

Insolvency Statistics

For the year 1 July 2009 - 30 June 2010

Contents:

Personal Insolvencies:

1. Annual Totals
2. No Asset Procedure Applications
3. Age Groups & Gender Split
4. Ethnicity
5. Employment Status at Date of Adjudication
6. Occupation at Date of Adjudication
7. Reason for Personal Insolvency
8. No. of Credit Cards held at Date of Adjudication
9. Estate Debt Levels
10. Summary Instalment Order Repayment Rate

Corporate Insolvency Statistics:

11. Annual Totals
12. Debt Levels
13. Contributions/Distributions

Notes on Personal Insolvency Numbers

The ITS administered 6,426 new Personal Insolvency estates representing a 14% increase on the 2008/09 financial year. 42% of debtors stated that unemployment or loss of income was the major reason for their insolvency.

Notes on Company Liquidation Numbers

The ITS administered 237 liquidations representing a 37% increase on the 2008/09 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. The ITS cannot provide statistics on the liquidations it does not administer.

Comparative Analysis

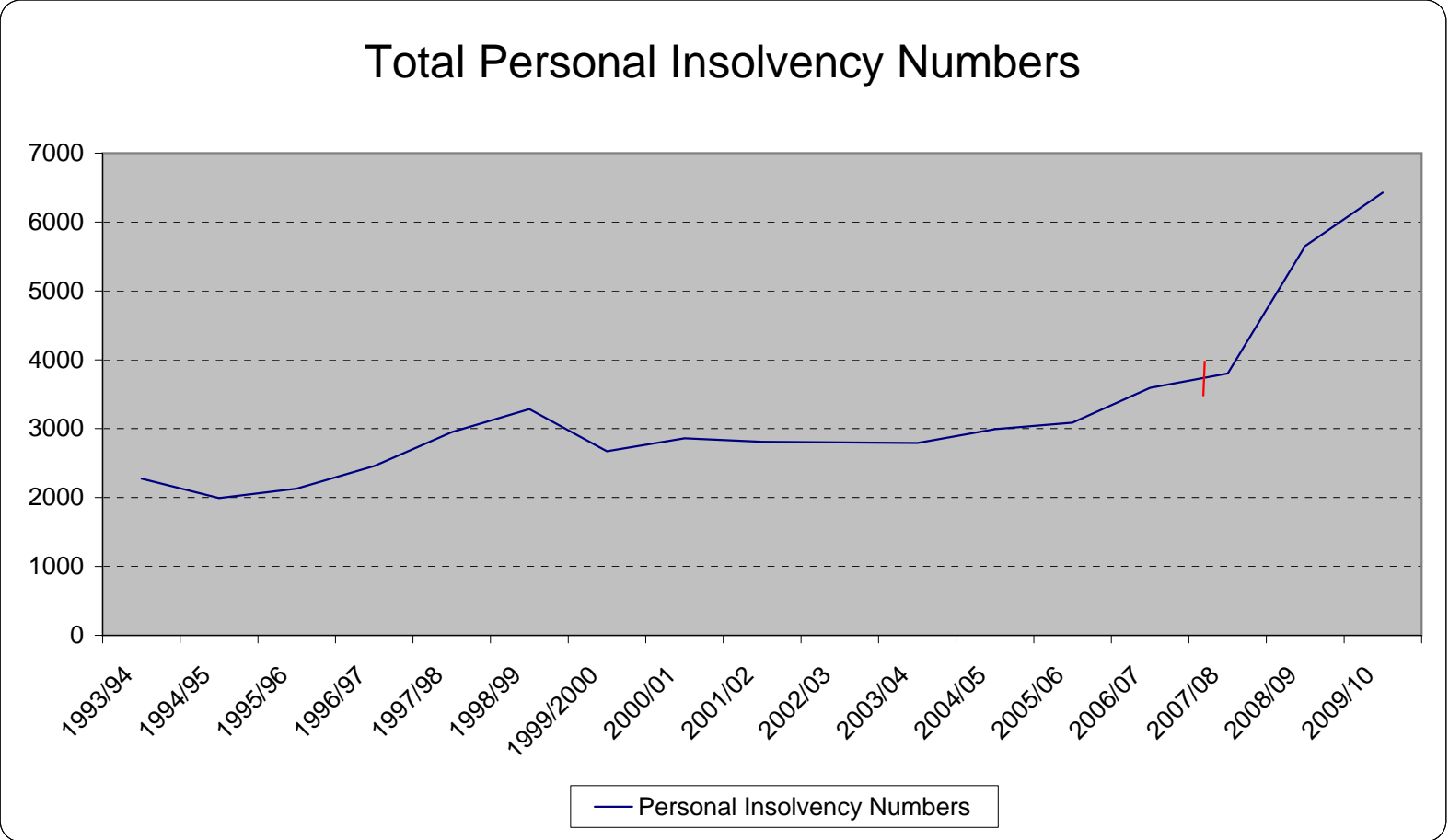
For comparative data on previous financial years please see our website <http://www.insolvency.govt.nz/cms/site-tools/about-us/statistics>.

Context

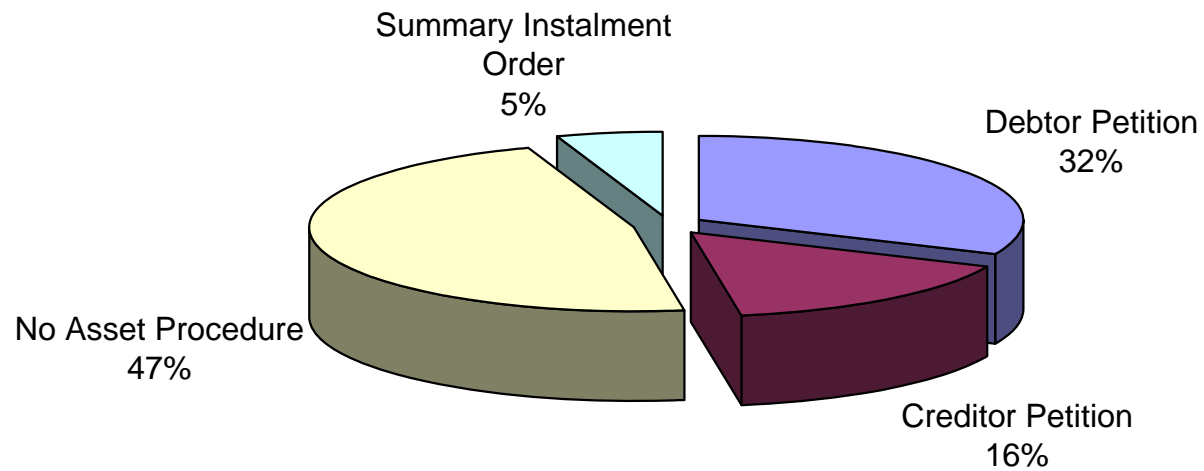
While all care is taken to ensure the accuracy of our statistical information, the Insolvency and Trustee Service cannot be held responsible for inaccuracies in any data provided to or by us, or how these statistics are used by any party.

www.insolvency.govt.nz

Total 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
2008/09	5654	1660	904	2833	257
2009/10	6426	2026	1028	3026	346

