



Insolvency Statistics and Debtor Profile Report

▶ 1 JULY 2020 TO 30 JUNE 2021



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Contents

Introduction	2
Annual Statistics	3
Key Characteristics of Debtors	12
Debt Repayment Orders	13
No Asset Procedures	18
Bankruptcies	24
Corporate Insolvencies	29

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 2019 to 2021

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.

Debt Repayment Orders

A Debt Repayment Order (DRO) 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 Debt Repayment Order may be entered into if total unsecured debts are less than \$NZ50,000 and the debtor is unable to pay those debts immediately. Debt Repayment Orders usually last for three years but can last up to five years in certain circumstances.

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 \$NZ50,000 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.

Annual Statistics – Personal Insolvency Volumes

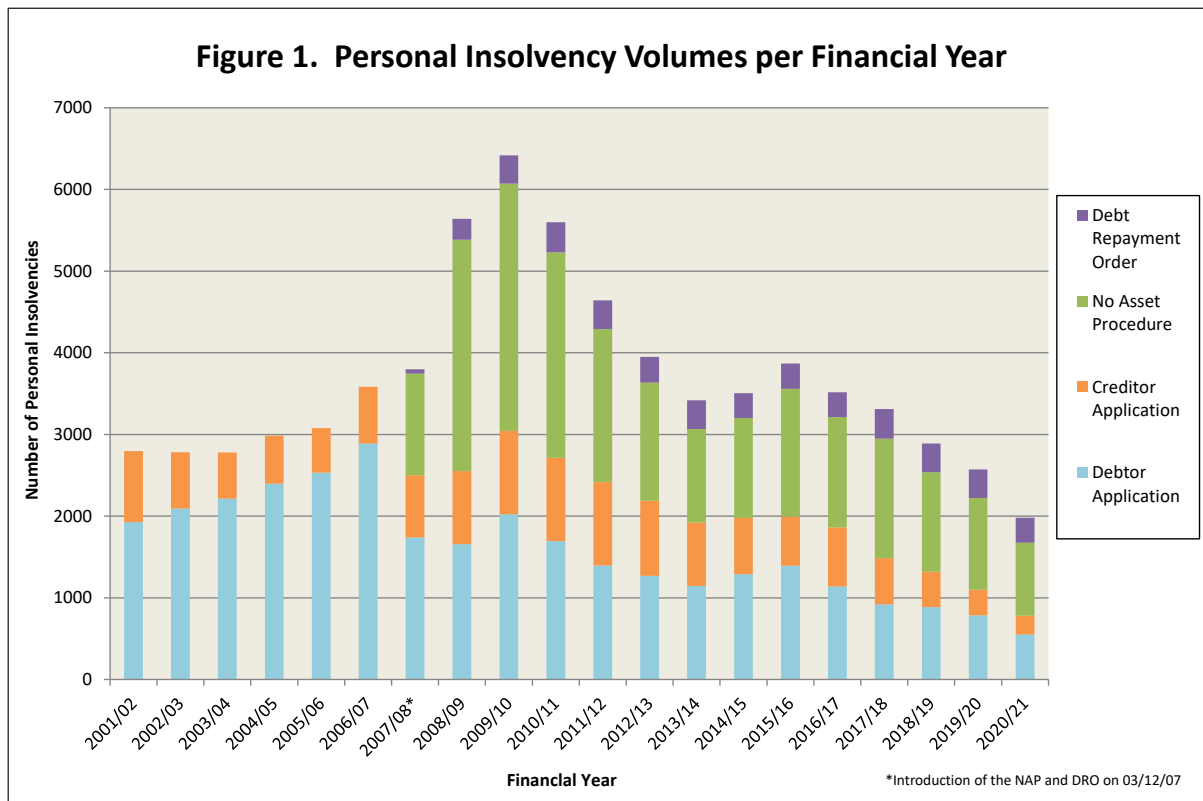
In 2020/21 the Insolvency and Trustee Service administered 1,982 new personal insolvency procedures. This was the lowest annual volume received in over 30 years and represented a 23% decrease compared to 2019/20. The total personal insolvency volume is made up of Debt Repayment Orders (DRO), No Asset Procedures (NAPs) and Bankruptcies (both Debtor and Creditor applications).

Table 1. Personal Insolvency Volumes per Financial Year					
Financial Year	Total	Debtor Application	Creditor Application	No Asset Procedure	Debt Repayment Order
2001/02	2797	1928	869		
2002/03	2782	2093	689		
2003/04	2781	2214	567		
2004/05	2986	2397	589		
2005/06	3077	2533	544		
2006/07	3585	2890	695		
2007/08*	3798	1739	761	1244	54
2008/09	5642	1656	896	2833	257
2009/10	6417	2022	1023	3026	346
2010/11	5598	1694	1021	2515	368
2011/12	4641	1397	1021	1872	351
2012/13	3950	1270	918	1448	314
2013/14	3418	1144	777	1145	352
2014/15	3506	1289	690	1223	304
2015/16	3870	1393	602	1563	312
2016/17	3516	1141	722	1349	304
2017/18	3312	921	565	1464	362
2018/19	2890	887	432	1218	353
2019/20	2571	786	315	1121	349
2020/21	1982	551	231	893	307

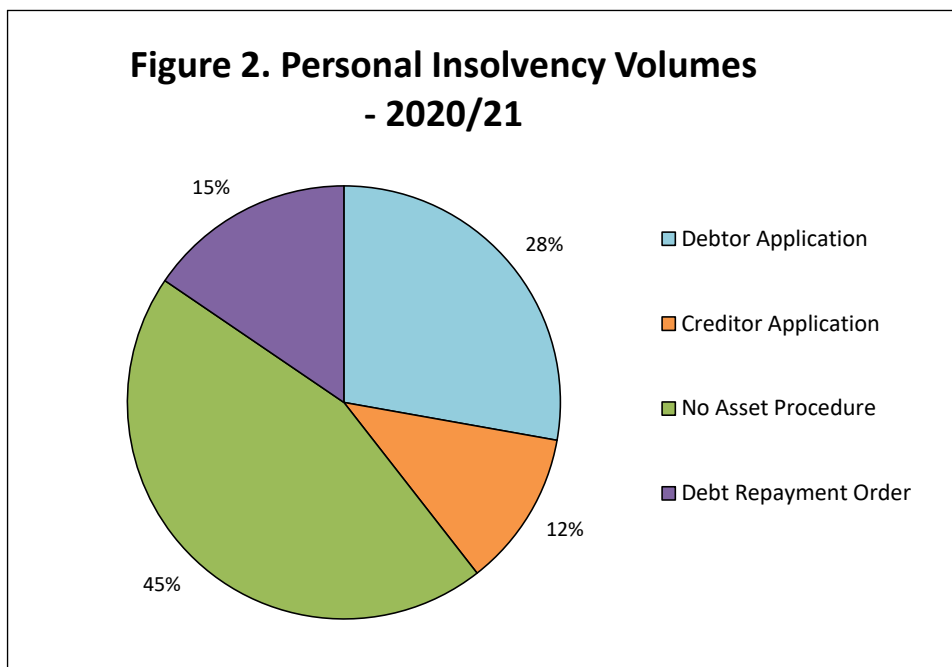
*Introduction of the NAP and DRO on 03/12/2007

The Debt Repayment Order and No Asset Procedure provide an alternative to bankruptcy. From 2007/08 to 2009/10 both Debt Repayment Order and No Asset Procedure volumes increased significantly. Since then, Debt Repayment Order volumes have remained consistently between 300 and 400 each financial year. No Asset Procedure volumes have been more variable, in 2020/21 just 893 No Asset Procedures were accepted, which was a 20% decrease compared to 2019/20 and the lowest volume received in any financial year since the No Asset Procedure was introduced in 2007/08.

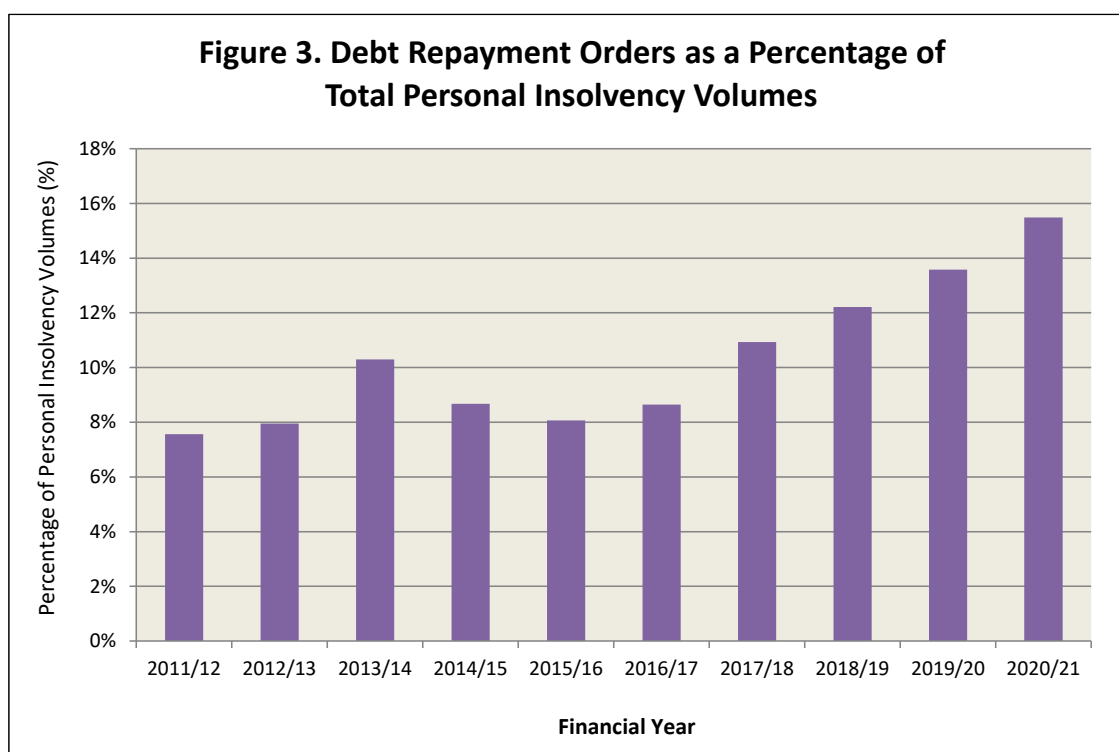
Bankruptcy volumes also rose between 2007/08 and 2009/10, before commencing a steady decline in annual volumes in 2010/11. Bankruptcy volumes then stabilised for four years from 2013/14 to 2016/17, before commencing a downward trend in 2017/18 through to 2020/21.



No Asset Procedures made up the largest percentage of personal insolvency volumes in 2020/21 at 45%, this was followed by Debtor applications at 28%. Creditor applications made up just 12% of total personal insolvency volumes and Debt Repayment Orders 15%.



