor is unable to pay their debts immediately. Before granting a SIO, the Official Assignee allows the debtor and creditor(s) to make representations about the making of the order.

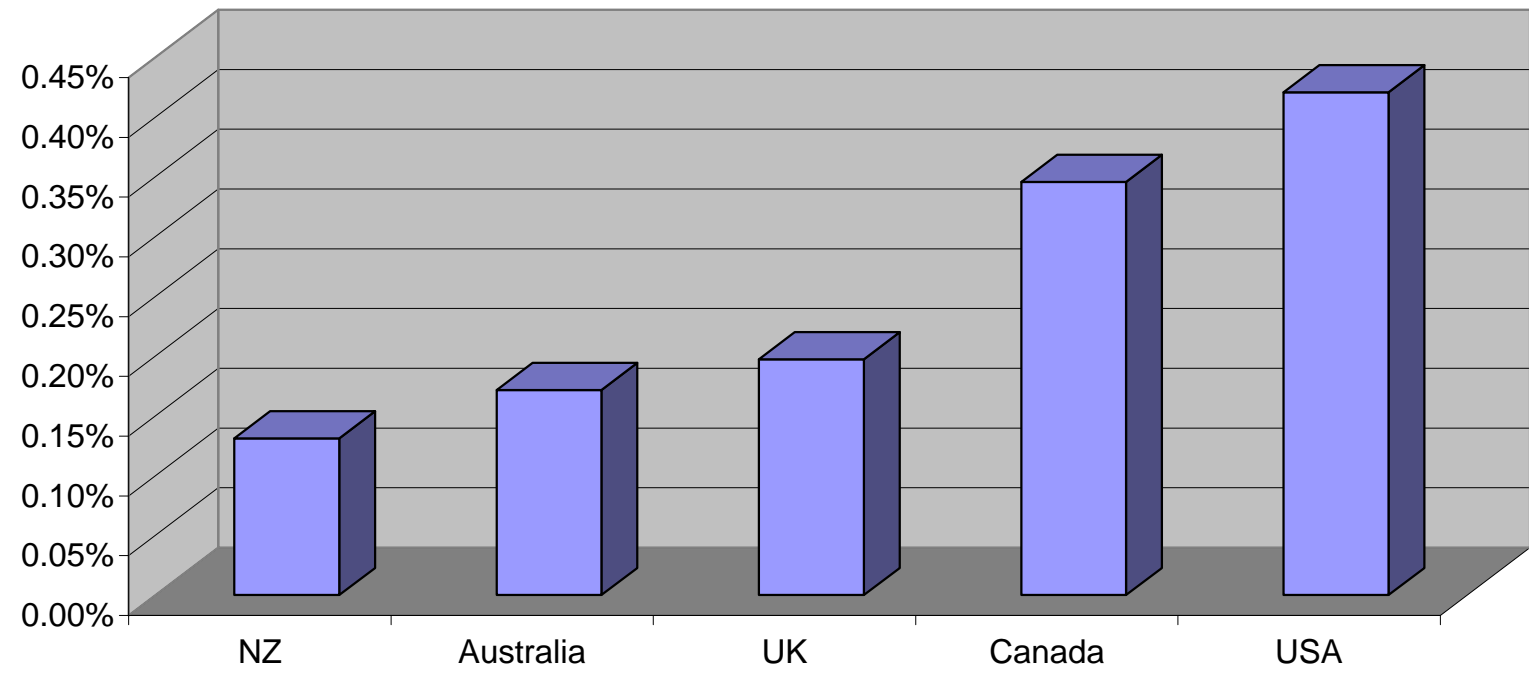
The ITS administered 257 new SIO's for the financial year ending 30 June 2009, representing 5% of all Personal Insolvency work administered by the Official Assignee with 39% paying 100 cents in the dollar back to their creditor's and over 50% returning 60 cents or better in the dollar to their creditor's.

### Repayment Rate Offered in SIO Orders Made 2008/09



<b>Annual Rates of Personal Insolvency as a Percentage of Population</b>			
<b>2008/09</b>			
<b>Country</b>	<b>Est. Population at July 2009</b>	<b>Number of Personal Insolvencies for a 12 month period</b>	<b>% of Population July 09</b>
NZ	4,315,800	5,654	0.13%
Australia	21,262,641	36,479	0.17%
UK	61,113,205	120,504	0.20%
Canada	33,487,207	115,789	0.35%
USA	307,212,123	1,292,212	0.42%

### Personal Insolvencies as a Percentage of Population 2008/09



**Population Estimates Obtained From:**

NZ: [www.stats.govt.nz](http://www.stats.govt.nz)

Australia: [www.cia.gov/library/publications/the-world-factbook/geos/as.html](http://www.cia.gov/library/publications/the-world-factbook/geos/as.html)