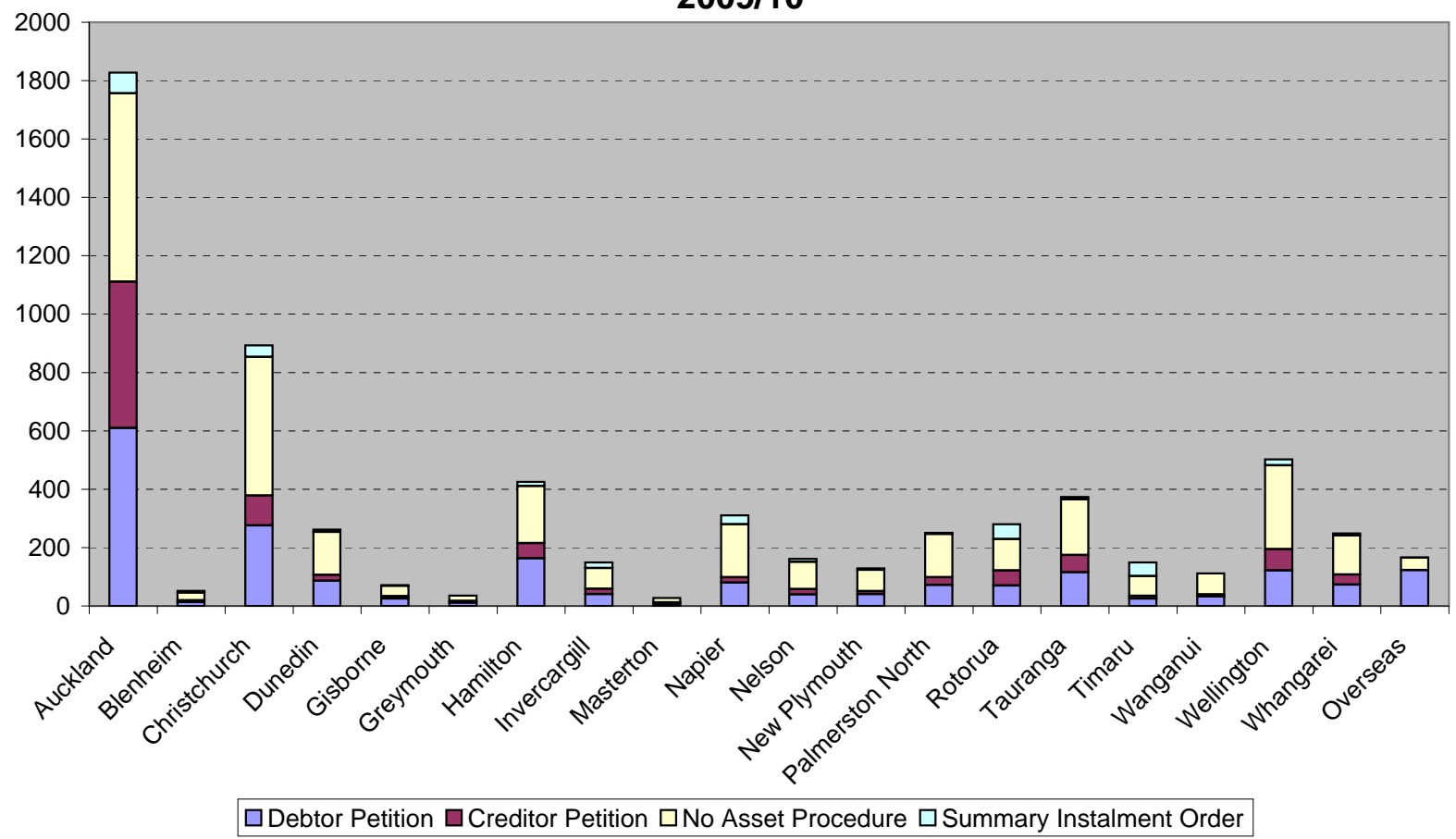


Personal Insolvency Applications Accepted 2009/10



Court Region of Debtor at Date Order Made						
2009/10						
Court Region	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Auckland	28%	1828	610	501	645	72
Blenheim	1%	52	13	6	27	6
Christchurch	14%	893	276	102	475	40
Dunedin	4%	262	86	21	147	8
Gisborne	1%	71	25	8	36	2
Greymouth	1%	36	11	6	19	-
Hamilton	7%	425	163	52	196	14
Invercargill	2%	149	41	18	71	19
Masterton	0%	27	7	5	15	-
Napier	5%	311	80	18	182	31
Nelson	3%	161	40	18	93	10
New Plymouth	2%	129	41	10	73	5
Palmerston North	4%	251	72	26	149	4
Rotorua	4%	280	70	52	107	51
Tauranga	6%	373	116	59	190	8
Timaru	2%	149	25	10	67	47
Wanganui	2%	112	32	8	72	-
Wellington	8%	502	122	73	287	20
Whangarei	4%	249	73	35	133	8
Overseas	3%	166	123	-	42	1
		6426	2026	1028	3026	346

Court Region 2009/10



No Asset Procedure Applications				
	Received	Accepted	Rejected	Terminated
2009/10	4200	3026	1341	68
2008/09	4310	2833	1432	106
2007/08	1654	1213	383	8

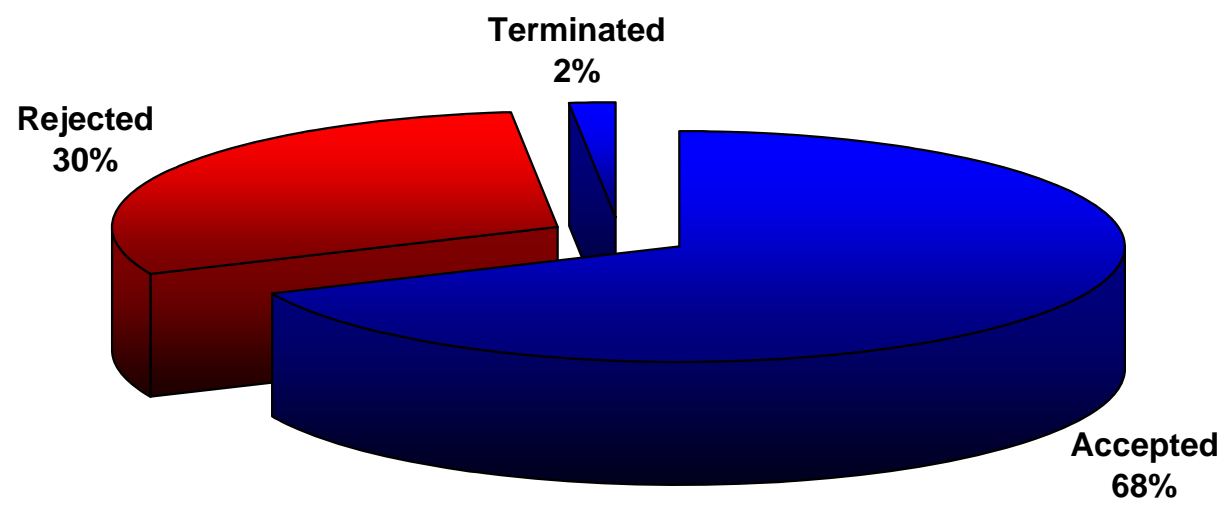
Notes on No Asset Procedure

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.

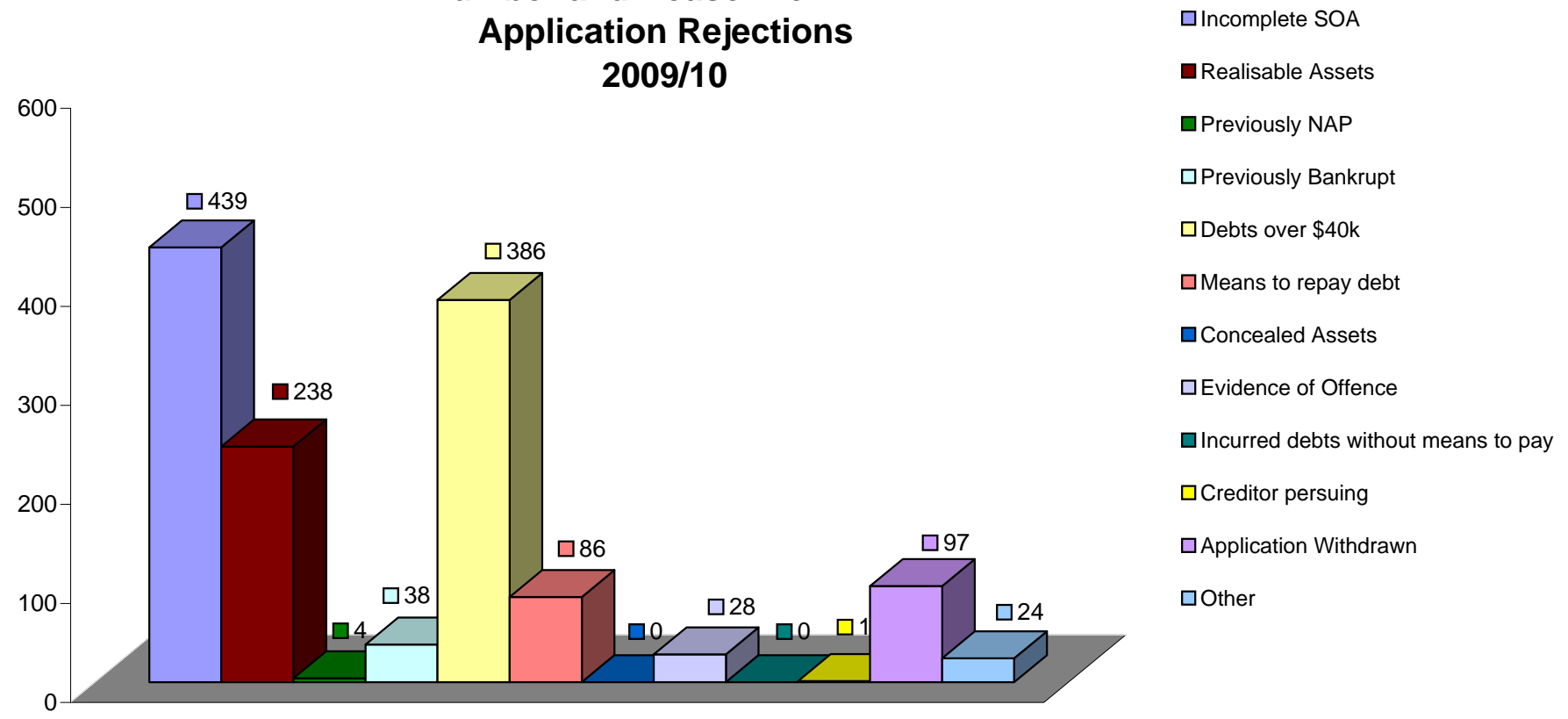
The Official Assignee may grant a NAP if the total debts (excluding student loans) are not less than \$NZ1,000 and not more than \$NZ40,000 and the debtor has no realisable assets and has never been declared bankrupt or previously been admitted to a NAP.