Debt Repayment Orders as a percentage of personal insolvency volumes has been rising steadily since 2015/16, reaching a new high of 15% of personal insolvency volumes in 2020/21.



In 2020/21, 0.05% of the New Zealand population aged 18 and over entered into a personal insolvency procedure¹, representing the lowest insolvency rate in New Zealand in over 10 years. Table 2. shows the rate of personal insolvency within New Zealand over the last decade.

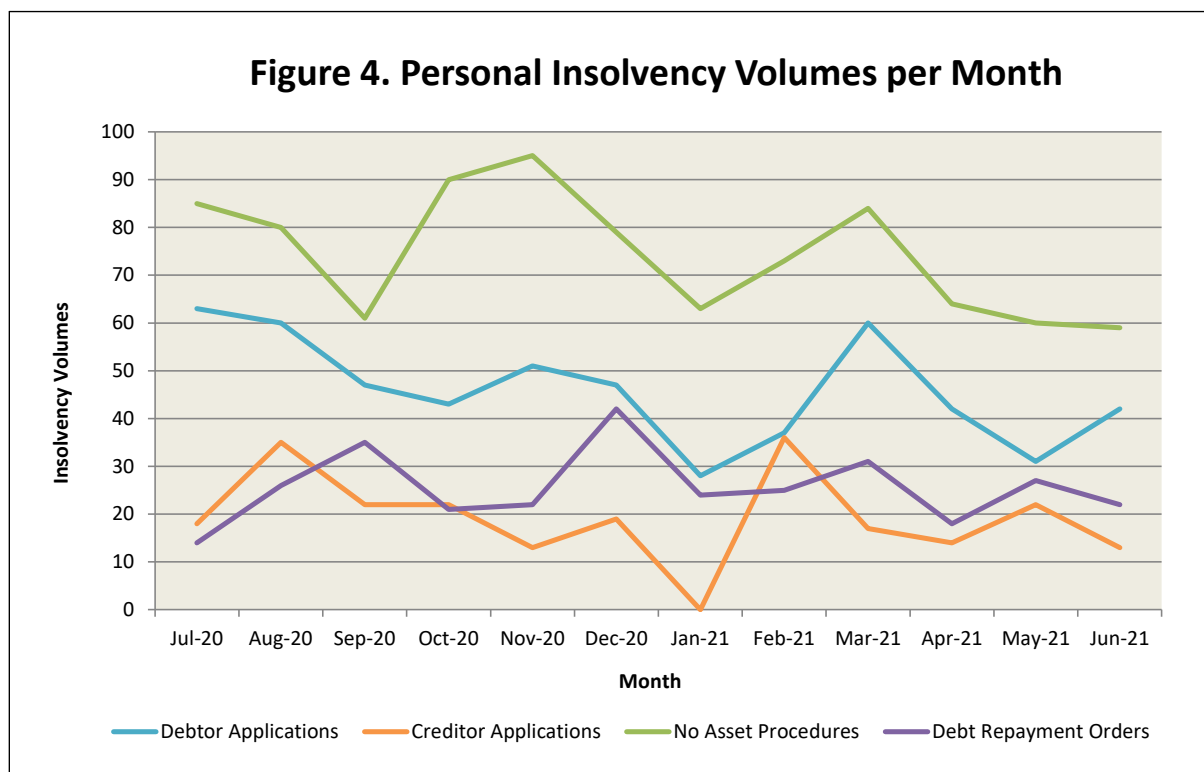
Financial Year 1 July - 30 June	Estimated Population*	Personal Insolvencies	Rate of Personal Insolvencies
2011/12	3,295,100	4,641	0.14%
2012/13	3,321,300	3,950	0.12%
2013/14	3,366,300	3,418	0.10%
2014/15	3,443,600	3,506	0.10%
2015/16	3,532,800	3,870	0.11%
2016/17	3,625,300	3,516	0.10%
2017/18	3,708,700	3,312	0.09%
2018/19	3,785,600	2,890	0.08%
2019/20	3,865,800	2,571	0.07%
2020/21	3,944,700	1,982	0.05%

*Estimated resident population aged 18+ as at 31 March

¹ Population estimates sourced from Statistics New Zealand (2021), *Estimated Resident Population by Age and Sex (1991+)* (Annual-Mar). Wellington: Statistics New Zealand.

Table 3. Monthly Personal Insolvency Volumes					
Month	Total	Debtor Applications	Creditor Applications	No Asset Procedures	Debt Repayment Orders
Jul-20	180	63	18	85	14
Aug-20	201	60	35	80	26
Sep-20	165	47	22	61	35
Oct-20	176	43	22	90	21
Nov-20	181	51	13	95	22
Dec-20	187	47	19	79	42
Jan-21	115	28	0	63	24
Feb-21	171	37	36	73	25
Mar-21	192	60	17	84	31
Apr-21	138	42	14	64	18
May-21	140	31	22	60	27
Jun-21	136	42	13	59	22
Total	1,982	551	231	893	307

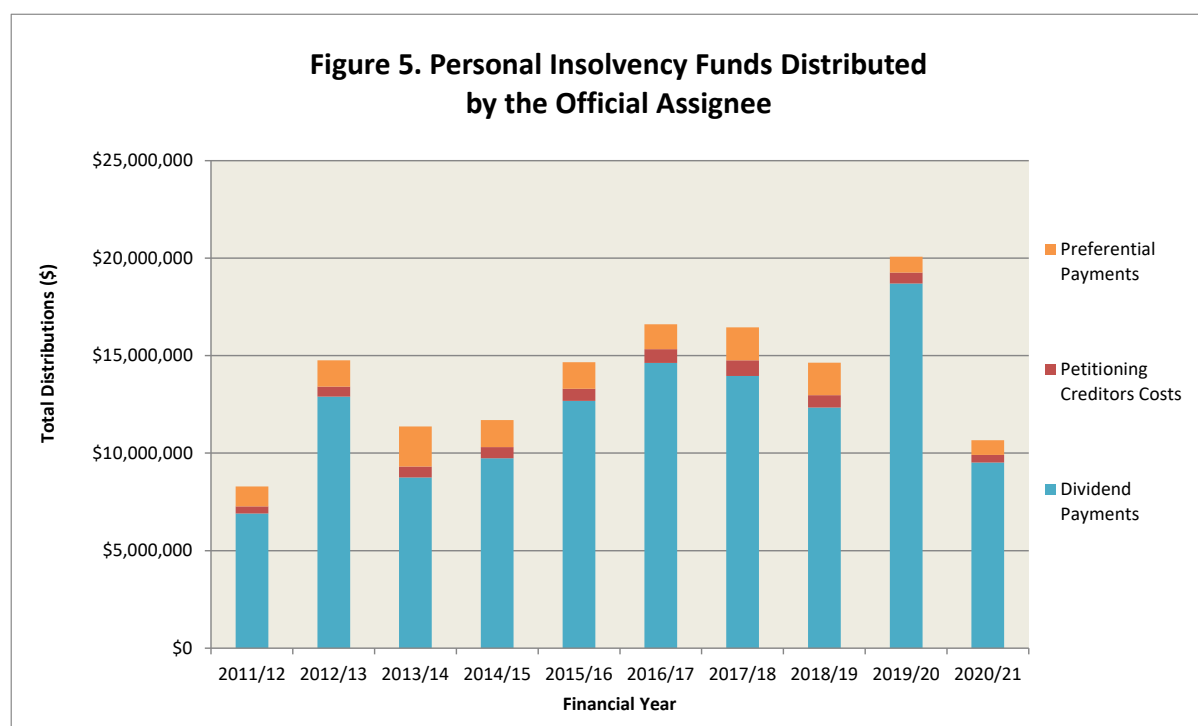
During 2020/21 the Insolvency and Trustee Service received an average of 26 Debt Repayment Orders per month, 74 No Asset Procedures and 65 new bankruptcy estates. The lowest number of new personal insolvencies was received in the month of January, while the highest volume of new personal insolvencies was received in August.



In 2020/21, debtors from the Auckland region accounted for 28% of personal insolvencies nationwide. Canterbury was the second most represented region, accounting for 16%, followed by the Waikato which made up 10% of new personal insolvencies.

Table 4. Personal Insolvency Volumes per Region 2020/21						
Court Region	%	Total	Debtor Applications	Creditor Applications	No Asset Procedures	Debt Repayment Orders
Auckland	28%	554	148	102	249	55
Bay of Plenty	8%	161	45	21	77	18
Canterbury	16%	323	67	40	160	56
Gisborne	0%	8	4	0	4	0
Hawkes Bay	5%	93	19	7	40	27
Manawatu-Whanganui	4%	82	18	3	53	8
Marlborough	1%	19	7	5	5	2
Nelson	1%	12	2	2	6	2
Northland	3%	54	18	4	30	2
Otago	3%	61	18	3	34	6
Southland	4%	78	14	3	9	52
Taranaki	3%	68	16	4	33	15
Tasman	0%	8	0	2	6	0
Waikato	10%	191	55	11	85	40
Wellington	7%	146	39	13	74	20
West Coast	1%	14	2	0	11	1
Overseas	5%	102	79	3	17	3
Unknown	0%	8	0	8	0	0
		1982	551	231	893	307

In the 2020/21 financial year the Official Assignee paid out \$10,661,300.16 in personal insolvency distributions to creditors. 89% of these funds were dividend payments to unsecured creditors, 7% were payments to preferential creditors and 4% were distributions towards petitioning creditor's costs.



The length of time that a debtor remains in an insolvency procedure depends on the type of procedure they are in, and in the case of creditor applications, how quickly they submit a completed Statement of Affairs. As at 30 June 2021, there were 4,774 people undischarged from bankruptcy, 883 people in a No Asset Procedure, and 959 people in a Debt Repayment Order.

Table 5. Number of personal insolvency estates undischarged as at 30 June 2021	
Estate Type	Number of Estates
Creditor Applications	2,565
Debtor Applications	2,209
No Asset Procedures	883
Debt Repayment Orders	959

Annual Statistics - 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 2021 was 692,053².