UK: [www.cia.gov/library/publications/the-world-factbook/geos/uk.html](http://www.cia.gov/library/publications/the-world-factbook/geos/uk.html)

Canada: [www.cia.gov/library/publications/the-world-factbook/geos/ca.html](http://www.cia.gov/library/publications/the-world-factbook/geos/ca.html)

USA: [www.cia.gov/library/publications/the-world-factbook/geos/us.html](http://www.cia.gov/library/publications/the-world-factbook/geos/us.html)

**International Bankruptcy Numbers Obtained From:**

Australia: [http://www.itsa.gov.au/dir228/itsaweb.nsf/docindex/Statistics-%3EAnnual%20Statistics%20Archive-%3EAnnual%20Stats%20Documents/\\$FILE/Jun0809\\_stats.pdf?OpenElement](http://www.itsa.gov.au/dir228/itsaweb.nsf/docindex/Statistics-%3EAnnual%20Statistics%20Archive-%3EAnnual%20Stats%20Documents/$FILE/Jun0809_stats.pdf?OpenElement)

UK: <http://www.insolvency.gov.uk/otherinformation/statistics/200902/index.htm>

Canada: <http://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br02118.html>

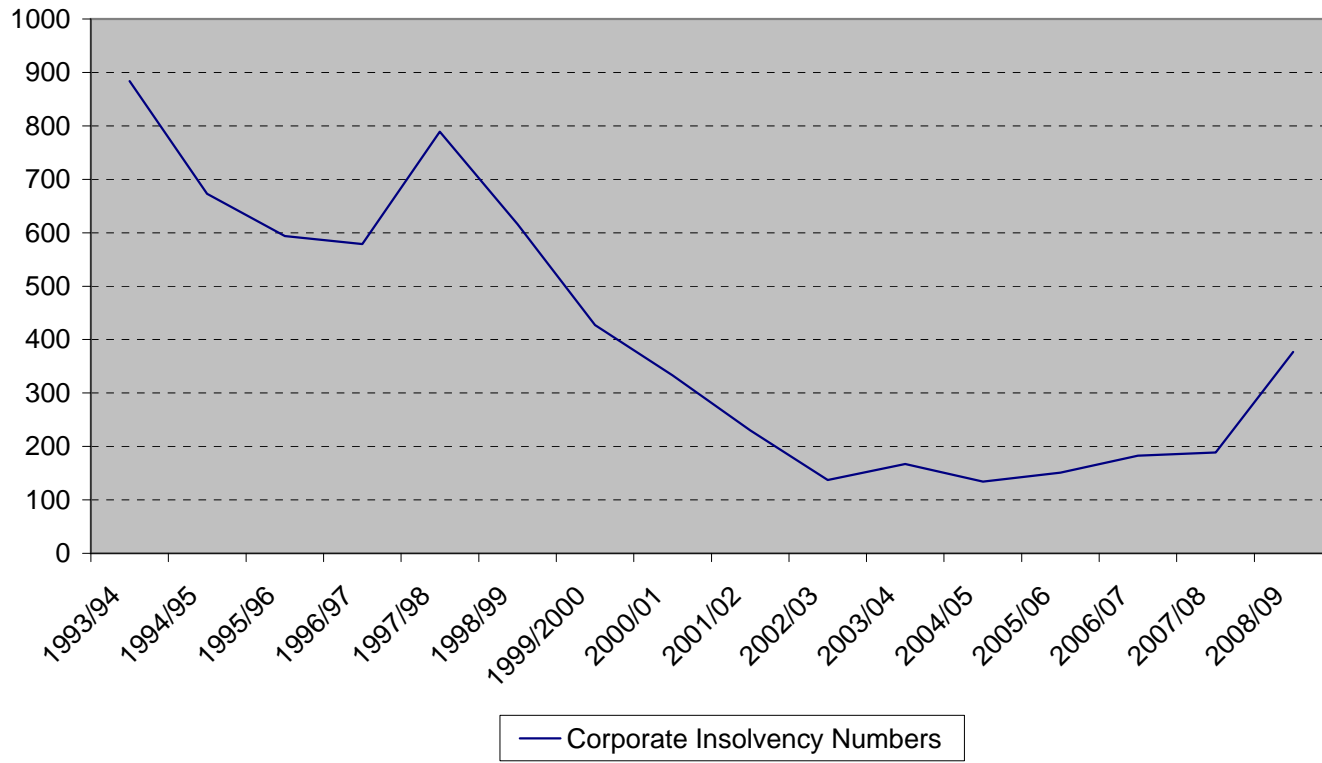
USA: [http://www.uscourts.gov/Press\\_Releases/2009/BankruptcyFilingsJun2009.cfm](http://www.uscourts.gov/Press_Releases/2009/BankruptcyFilingsJun2009.cfm)

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.