The ITS received 4,200 applications to enter a NAP and accepted 3,026 of these for the financial year ending 30 June 2010. The accepted applications represents 47% of all Personal Insolvency work administered by the Official Assignee.

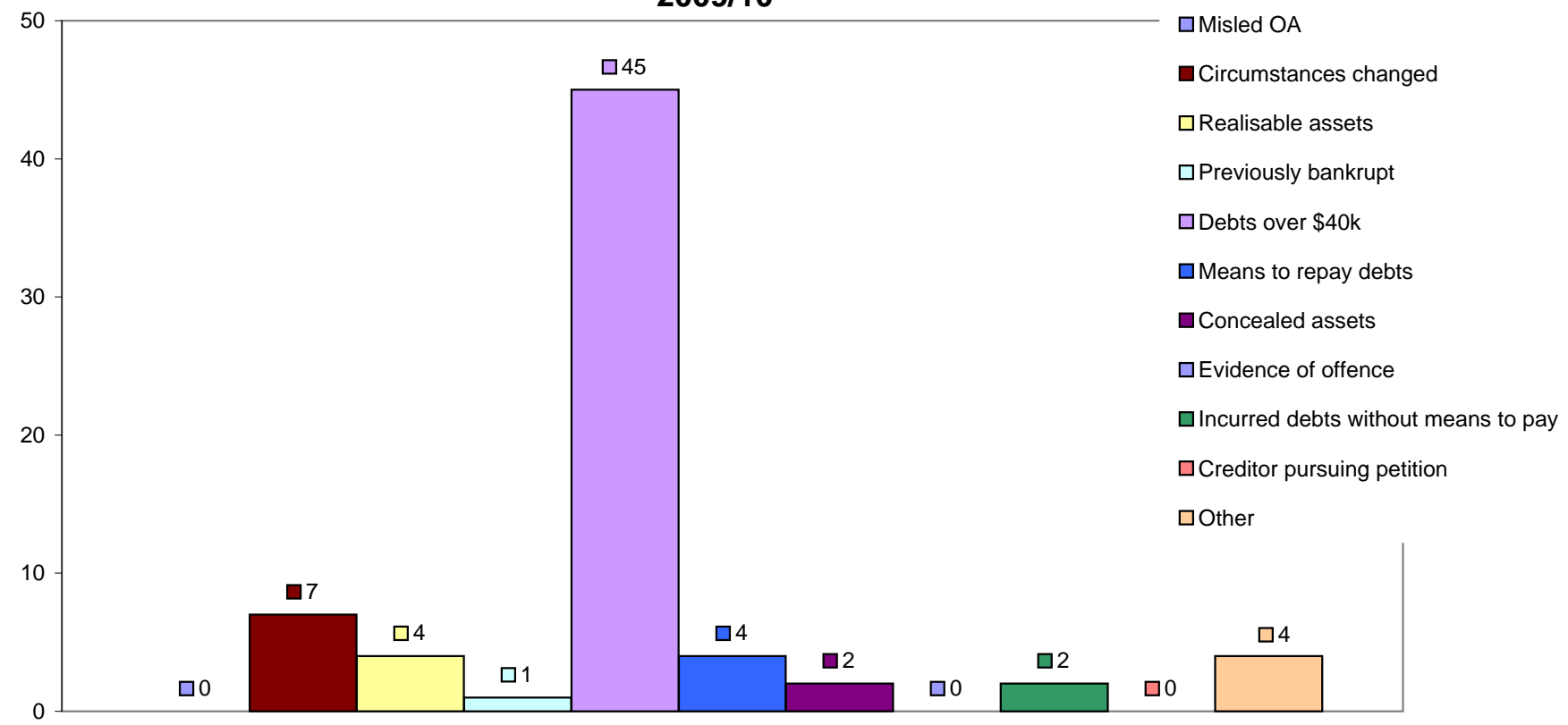
No Asset Procedure Application Status 2009/10



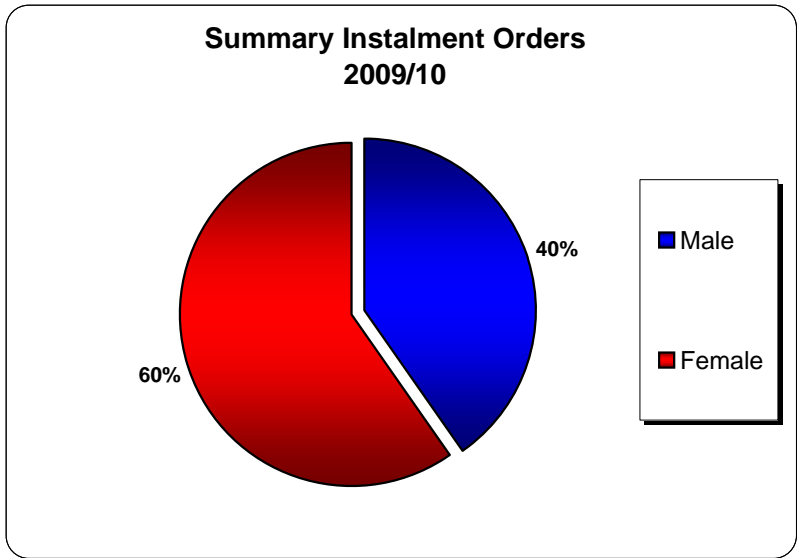
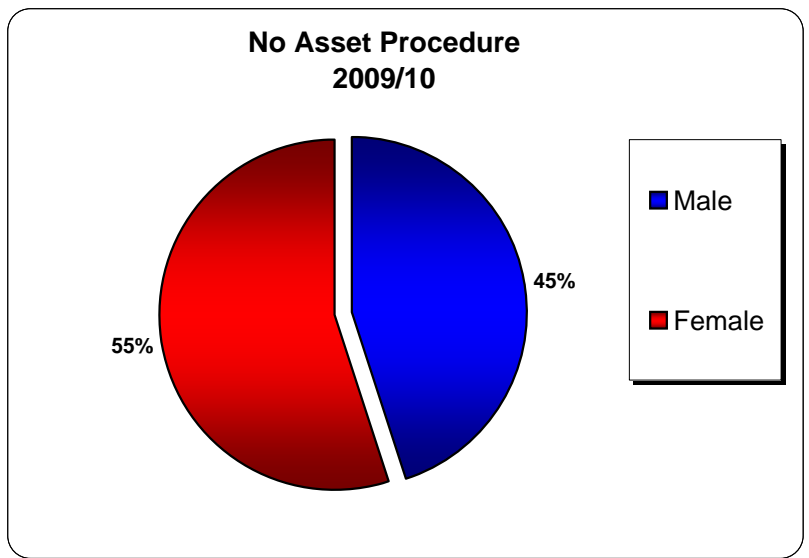
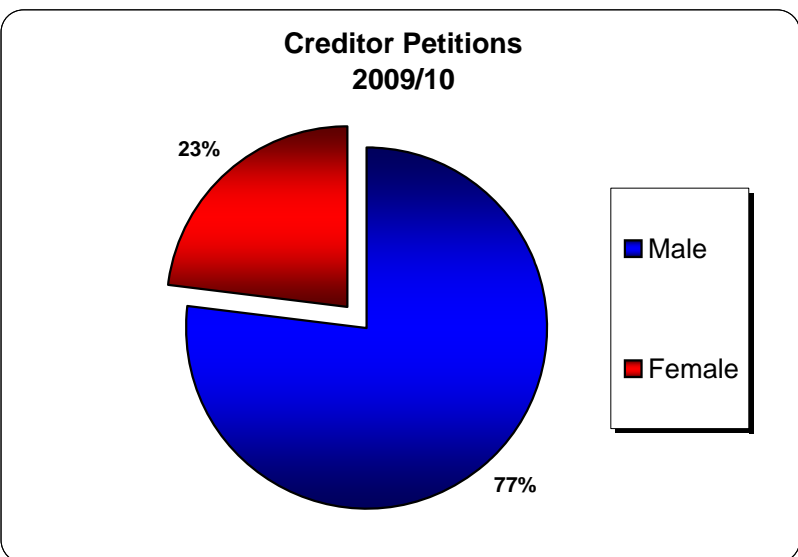
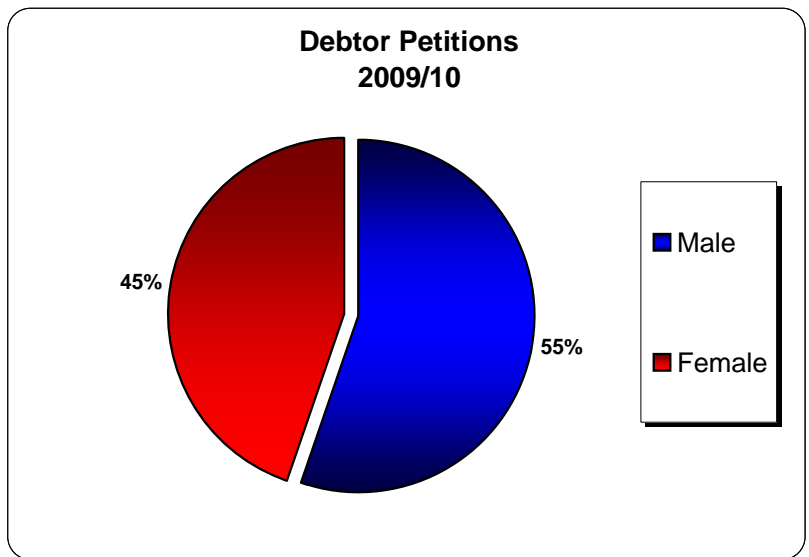
Number and Reason for NAP Application Rejections 2009/10