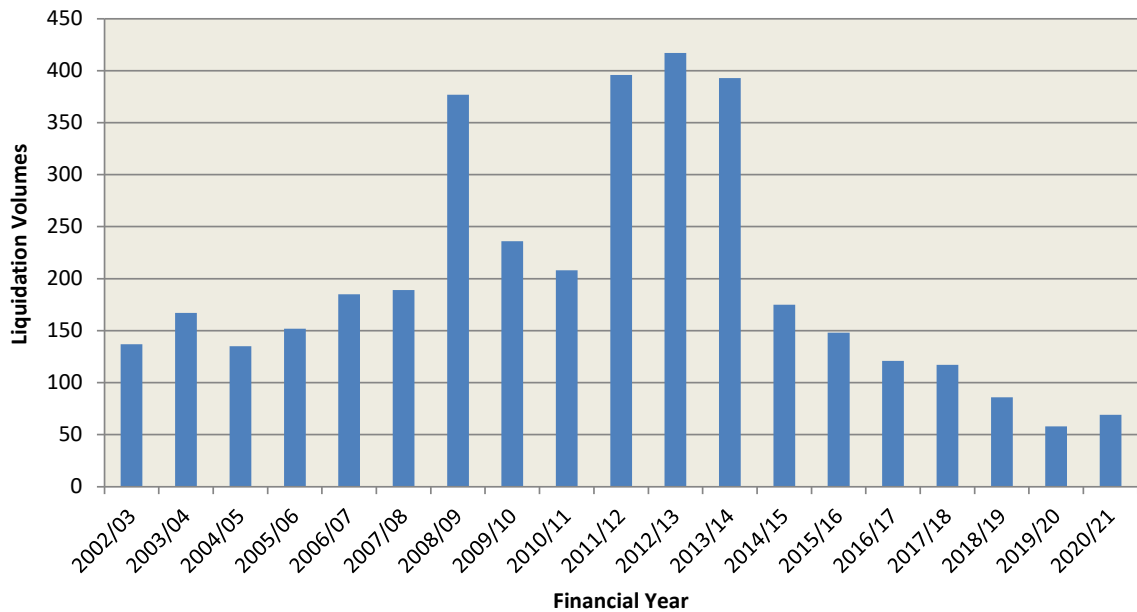
Table 6. Corporate Insolvency Volumes per Financial Year	
Financial Year 1 July - 30 June	Corporate Insolvency Volumes
2001/02	230
2002/03	137
2003/04	167
2004/05	135
2005/06	152
2006/07	185
2007/08	189
2008/09	377
2009/10	236
2010/11	208
2011/12	396
2012/13	417
2013/14	393
2014/15	175
2015/16	148
2016/17	121
2017/18	117
2018/19	86
2019/20	58
2020/21	69

In 2020/21 the Official Assignee was appointed the liquidator of 69 companies, which was an increase of 19% compared to 2019/20. 46% of company liquidations originated in the Auckland Region, 10% in Tauranga and 7% in Hamilton and Christchurch. Voluntary liquidations made up 6% of total liquidations administered by the Official Assignee.

Table 7. Corporate Insolvency Volumes 2020/21		
Court Region	%	Number of liquidations
Auckland	46%	32
Blenheim	1%	1
Christchurch	7%	5
Dunedin	3%	2
Hamilton	7%	5
Invercargill	3%	2
Napier	6%	4
Palmerston North	3%	2
Tauranga	10%	7
Timaru	1%	1
Voluntary Liquidation	6%	4
Wellington	6%	4
		69

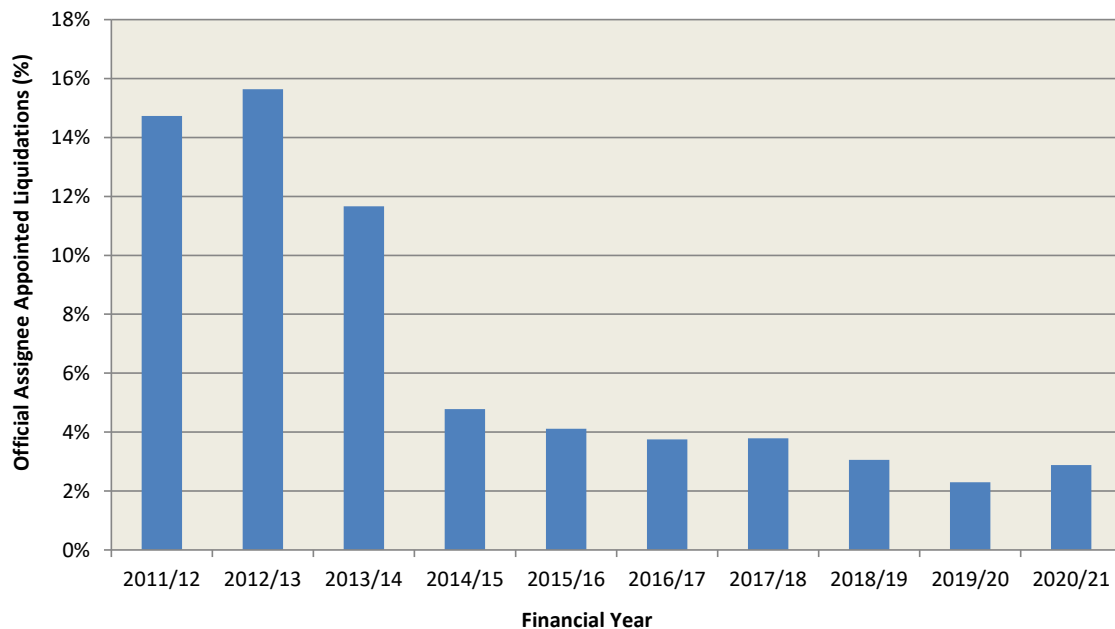
² Registered Company statistics sourced from the Companies Office; <http://www.companiesoffice.govt.nz/data-services/>

Figure 6. Official Assignee Administered Liquidations per Financial Year



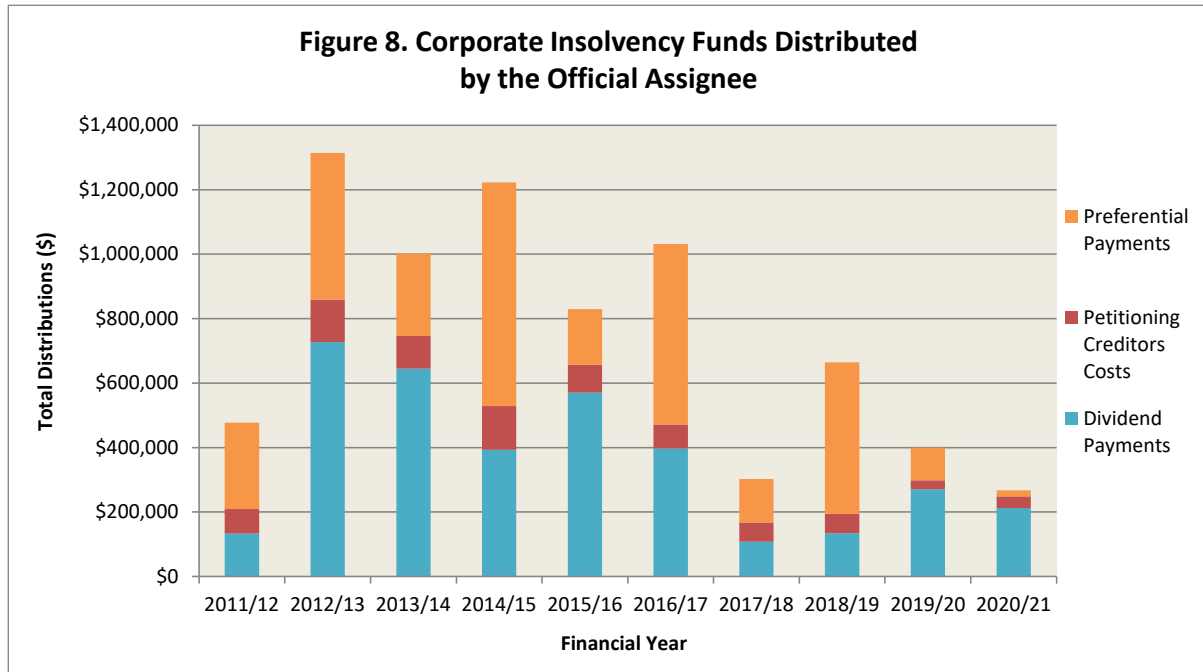
In 2020/21, 2,396 companies were placed into liquidation within New Zealand³. The Official Assignee was appointed the liquidator of 2.9% of these liquidations.

Figure 7. Official Assignee Administered Liquidations as a Percentage of All Liquidations in New Zealand



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

The Official Assignee distributed \$266,978.94 in corporate insolvency distributions in 2020/21. Of these funds, 80% was paid out as dividend payments, 13% was distributions towards petitioning creditor's costs and 7% was distributions towards preferential payments.



Key Characteristics of Debtors 2019 to 2021

Table 8. Debtor Characteristics 2019 to 2021	Bankrupts		NAP Debtors		DRO Debtors	
	2020/21	2018/19	2020/21	2018/19	2020/21	2018/19
Number	782	1319	893	1218	307	353
Gender % male (where identified)	55%	62%	44%	44%	39%	39%
Age (most represented)	45-49 (15%)	35-39 (16%)	25-29 (20%)	25-29 (18%)	25-29 (19%)	25-29 (17%) 40-44 (17%)
Ethnicity* (most represented)	European (70%)	NZ European (68%)	European (69%)	NZ European (68%)	European (66%)	NZ European (70%)
% not employed	42%	38%	71%	72%	43%	38%
Debt < \$20,000	7%	7%	42%	50%	46%	44%

**Change in ethnicity categories between 2019 and 2021*

The key characteristics of insolvent debtors have remained fairly consistent between 2019 and 2021 with some minor variations. Men are more likely than women to become bankrupt, while women are more likely than men to enter into a Debt Repayment Order or a No Asset Procedure.

One of the most common age range for debtors to enter into both the No Asset Procedure and the Debt Repayment Order in 2018/19 was 25-29 years, this has remained the most common age range for both procedures in 2020/21. The most common age amongst bankruptcy debtors has increased from 35-39 years in 2018/19 to 45-49 years in 2020/21.

Between 2018/19 and 2020/21 we changed the reporting categories we use for ethnicity, the majority of debtors who entered a personal insolvency procedure in 2020/21 identified as being European.

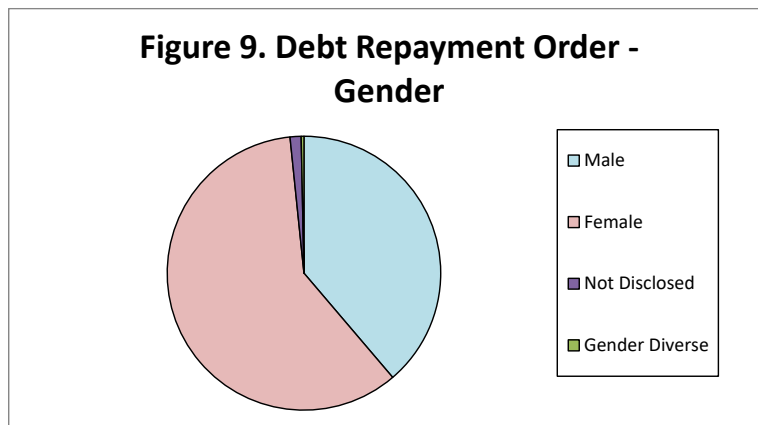
42% of bankrupt debtors and 43% of Debt Repayment Order debtors in 2020/21 were unemployed at the time that they entered into the procedure, while No Asset Procedure debtors represented a higher unemployment rate of 71% as at the date they were admitted into the procedure.