<b>Corporate Insolvency Figures Per Financial Year</b>	
<b>Financial Year 1 July - 30 June</b>	<b>Corporate Insolvency Numbers</b>
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
<b>2008/09</b>	<b>377</b>



### Corporate Insolvency Figures



Corporate Insolvency Figures					
2008/09					
High Court	2008/09	%	High Court	2008/09	%
Auckland	233	62%	Nelson	6	2%
Blenheim	1	0%	New Plymouth	1	0%
Christchurch	34	9%	Palmerston North	5	1%
Dunedin	7	2%	Rotorua	8	2%
Gisborne	0	0%	Tauranga	2	1%
Greymouth	0	0%	Timaru	0	0%
Hamilton	18	5%	Wanganui	3	1%
Invercargill	3	1%	Wellington	17	5%
Masterton	0	0%	Whangarei	8	2%
Napier	21	6%	*Interim Liquidation	1	0%
			*Voluntary Liquidation	9	2%
<b>TOTAL</b>			<b>377</b>		

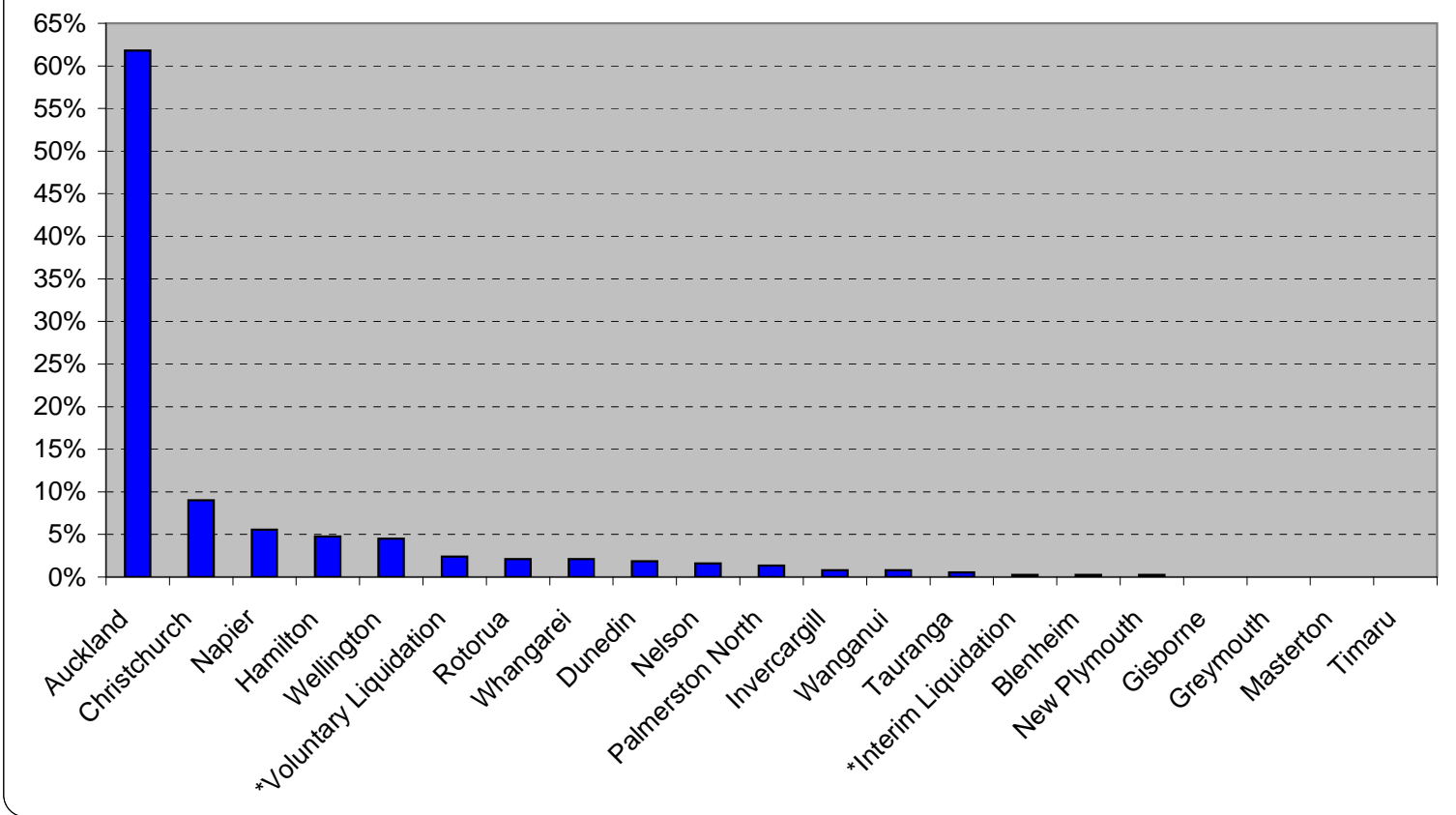
Notes:

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

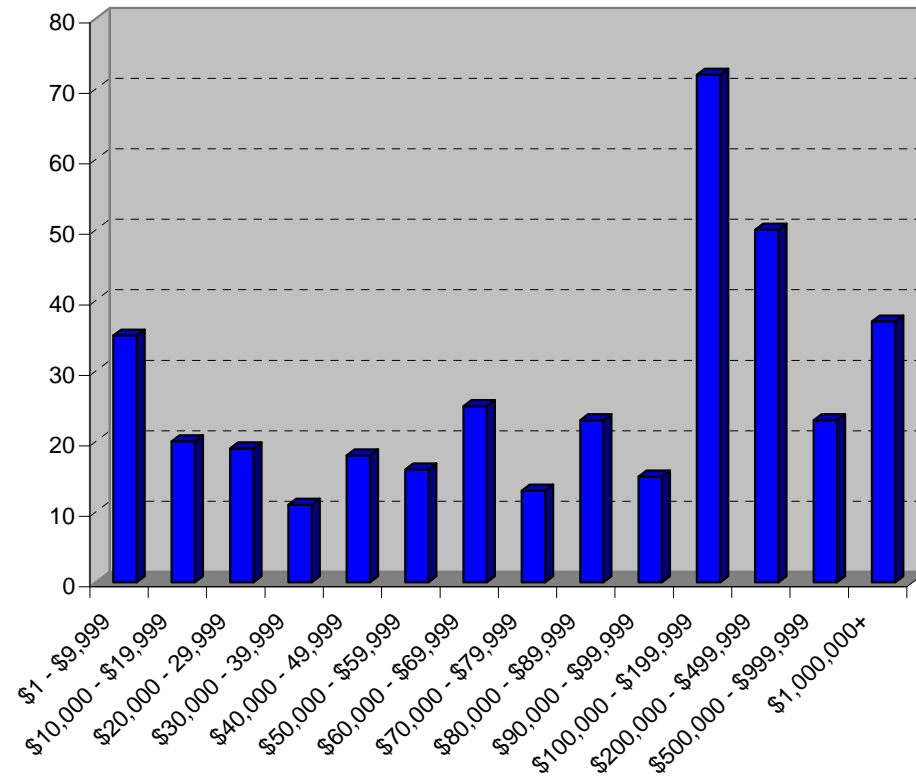
\*Voluntary Liquidations: These are liquidations that have no court order associated with the liquidation. This is due to the shareholders (usually the Official Assignee as a result of bankruptcy) placing the company into voluntary liquidation and subsequently appointing the Official Assignee as liquidator.

\*Interim Liquidations: These are liquidations where there is a need to preserve a company's assets pending the formal appointment of a liquidator to administer the affairs of the subject company. This occurs when the shareholders and directors of the company are at odds about who to appoint to administer the liquidation and there is considerable value in the company's assets. The Official Assignee as an officer of the court is the most likely candidate to be appointed interim liquidator.

### Corporate Insolvency by Region 2008/09



Corporate Insolvency Debt Levels	
2008/09	
Debt Level	Liquidations
\$1 - \$9,999	35
\$10,000 - \$19,999	20
\$20,000 - 29,999	19
\$30,000 - 39,999	11
\$40,000 - 49,999	18
\$50,000 - \$59,999	16
\$60,000 - \$69,999	25
\$70,000 - \$79,999	13
\$80,000 - \$89,999	23
\$90,000 - \$99,999	15
\$100,000 - \$199,999	72
\$200,000 - \$499,999	50
\$500,000 - \$999,999	23
\$1,000,000+	37
	<b>377</b>



<b>Funds Recovered by ITS Per Financial Year 1 July - 30 June</b>					
<b>Corporate Insolvency</b>					
<b>Financial Year</b>	2005/06	2006/07	2007/08	2008/09	TOTAL
<b>Funds Recovered</b>	\$1,492,016.01	1,127,558.48	2,182,611.46	3,366,823.39	\$8,169,009.34

<b>Funds Distributed to Creditors Per Financial Year 1 July - 30 June</b>					
<b>Corporate Insolvency</b>					
<b>Financial Year</b>	2005/06	2006/07	2007/08	2008/09	TOTAL
<b>Funds Recovered</b>	\$1,160,277.79	\$2,923,356.99	\$809,199.60	\$767,975.22	\$5,660,809.60