Number & Reason for NAP Terminations 2009/10



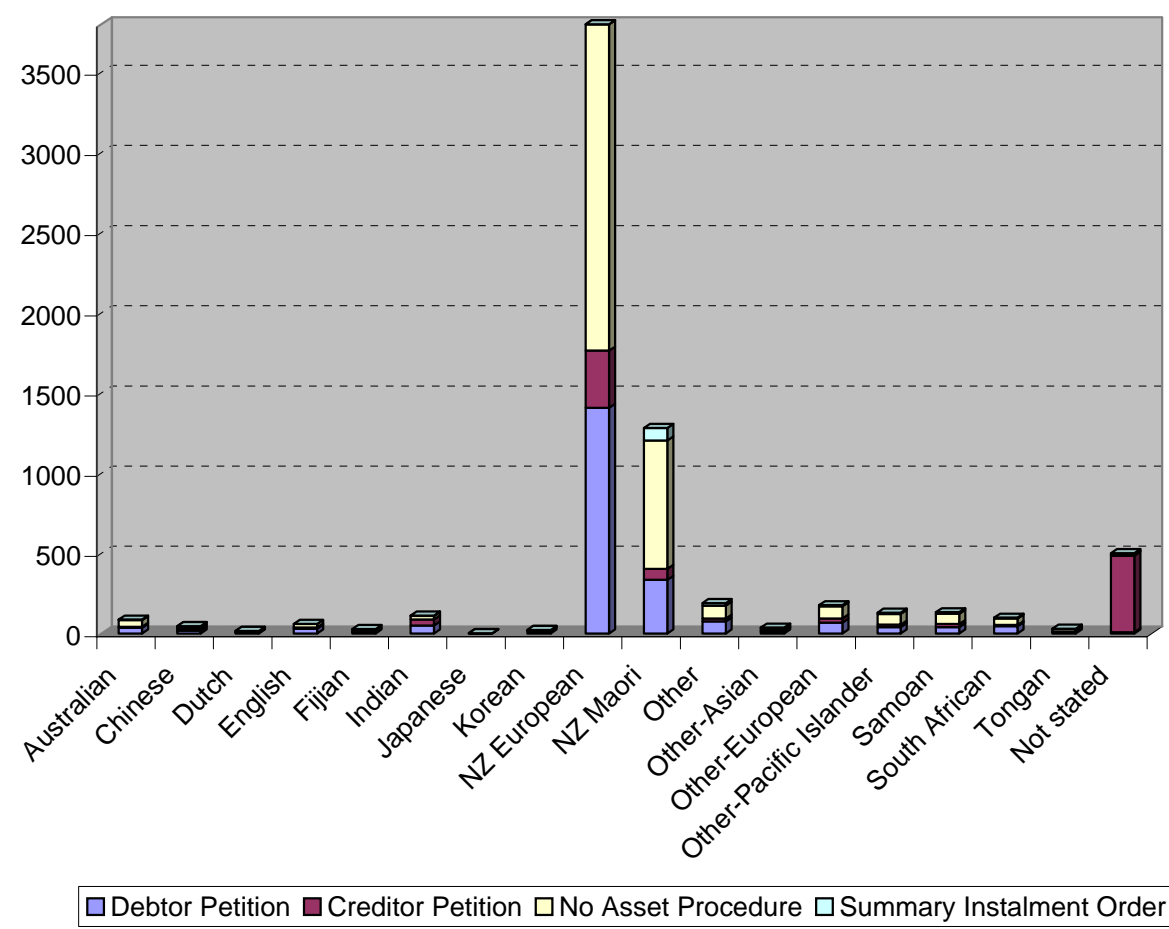
Age & Gender Breakdown of Debtor					
2009/10					
Age Groups (years)	%	Total	Male	Female	Not Stated
16 - 19	1%	82	44	38	-
20 - 24	12%	781	359	422	-
25 - 29	12%	757	339	418	-
30 - 34	12%	761	379	382	-
35 - 39	13%	861	462	399	-
40 - 44	12%	789	418	371	-
45 - 49	11%	736	378	358	-
50 - 54	9%	552	332	220	-
55 - 59	6%	403	234	169	-
60 - 64	4%	249	153	96	-
65 - 69	2%	106	72	34	-
70 - 74	1%	57	32	25	-
75 - 79	0%	29	18	11	-
80+	0%	16	8	8	-
Age Not Stated	4%	241	176	65	-
No Gender or Age Stated	0%	6	-	-	6
Total		6,426	3,404	3,016	6



Ethnicity						
2009/10						
Ethnicity*	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Australian	1%	87	36	6	41	4
Chinese	1%	47	18	15	14	-
Dutch	0%	16	6	2	8	-
English	1%	60	30	8	21	1
Fijian	0%	28	6	8	12	2
Indian	2%	112	50	38	21	3
Japanese	0%	3	2	1	-	-
Korean	0%	22	13	4	5	-
NZ European	58%	4083	1408	356	2090	229
NZ Maori	18%	1282	335	69	800	78
Other	3%	190	75	18	81	16
Other-Asian	1%	37	14	7	13	3
Other-European	3%	177	68	26	76	7
Other-Pacific Islander	2%	130	40	15	67	8
Samoan	2%	133	40	19	64	10
South African	1%	99	45	8	40	6
Tongan	0%	30	9	3	16	2
Not stated	7%	501	9	476	6	10
		7037	2204	1079	3375	379