The indebtedness of debtors who entered a No Asset Procedure or Debt Repayment Order changed slightly between 2018/19 and 2020/21. The percentage of Debt Repayment Orders with debts less than \$20,000 increased from 44% to 46%, while No Asset Procedures shifted from 50% having debts under \$20,000 in 2018/19 to 42% in 2020/21. By comparison, only 7% of bankrupts in 2018/19 and 2020/21 had total debts of less than \$20,000.

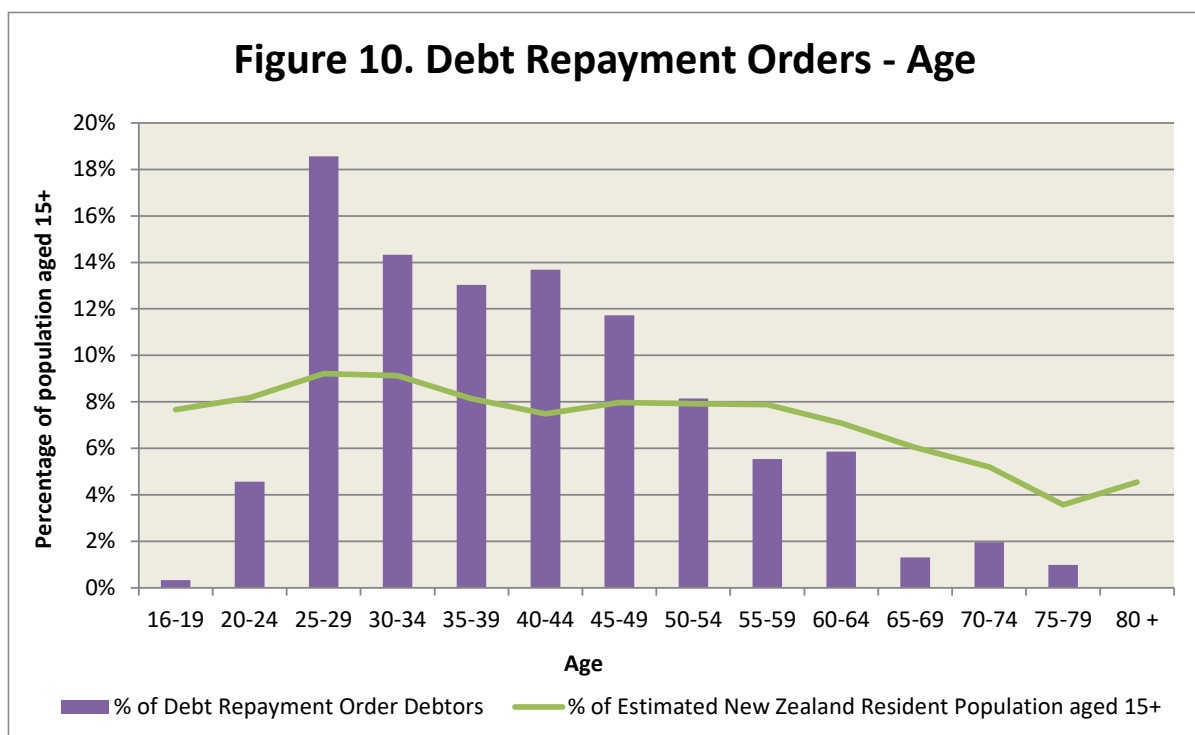
Debt Repayment Orders

Age and Gender

A total of 307 debtors entered into a Debt Repayment Order in 2020/21. Of those who did, 119 debtors (39%) were male and 183 (60%) were female. 4 people did not disclose their gender and 1 person identified as 'gender diverse'.



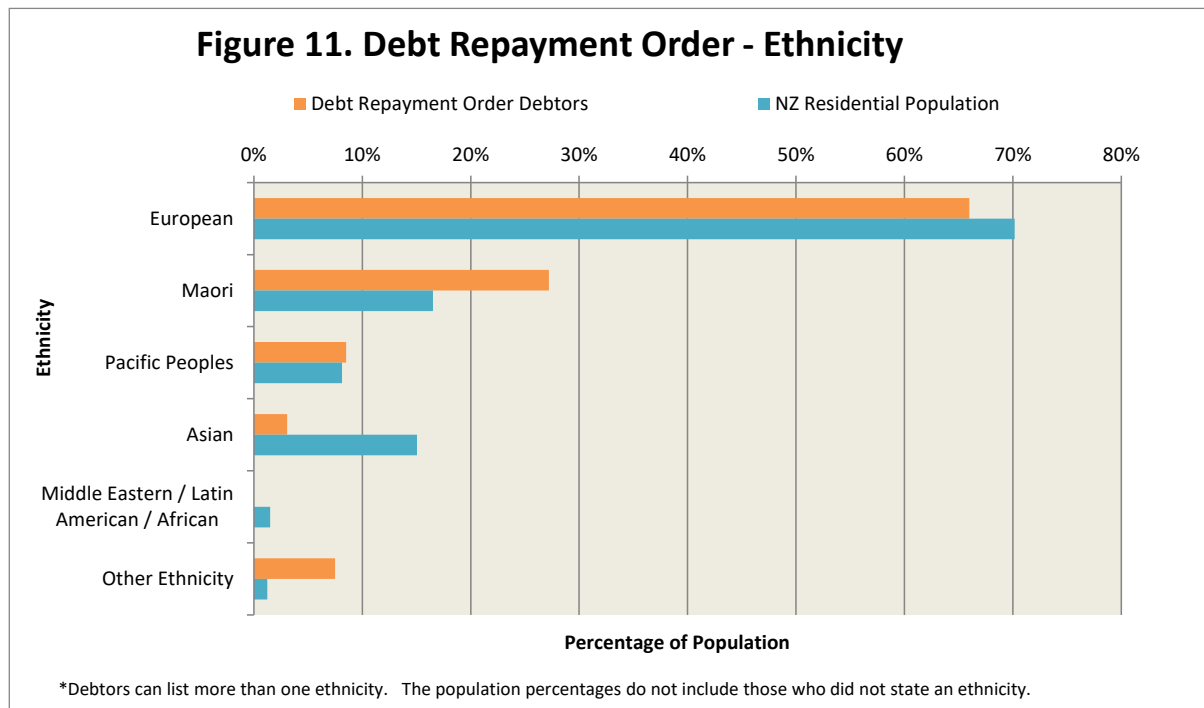
Amongst Debt Repayment Order debtors, the age groups most represented were 25-29 years (19%) and 30-34 years (14%). The corresponding percentage of the estimated New Zealand residential population aged over 15 is 9% for those aged 25-29 years and 9% for 30-34-year-olds⁴. The average age of debtors who entered a Debt Repayment Order in 2020/21 was 40 years old.



⁴ The New Zealand residential population statistics are sourced from Statistics New Zealand (2021), *Estimated Resident Population of New Zealand: At 30 March 2021 - tables*. 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. 66% of debtors who entered a Debt Repayment Order in 2020/21 and stated an ethnicity identified as being European, compared to 70% of the New Zealand population⁵. The second most represented ethnicity stated amongst Debt Repayment Order debtors was 'Maori' who accounted for 27% of debtors, compared to making up 17% of the New Zealand residential population who stated an ethnicity in the 2018 census.



Employment

57% of Debt Repayment Order debtors were employed at the date they entered into the Debt Repayment Order; 49% of female debtors and 69% of male debtors.

43% were recorded as being unemployed, this includes beneficiaries, students, and retirees. The seasonally adjusted national unemployment rate for the June 2021 quarter was 4.0%⁶.

⁵ The New Zealand resident population statistics are sourced from Statistics New Zealand (2021), *2018 Census Data*. Wellington: Statistics New Zealand.

⁶ The New Zealand unemployment rate is sourced from Statistics New Zealand (2021), *Unemployment Rate: June 2021 QTR*. Wellington: Statistics New Zealand.

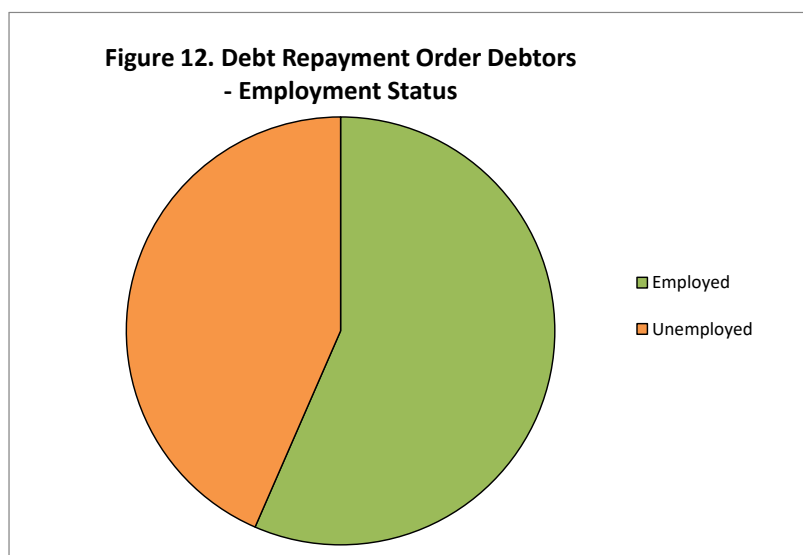
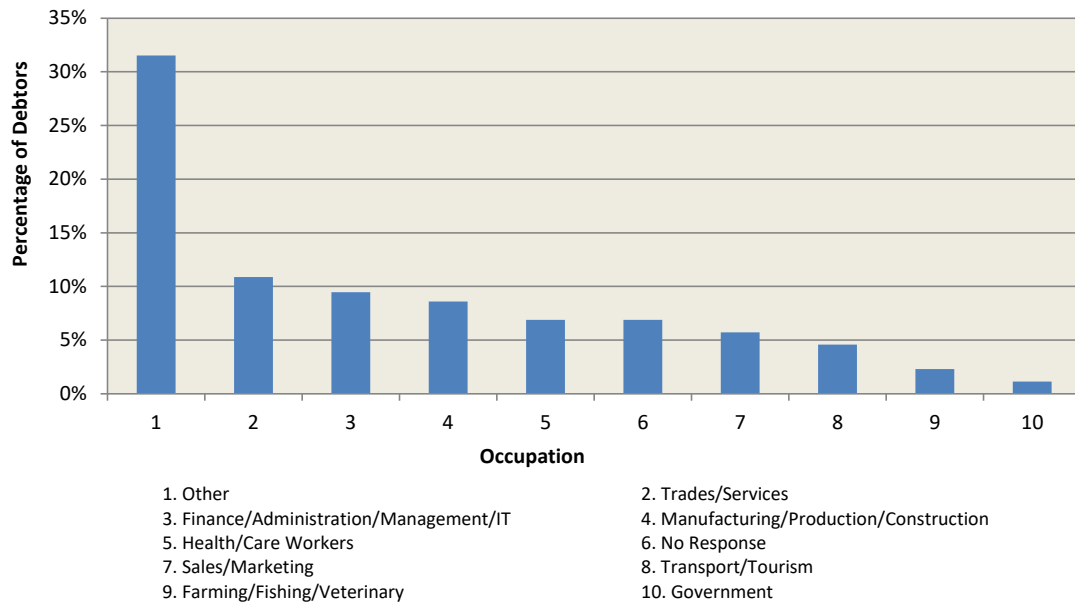


Table 9. Employment Status of Debt Repayment Order Debtors			
Description	Male	Female	Total %
Currently employed	64%	39%	49%
Unemployment benefit	23%	36%	30%
Currently employed and receiving income support	3%	8%	6%
Retired	4%	2%	3%
Sickness Benefit/ACC	1%	4%	3%
Student	1%	2%	1%
Other benefit	2%	1%	2%
Employed part-time and receiving benefit	1%	1%	1%
Other	1%	4%	3%
Trading on own account or as a director/shareholder	1%	1%	1%
Unemployed no benefit	0%	1%	1%
Unpaid family worker	0%	2%	1%

Debtors are asked to list their main occupation in their Statement of Affairs. Of those who entered into a Debt Repayment Order in 2020/21, 11% identified that they were involved in 'trades/services', 9% were involved in 'finance/administration/management/IT' and another 9% were employed in 'manufacturing/production/construction' occupations. 32% of debtors were involved in 'other' statistical occupation groups not in the listed group classifications.