*Debtors can list more than one ethnicity

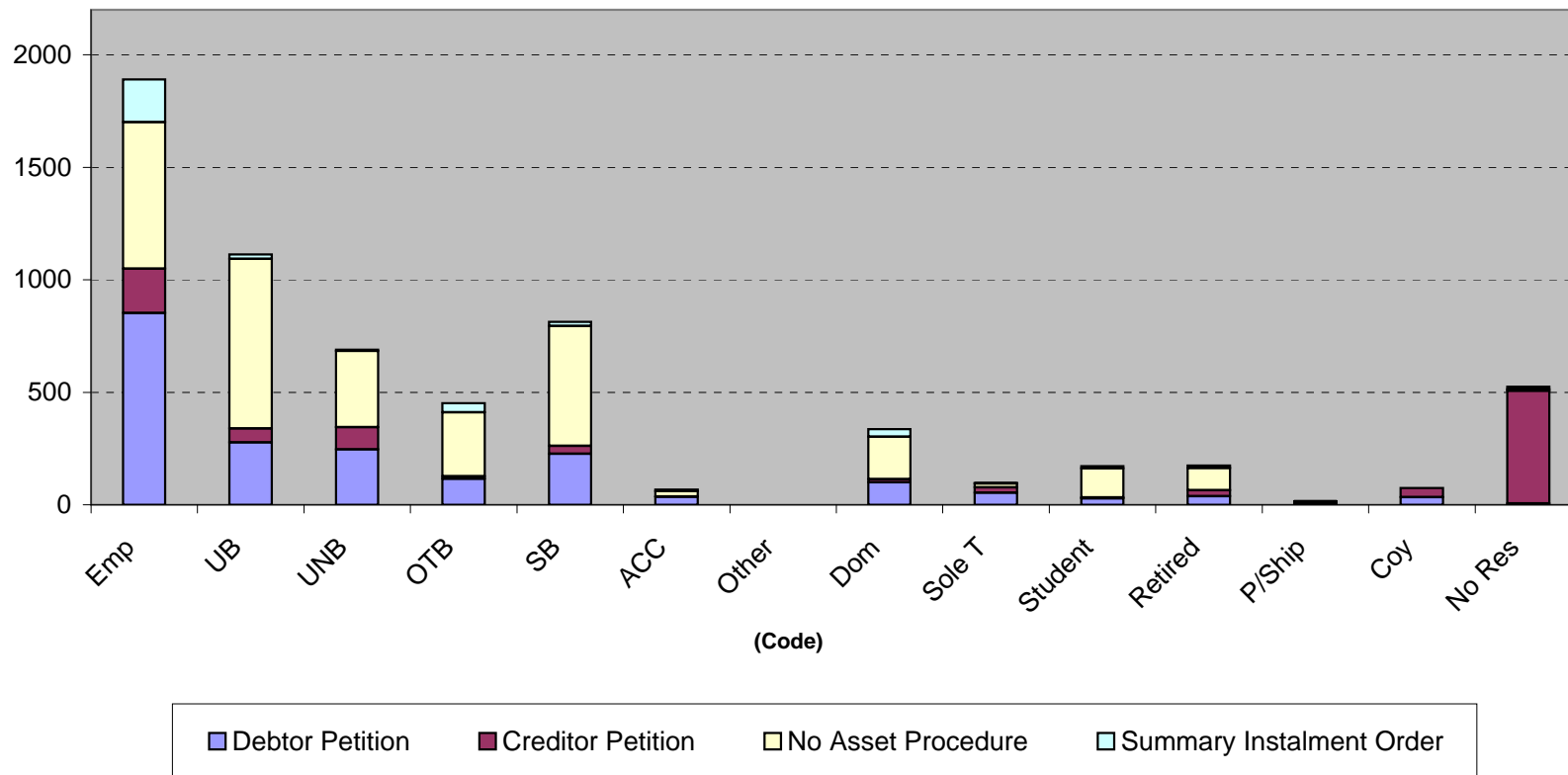
Ethnicity 2009/10



*Debtors can list more than one ethnicity

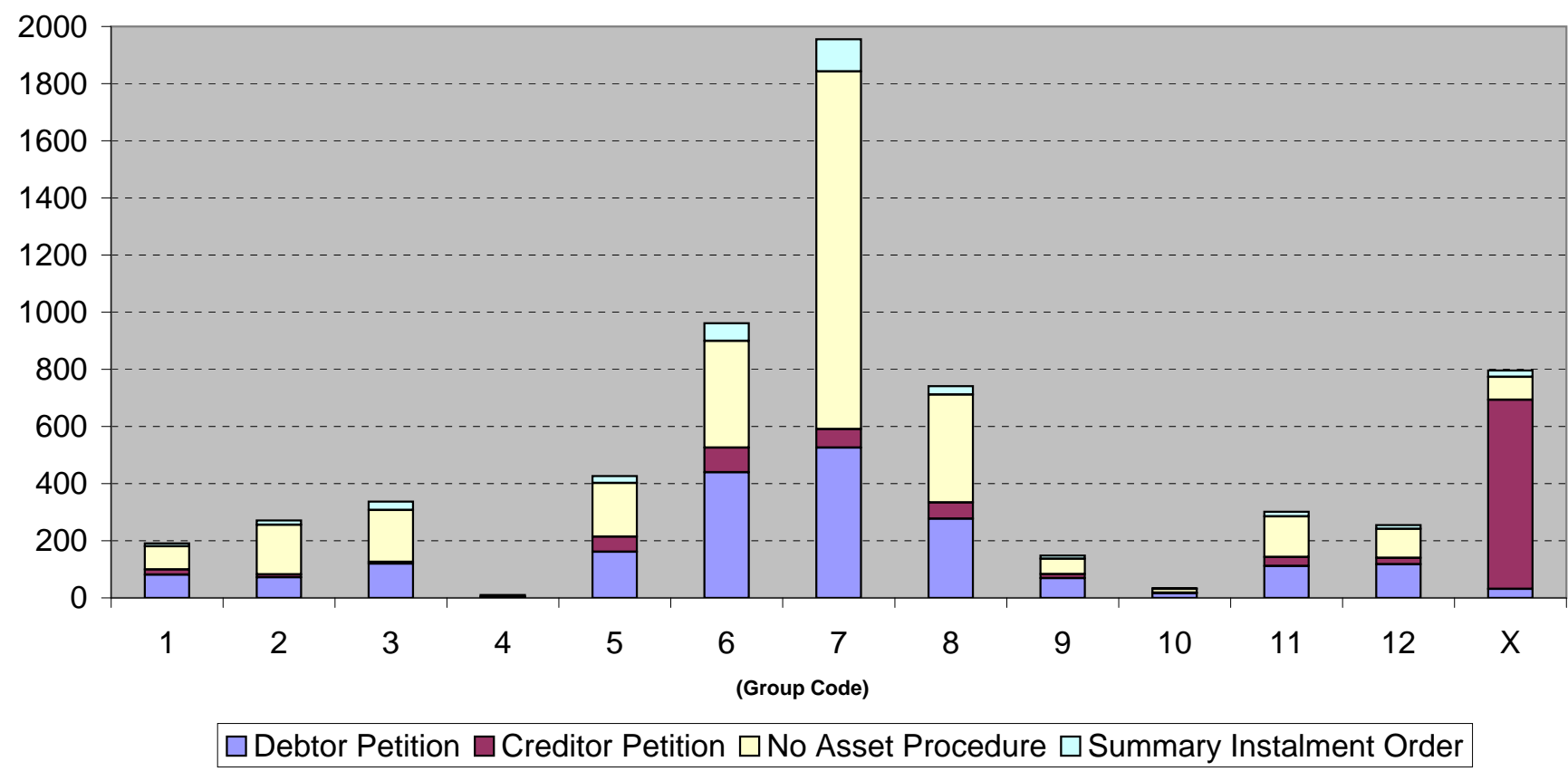
Employment Status of Debtor at Date Order Made						
2009/10						
Description	Code	%	Total	Male	Female	Gender not specified
Employed (by a 3rd party)	Emp	29%	1890	1050	840	-
Unemployment - Benefit	UB	17%	1112	548	564	-
Unemployed - No Benefit	UNB	11%	689	475	214	-
Other Benefit	OTB	7%	451	114	337	-
Sickness Benefit	SB	13%	813	429	384	-
ACC	ACC	1%	67	43	24	-
Other	Other	0%	-	-	-	-
Domestic	Dom	5%	336	30	306	-
Sole Trader	Sole T	2%	97	72	25	-
Student	Student	3%	172	68	104	-
Retired	Retired	3%	174	98	76	-
Trading in a Partnership	P/Ship	0%	23	10	7	6
Director of a Limited Liability Company	Coy	1%	75	61	14	-
No Response	No Res	8%	527	406	121	-
			6426	3404	3016	6

Employment Status 2009/10



Statistical Occupation of Debtor at Date Order Made							
2009/10							
Major Group Name	Group Code	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Agriculture, Horticulture	1	3%	191	81	18	82	10
Education	2	4%	271	72	10	174	15
Health, Social Work	3	5%	337	120	6	182	29
Legal	4	0%	10	3	2	5	-
Manufacturing, Processing, Building	5	7%	426	161	53	188	24
Office, Administration, Financial	6	15%	961	440	86	373	62
Other	7	30%	1955	526	65	1252	112
Sales, Services	8	12%	741	277	57	378	29
Science, Engineering	9	2%	148	69	14	54	11
Sports, Arts	10	1%	33	16	2	13	2
Trades	11	5%	302	112	31	142	17
Travel, Transport	12	4%	255	118	22	102	13
No Response	X	12%	796	31	662	81	22
Total:			6426	2026	1028	3026	346

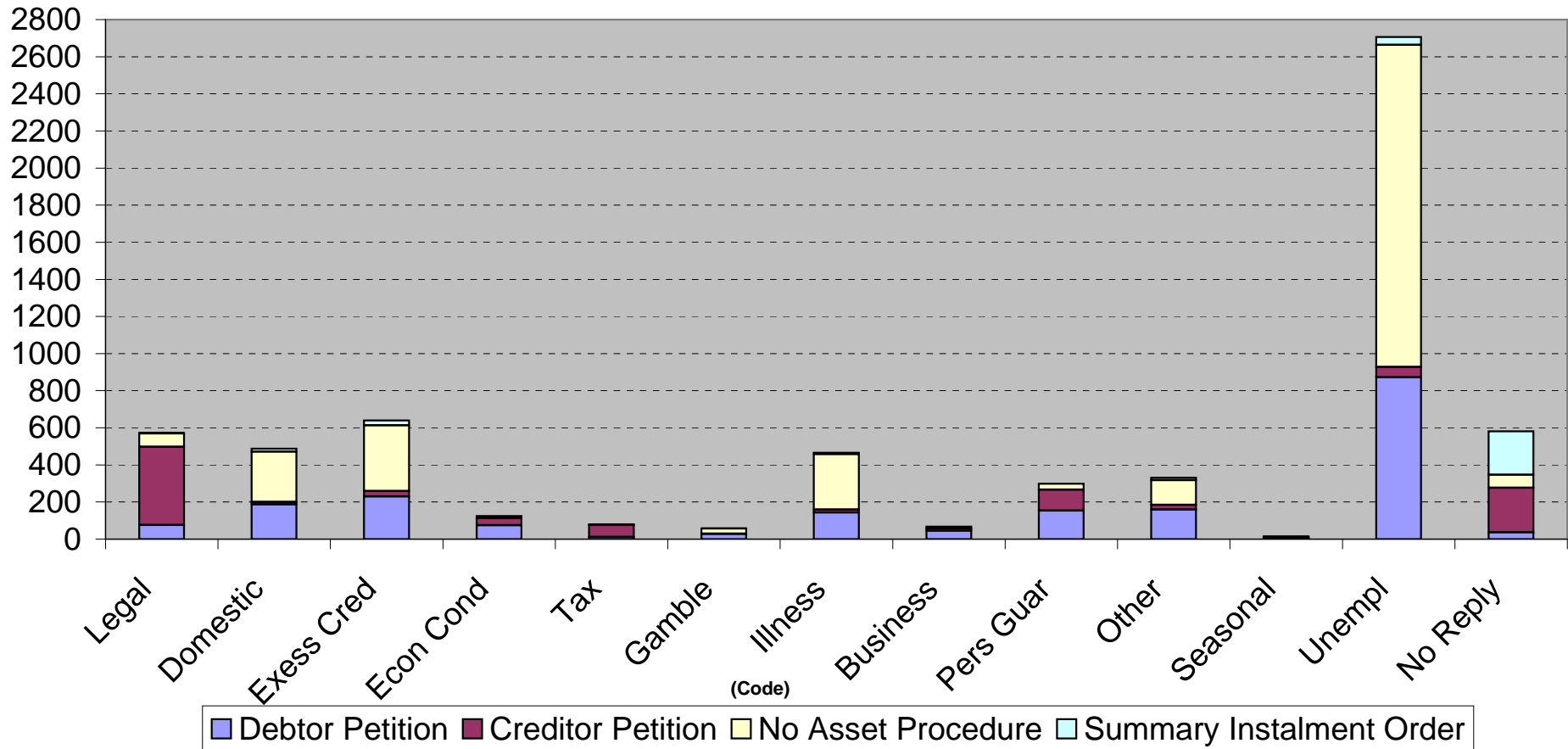
Statistical Occupation of Debtor at Date Order Made 2009/10



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>

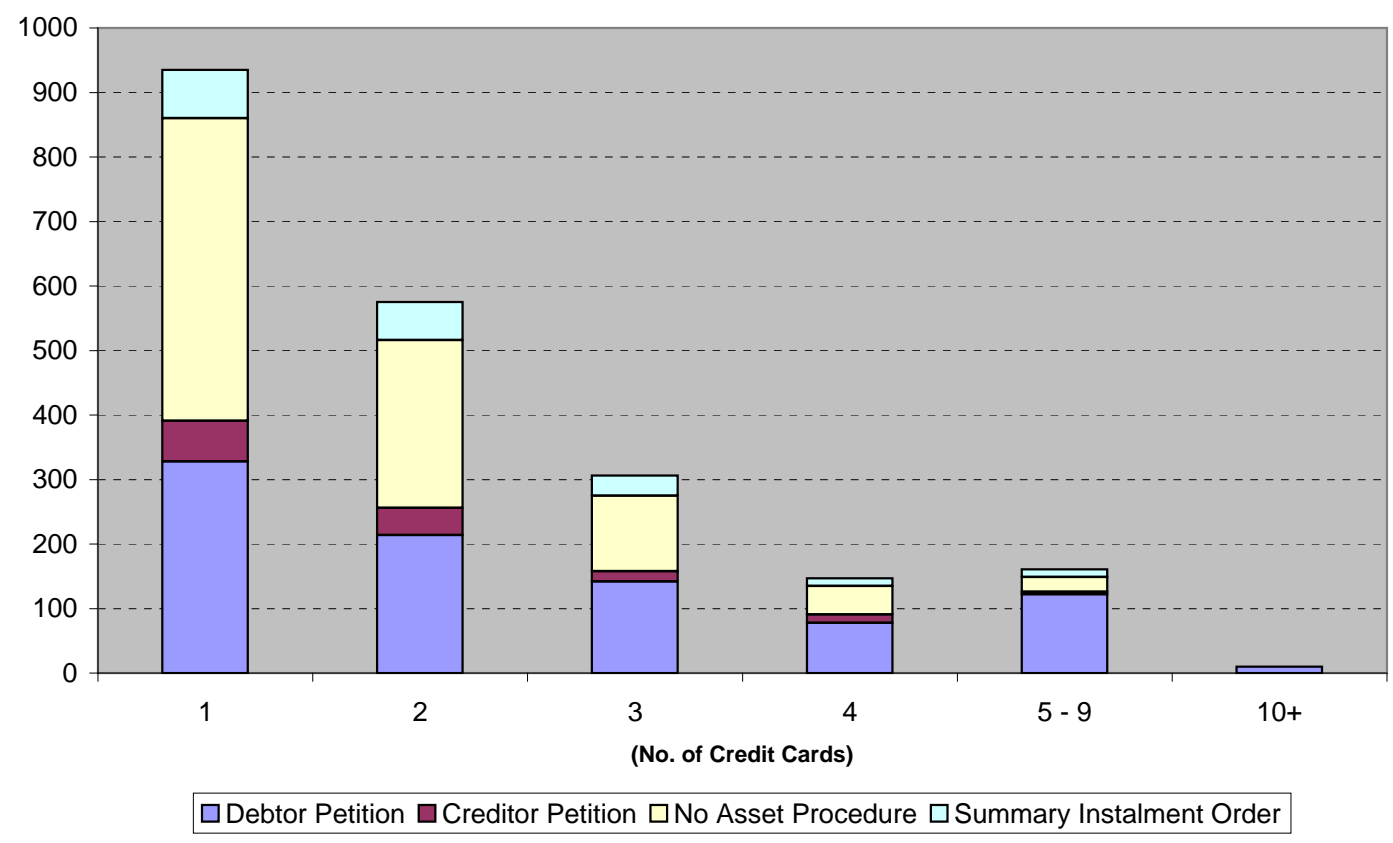
Major Reason Given as Cause of Personal Insolvency							
2009/10							
Cause	Code	%	Total	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
Adverse legal action	Legal	9%	572	76	421	72	3
Domestic discord or relationship breakdown	Domestic	8%	488	187	13	272	16
Adverse economic conditions affecting industry	Econ Cond	2%	115	74	29	12	-
Excessive drawings	Exess Cred	0%	2	-	2	-	-
Excessive interest payments	Exess Cred	2%	148	55	15	74	4
Excessive use of credit facilities	Exess Cred	8%	487	174	12	279	22
Failure of another business organisation	Econ Cond	0%	9	1	8	-	-
Failure to keep proper books of account and costing records	Business	0%	4	3	-	1	-
Failure to provide for taxation	Tax	1%	79	11	65	3	-
Gambling, speculation and extravagance in living	Gamble	1%	59	28	1	28	2
Ill health or absence of health insurance	Illness	7%	465	144	15	299	7
Inability to collect debts due to disputes, faulty work or bad debts	Business	0%	2	1	1	-	-
Lack of business ability including under-quoting or failure to assess potential of business	Business	0%	27	17	5	5	-
Lack of sufficient working capital	Business	1%	35	25	6	4	-
Liabilities due to guarantees	Pers Guar	5%	298	153	114	31	-
Other	Other	5%	331	159	26	132	14
Seasonal conditions including floods and drought	Seasonal	0%	15	7	-	6	2
Unemployment or loss of income	Unempl	42%	2706	873	55	1736	42
Withdrawal of credit facilities	Exess Cred	0%	3	1	-	2	-
No Response	No Reply	9%	581	37	240	70	234
			6426	2026	1028	3026	346