Figure 13. Statistical Occupation Group of Debt Repayment Order Debtors

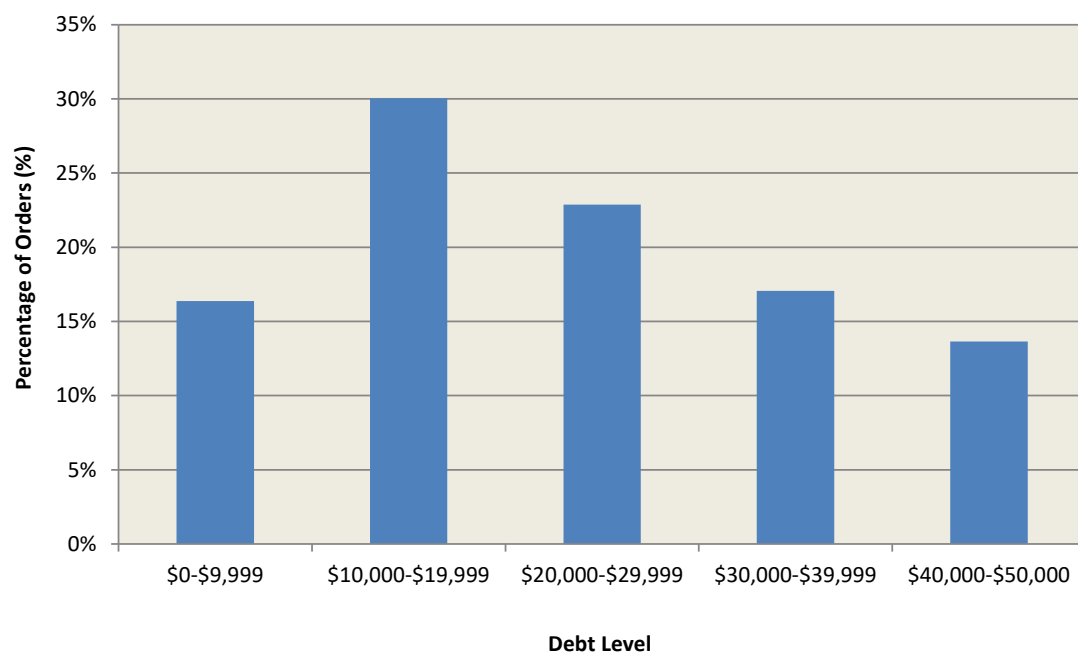


Debt Levels

The Official Assignee may grant a Debt Repayment Order if a debtors total unsecured debts (excluding student loans, fines, penalties, and reparation orders) are less than \$NZ50,000. Up until January 2020, the debt limit was \$NZ47,000.

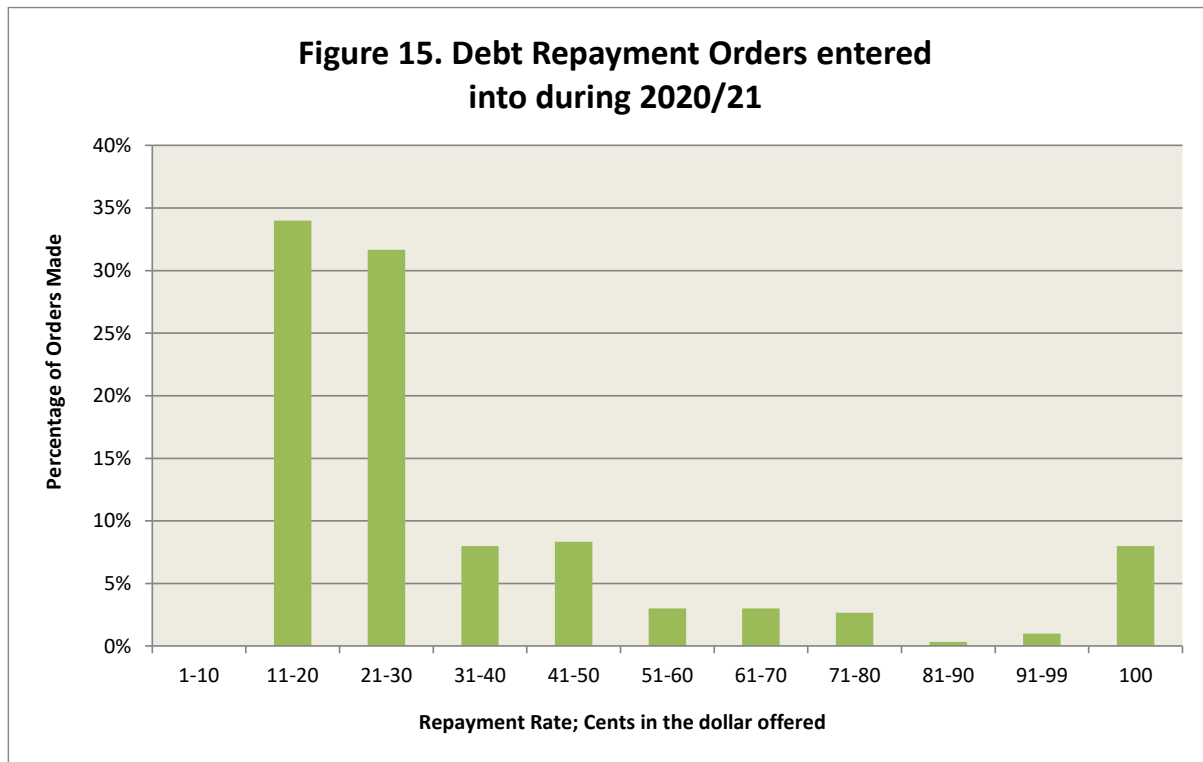
In 2020/21, 16% of Debt Repayment Order debtors had debt levels of less than \$10,000, 30% had debt levels from \$10,000-\$19,999 and 54% had debt levels over \$20,000.

Figure 14. Debt Repayment Order - Debt Levels



Repayment Rate

In 2020/21, 8% of all Debt Repayment Orders entered into were for the repayment of 100 cents in the dollar to creditors. In 18% of Orders made, more than 50 cents in the dollar is being repaid to creditors. The average repayment rate for Debt Repayment Orders made in 2020/21 was 36 cents in the dollar.



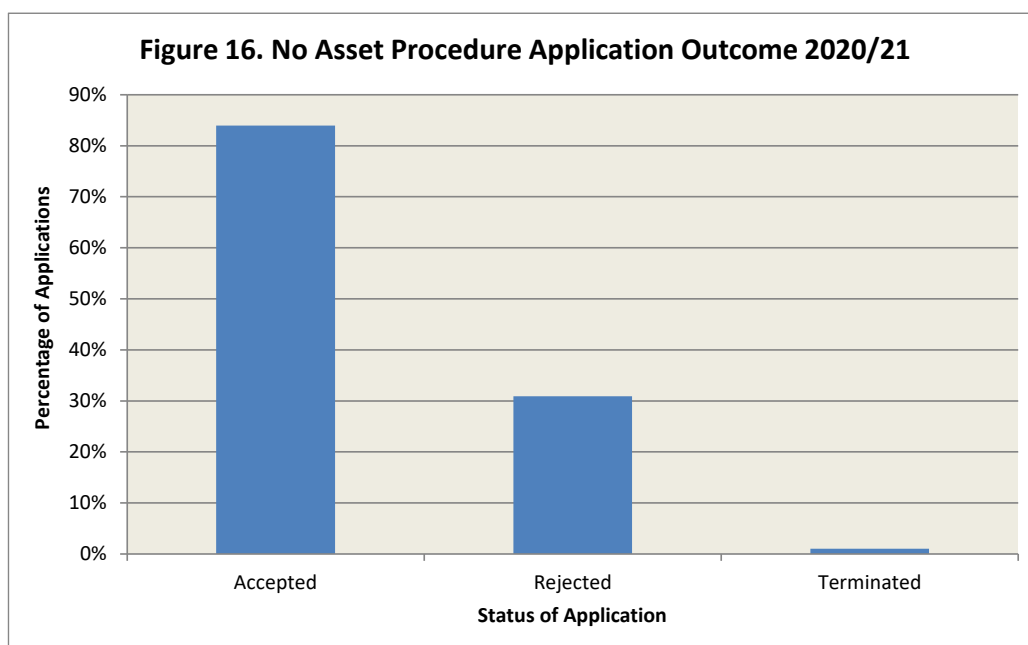
No Asset Procedures

Applications – Rejections and Terminations

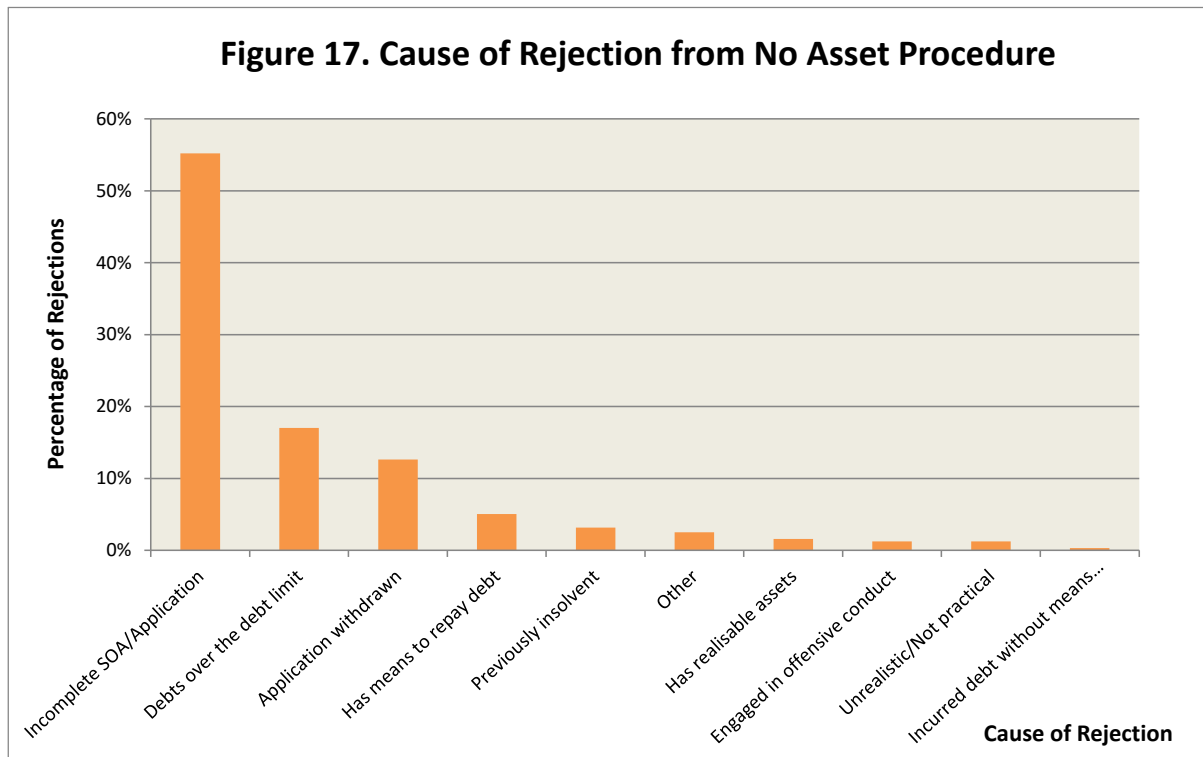
In 2020/21 1,077 applications were received for entry into the No Asset Procedure. Of these, 904 were accepted.

Table 10. No Asset Procedure Applications				
	Received	Accepted	Rejected	Terminated
2007/08	1654	1213	383	8
2008/09	4310	2833	1432	106
2009/10	4200	3028	1341	68
2010/11	3337	2515	928	53
2011/12	2832	1874	1025	43
2012/13	2290	1449	976	30
2013/14	1860	1145	807	19
2014/15	1614	1228	568	11
2015/16	1865	1565	426	18
2016/17	1722	1349	469	29
2017/18	1872	1483	595	21
2018/19	1645	1256	571	15
2019/20	1410	1147	510	16
2020/21	1077	904	333	11

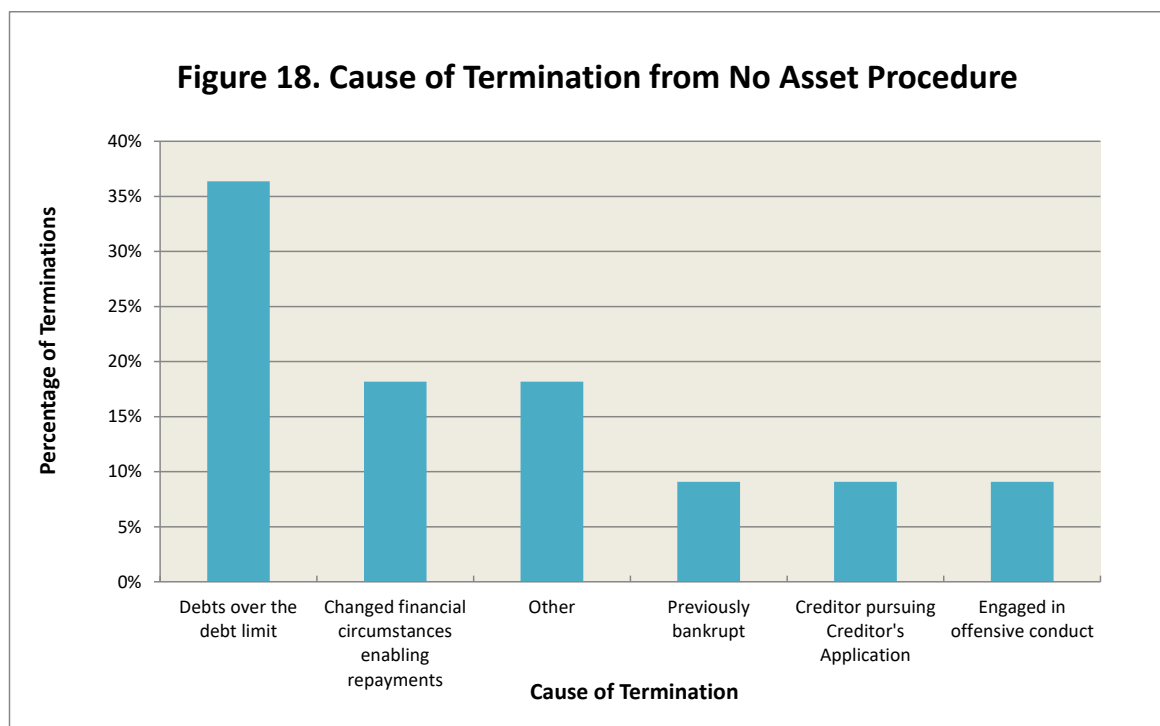
An application that has been rejected from entry into the No Asset Procedure can be resubmitted depending on the reason for the rejection, for example submitting an 'incomplete Statement of Affairs'. In such instances, certain applications may be counted as having been both rejected and later accepted; likewise an application which has been accepted can then be terminated. For this reason the number of 'accepted' and 'rejected' applications in Table 10. does not equal the number of 'received' applications, nor do the percentages in Figure 17. add up to 100%.



Of the 1,077 No Asset Procedure applications that were received in 2020/21, 31% were rejected. Some of these rejected applications were resubmitted and in the end 84% of all those submitted throughout the year were accepted.



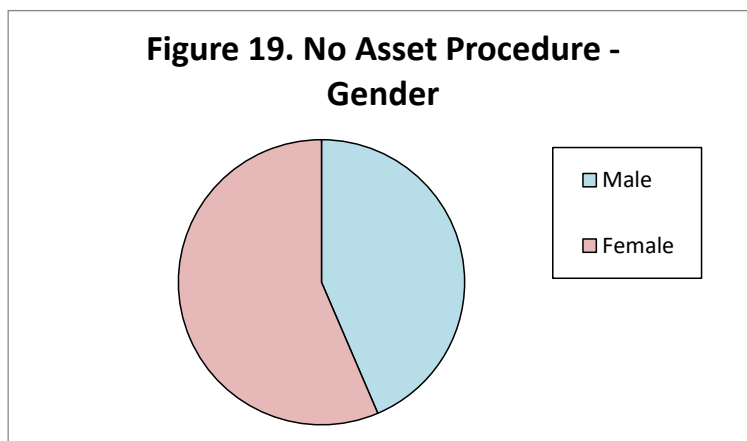
The most common cause of rejection of a No Asset Procedure application in 2020/21 was due to having an 'incomplete Statement of Affairs/application' which accounted for 55% of rejections. 'Debts over the debt limit' was the second most common cause making up 17% of rejections, with 'application withdrawn' making up a further 13%.



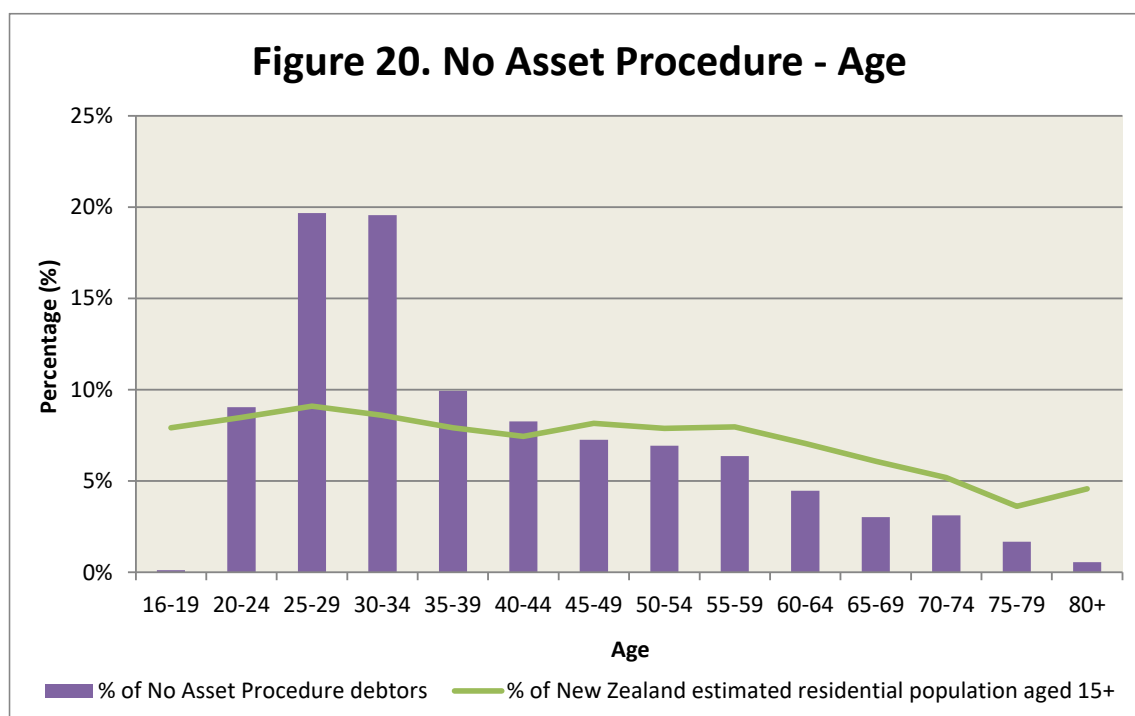
In 2020/21, 11 No Asset Procedures were terminated; the most common cause was 'debts over the limit' which accounted for 36%, or 4, terminations.

Age and Gender

56% of debtors who entered into a No Asset Procedure in 2020/21 were female, 43% were male.