Major Reason Given as Cause of Personal Insolvency 2009/10



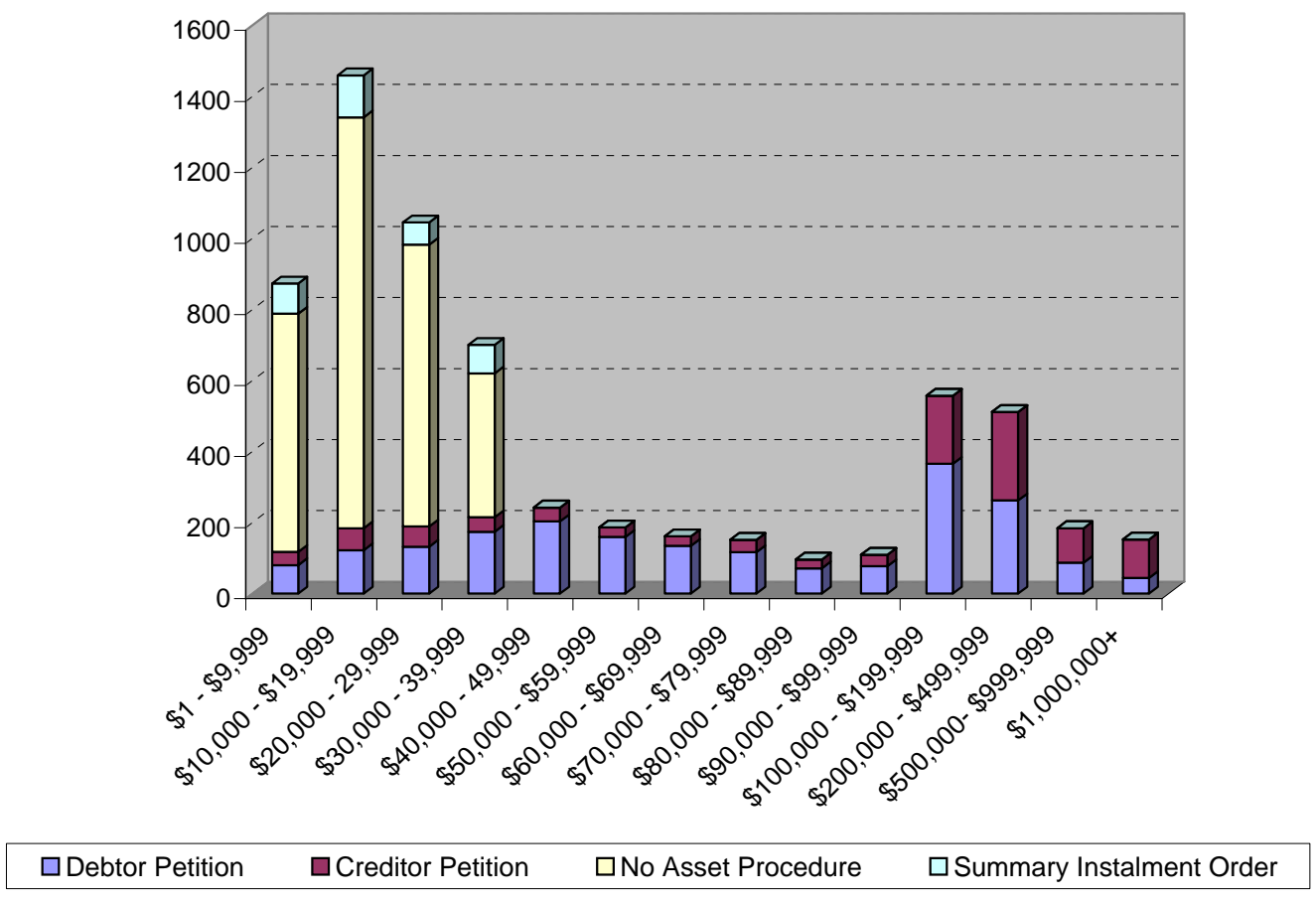
Number of Credit Cards Held By Debtors				
2009/10				
No. of Credit Cards	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
1	328	63	469	75
2	214	42	260	59
3	142	16	117	31
4	78	13	44	12
5 - 9	122	4	23	12
10+	10	-	-	-
Not Disclosed	1132	890	2113	157
	2026	1028	3026	346
6426				

Number of Credit Cards Held by Debtors 2009/10

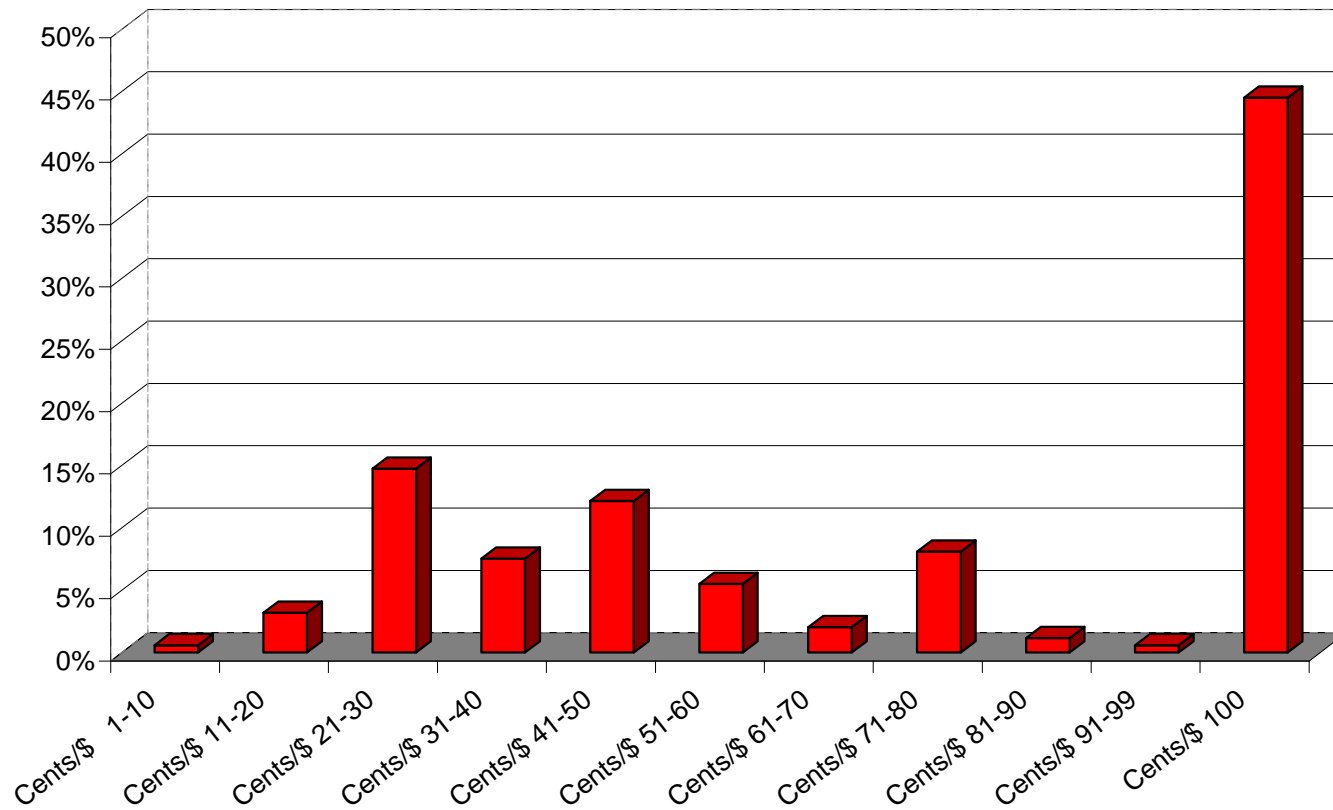


Debt Levels				
2009/10				
Debt Level	Debtor Petition	Creditor Petition	No Asset Procedure	Summary Instalment Order
\$1 - \$9,999	80	37	671	85
\$10,000 - \$19,999	122	62	1157	118
\$20,000 - 29,999	132	57	793	63
\$30,000 - 39,999	174	41	405	80
\$40,000 - 49,999	203	39	-	-
\$50,000 - \$59,999	159	27	-	-
\$60,000 - \$69,999	134	27	-	-
\$70,000 - \$79,999	116	35	-	-
\$80,000 - \$89,999	71	25	-	-
\$90,000 - \$99,999	77	32	-	-
\$100,000 - \$199,999	365	192	-	-
\$200,000 - \$499,999	262	249	-	-
\$500,000- \$999,999	87	97	-	-
\$1,000,000+	44	108	-	-
	2026	1028	3026	346
	6426			

Debt Levels 2009/10



Repayment Rate Offered in SIO Orders Made 2009/10



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.