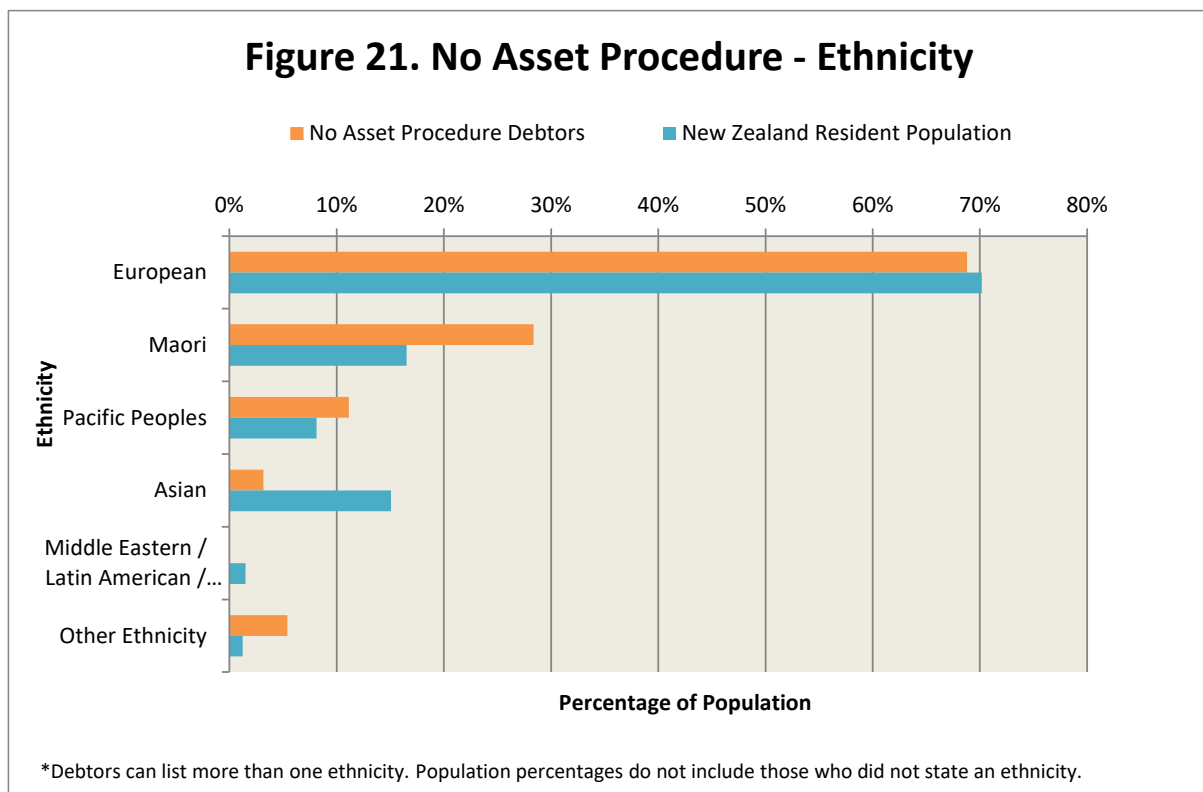
The most common age of debtors entering into a No Asset Procedure in 2020/21 was 25-29 years, followed closely by 30-34 years. Debtors in their 20's accounted for 29% of all No Asset Procedure debtors, which is overrepresented compared to making up 18% of the estimated New Zealand residential population⁷. Debtors in their 30's made up 30% of No Asset Procedure debtors compared to 17% of the estimated New Zealand residential population, while debtors in their 40's made up 15% of No Asset Procedure debtors. The average age of debtors who entered into a No Asset Procedure in 2020/21 was 40 years.



⁷ The New Zealand residential population statistics are sourced from Statistics New Zealand (2021), *National Population Estimates: At 30 March 2021 - tables*. Wellington: Statistics New Zealand.

Ethnicity

69% of No Asset Procedure debtors in 2020/21 identified as being European. This is on par with 70% of the New Zealand resident population in the 2018 census having identified as being European. 28% of No Asset Procedure debtors identified as Māori; which is overrepresented compared to making up just 17% of the residential population⁸.

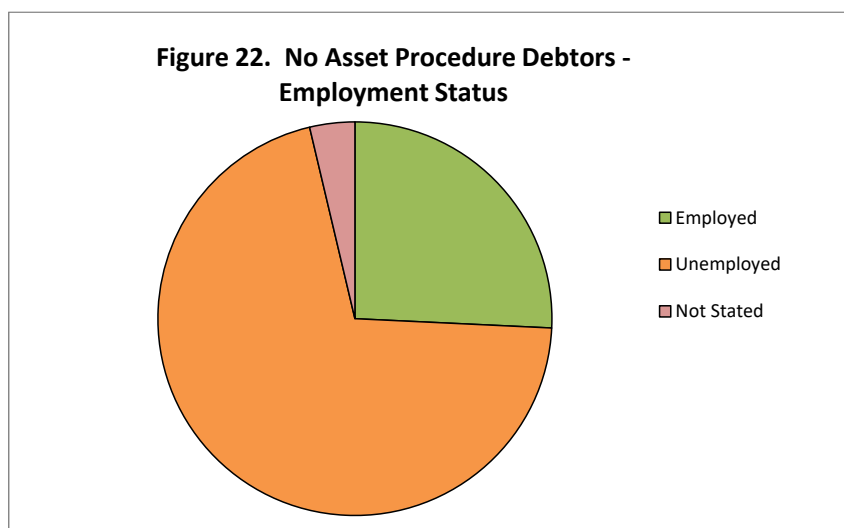


Employment

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 are not 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.

26% of No Asset Procedure debtors noted that they were employed in their Statement of Affairs at the time that they entered into insolvency; 26% of male debtors and 25% of female debtors.

⁸ The New Zealand resident population statistics are sourced from Statistics New Zealand (2021), *2018 Census Data*. Wellington: Statistics New Zealand.

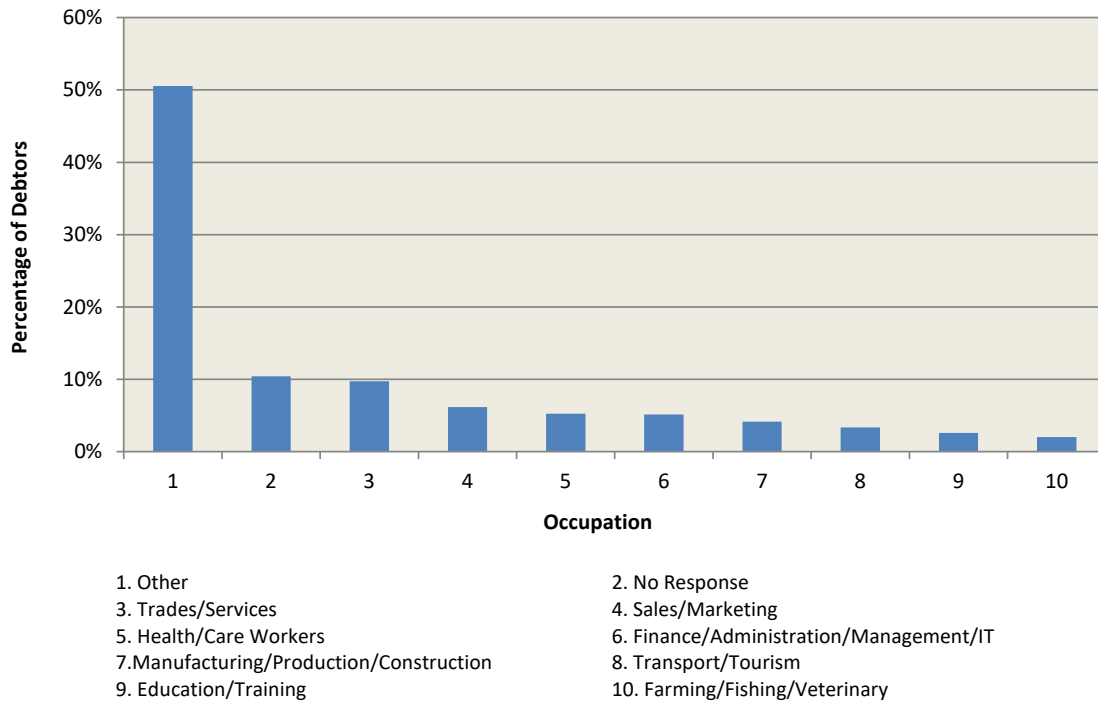


The most common employment status of those who entered into a No Asset Procedure in 2020/21 was to be on the 'unemployment benefit'; 40% of males and 42% of females.

Table 11. Employment Status of No Asset Procedure Debtors			
Description	Male	Female	Total %
Unemployment benefit	40%	42%	41%
Currently employed	22%	17%	19%
Unemployed no benefit	9%	6%	7%
Sickness Benefit/ACC	8%	5%	6%
Currently employed and receiving income support	4%	7%	6%
Retired	7%	6%	6%
Other Benefit	3%	5%	4%
Student	3%	4%	4%
Other	2%	2%	2%
Employed part-time and receiving benefit	1%	1%	1%
Unpaid family worker	1%	1%	1%
Trading on own account	0%	1%	0%
No response	2%	4%	4%

When asked to select their primary occupation, 51% of No Asset Procedure debtors selected 'other' employment not identified in the statistical occupation groups listed. 10% selected 'trades/services', and 6% selected 'sales/marketing'. 10% of debtors did not give a response to this question.

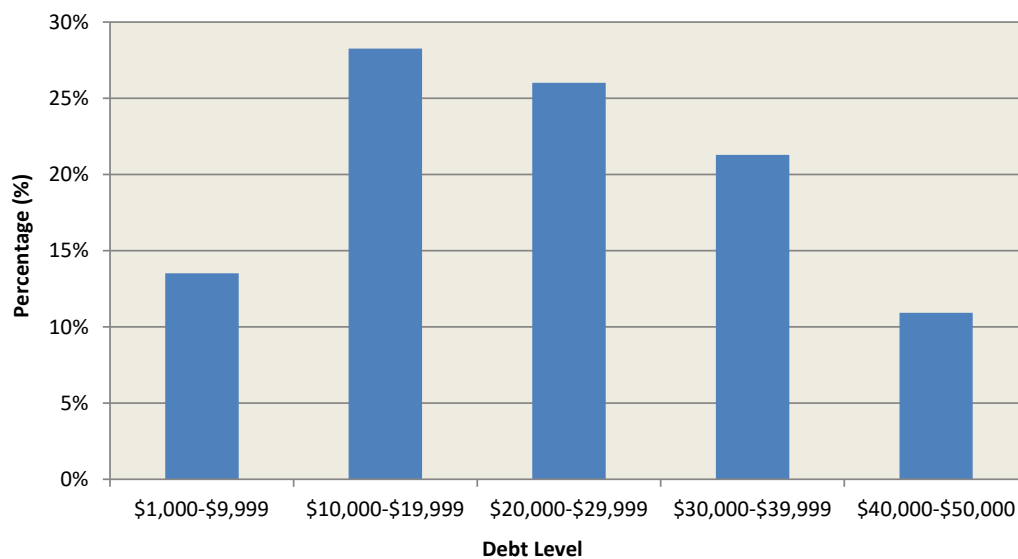
Figure 23. Statistical Occupation Group of No Asset Procedure Debtors



Debt Levels

In January 2020 the upper debt limit for entry into the No Asset Procedure increased from \$NZ47,000 to \$NZ50,000. In 2020/21, the most common level of debt amongst No Asset Procedure debtors was \$10,000-\$19,999 (28%). 14% of debtors had debt levels of \$1,000-\$9,999, and another 26% had debt levels of \$20,000-\$29,999. 32% of debtors had debts over \$30,000.