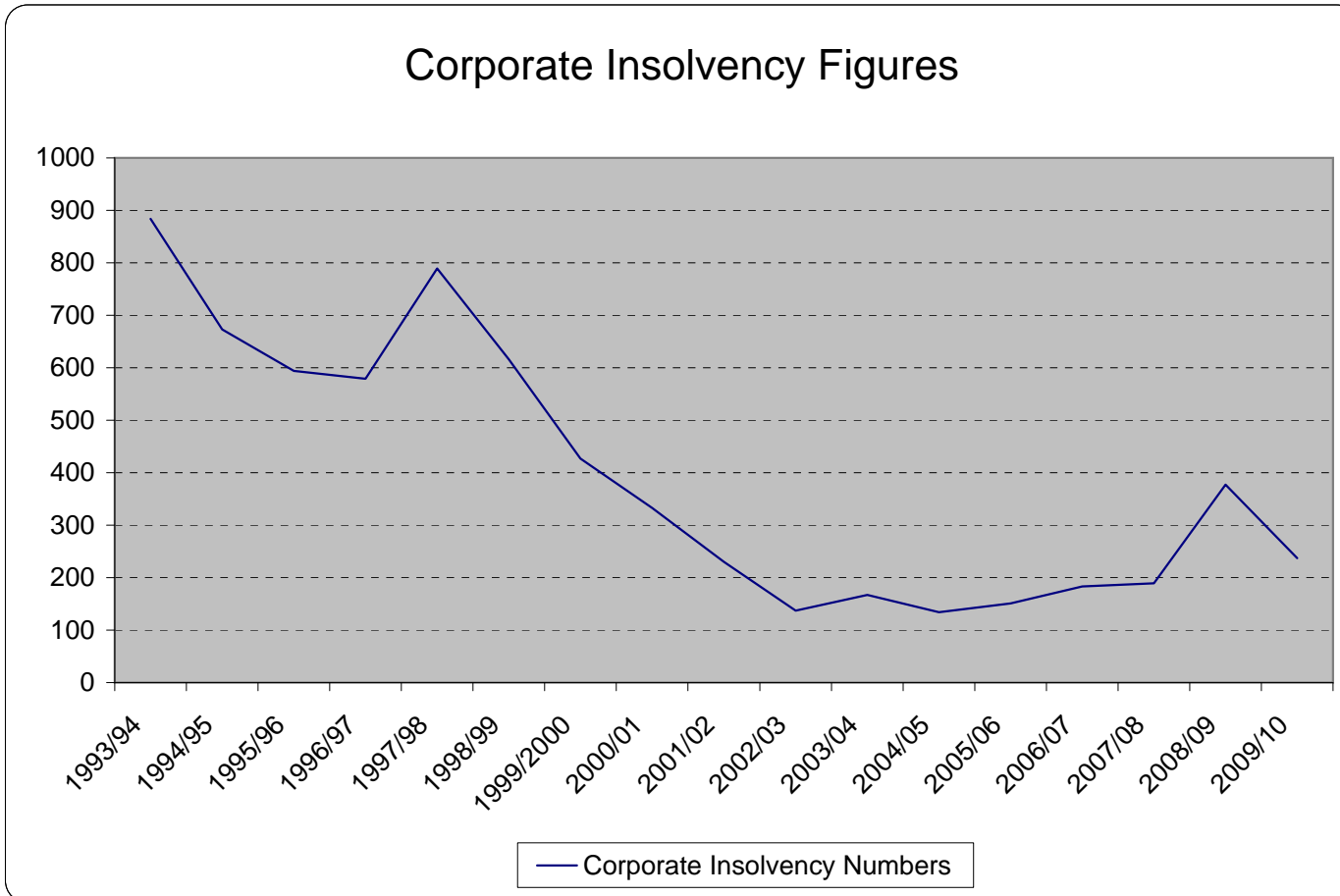
SIOs provide an opportunity for the debtor to learn to live on a budget and to manage finances. These skills may prevent the debtor from getting into financial difficulties in the future and a return to creditors is assured.

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 346 new SIOs for the financial year ending 30 June 2010, representing 5% of all Personal Insolvency work administered by the Official Assignee with 45% paying 100 cents in the dollar back to their creditors and over 50% returning 70 cents or better in the dollar to their creditors.

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
2008/09	377
2009/10	237

The above detail is the total number of liquidations in which the Official Assignee was appointed liquidator.



The above detail is the total number of liquidations in which the Official Assignee was appointed liquidator.

Corporate Insolvency Figures					
2009/10					
High Court	2009/10	%	High Court	2009/10	%
Auckland	117	49%	Nelson	2	1%
Blenheim	1	0%	New Plymouth	1	0%
Christchurch	23	10%	Palmerston North	6	3%
Dunedin	5	2%	Rotorua	3	1%
Gisborne	0	0%	Tauranga	6	3%
Greymouth	1	0%	Timaru	2	1%
Hamilton	8	3%	Wanganui	5	2%
Invercargill	4	2%	Wellington	18	8%
Masterton	2	1%	Whangarei	12	5%
Napier	11	5%	*Interim Liquidation	1	0%
			*Voluntary Liquidation	9	4%
TOTAL			237		

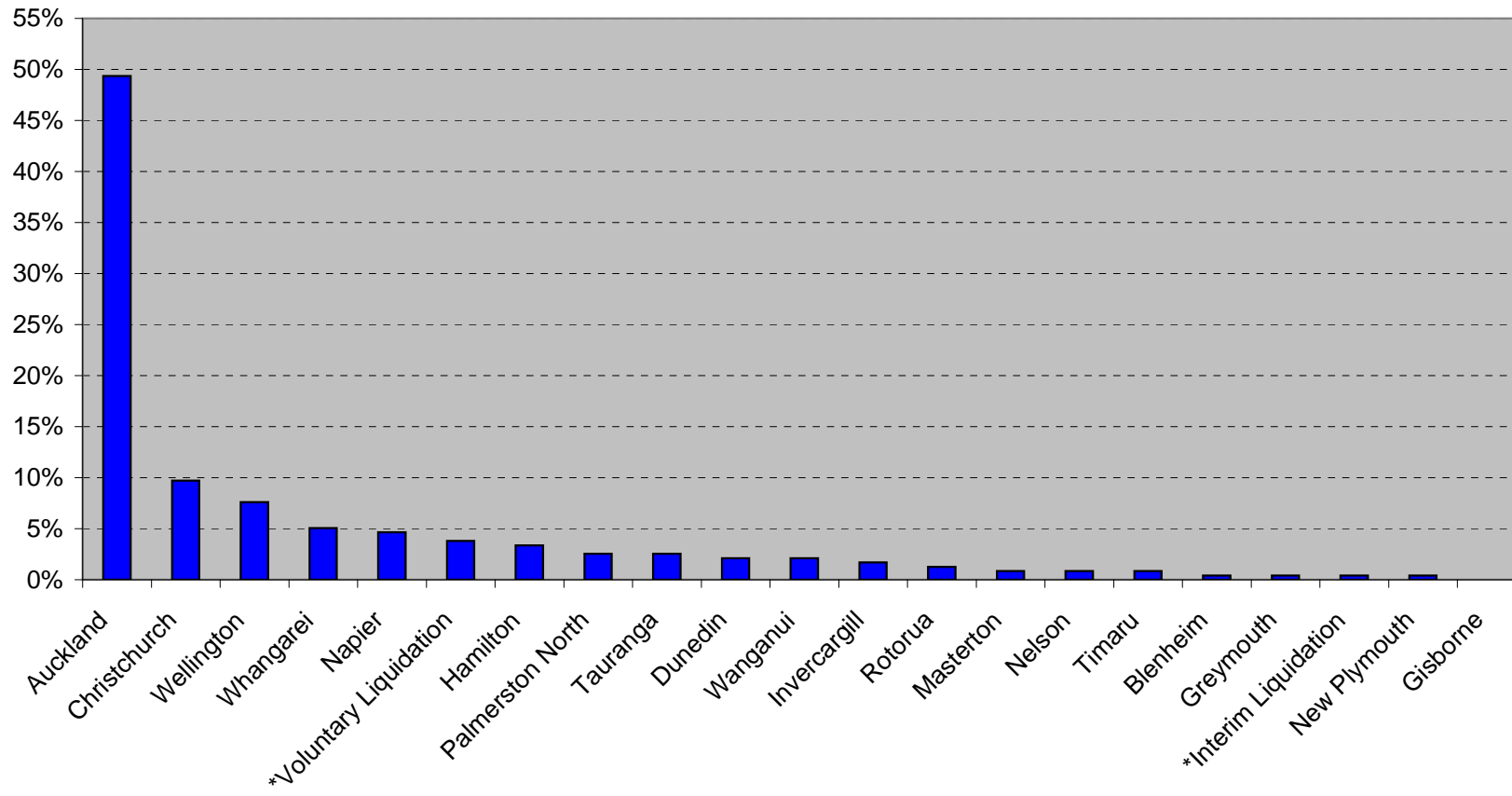
Notes:

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 2009/10



Corporate Insolvency Debt Levels	
2009/10	
Debt Level	Liquidations
\$1 - \$9,999	22
\$10,000 - \$19,999	14
\$20,000 - 29,999	11
\$30,000 - 39,999	12
\$40,000 - 49,999	11
\$50,000 - \$59,999	9
\$60,000 - \$69,999	4
\$70,000 - \$79,999	4
\$80,000 - \$89,999	4
\$90,000 - \$99,999	8
\$100,000 - \$199,999	45
\$200,000 - \$499,999	41
\$500,000 - \$999,999	23
\$1,000,000+	29
	237