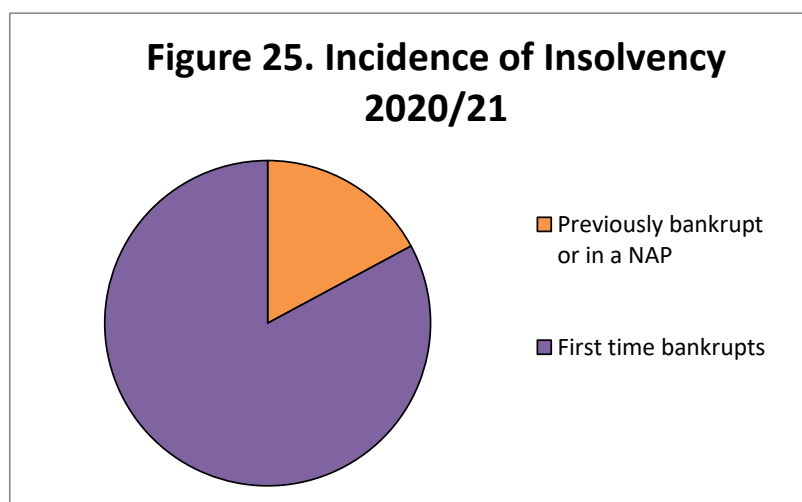
Figure 24. No Asset Procedures - Debt Levels



Bankruptcies

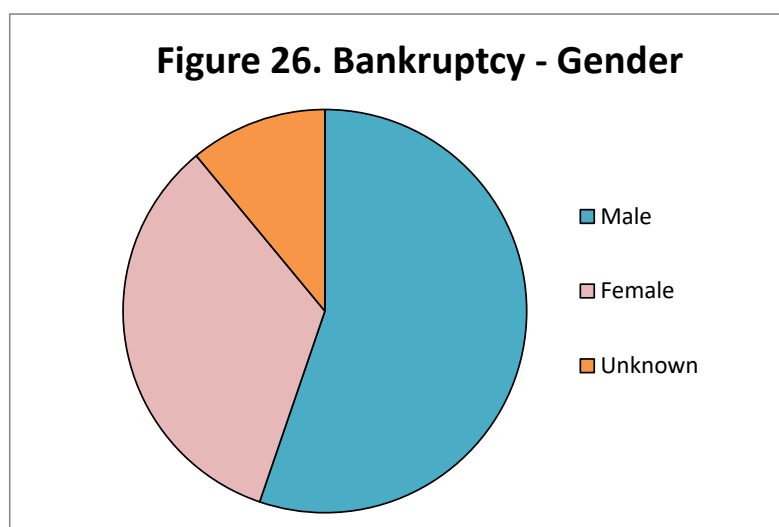
Incidence of Insolvency

17% of debtors adjudicated bankrupt in 2020/21 had previously entered into bankruptcy or a No Asset Procedure. There is no limit to the number of times a debtor can enter into bankruptcy, whereas debtors are limited to a single entry into the No Asset Procedure over their lifetime. The level of repeat insolvency was higher for those adjudicated by way of a debtor's application with a 'previously insolvent' rate of 22%. Debtors adjudicated by way of a creditor's application had previously been bankrupt or in a No Asset Procedure in 6% of cases.



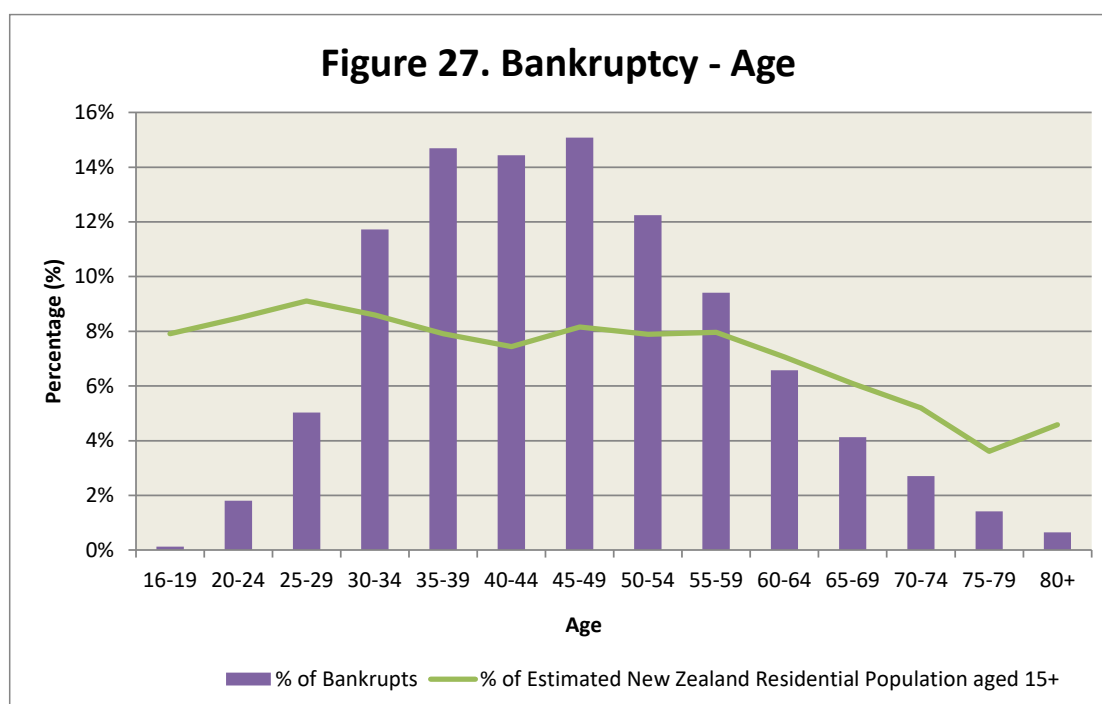
Age and Gender

The gender of 11% of debtors who went bankrupt in 2020/21 is unknown, 55% were male and 34% were female. The gender ratio varied between debtor's and creditor's applications with creditor's applications having a higher portion of male debtors than debtor's applications.



The most commonly represented age of people who went bankrupt in 2020/21 was 45-49 years. 29% of debtors were between the ages of 40-49, compared to making up 16% of the population. Similarly debtors in their 30's made up 27% of bankruptcy debtors compared to representing just

17% of the estimated New Zealand residential population aged 15 and over⁹. Debtors in their 30's, 40's and 50's were over-represented compared to their respective New Zealand residential population age-group percentages.



Of the people who entered into bankruptcy during 2020/21; the youngest person was 19, the oldest person was 105 and the average age was 46 years old.

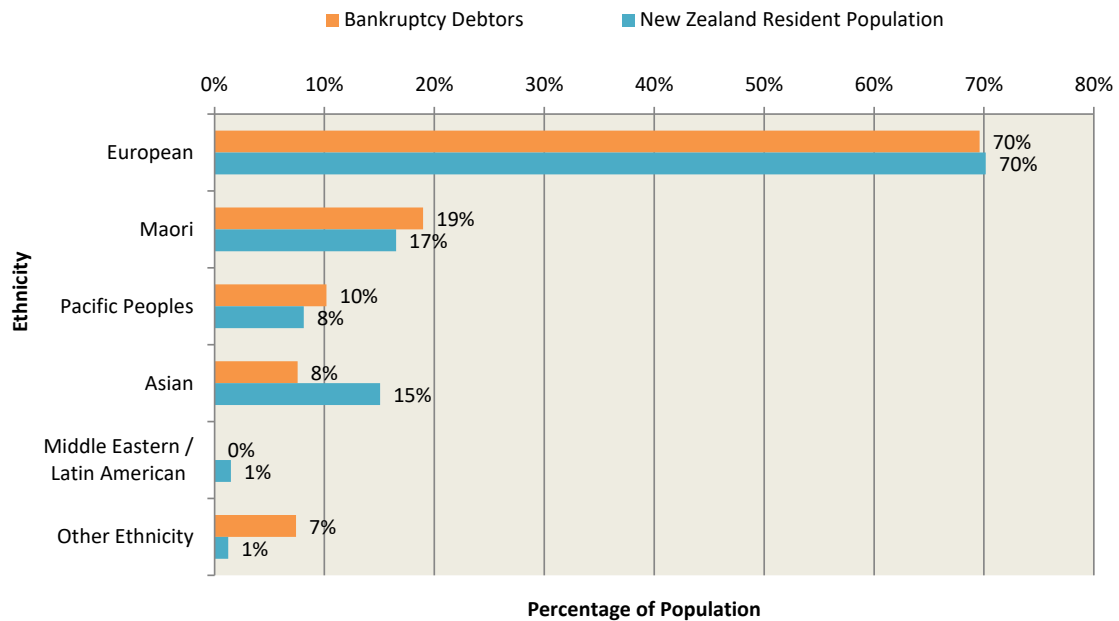
Ethnicity

Of the bankrupt debtors who identified an ethnicity in their Statement of Affairs, 70% identified as being European and 19% identified as being Maori. In the 2018 census 70% of the New Zealand resident population identified as being European, while 17% identified as Maori. In the less populated categories, 10% of bankrupt debtors identified as Pacific Peoples, 8% Asian and 7% 'other ethnicity'¹⁰. Debtors can identify as being more than one ethnicity.

⁹ The Estimated New Zealand Resident Population age statistics are taken from Statistics New Zealand (2021), *National Population Estimates: At 30 March 2021 - tables*. Wellington: Statistics New Zealand.

¹⁰ The Estimated New Zealand Resident Population ethnicity statistics are taken from Statistics New Zealand (2021), *2018 Census Data*. Wellington: Statistics New Zealand.

Figure 28. Bankruptcy - Ethnicity

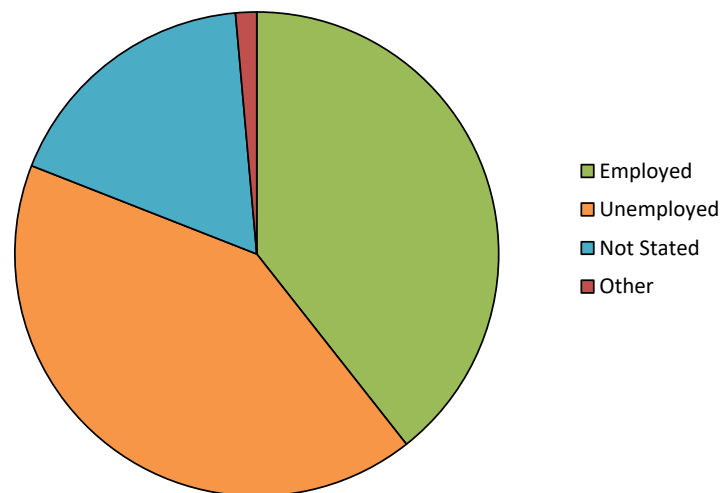


*Debtors can list more than one ethnicity. Percentage populations do not include debtors who did not state an ethnicity.

Employment

39% of bankrupt debtors adjudicated in 2020/21 stated that they were employed at the date of adjudication, 42% stated that they were unemployed, while the remaining 19% did not state their employment status, or selected 'other'.

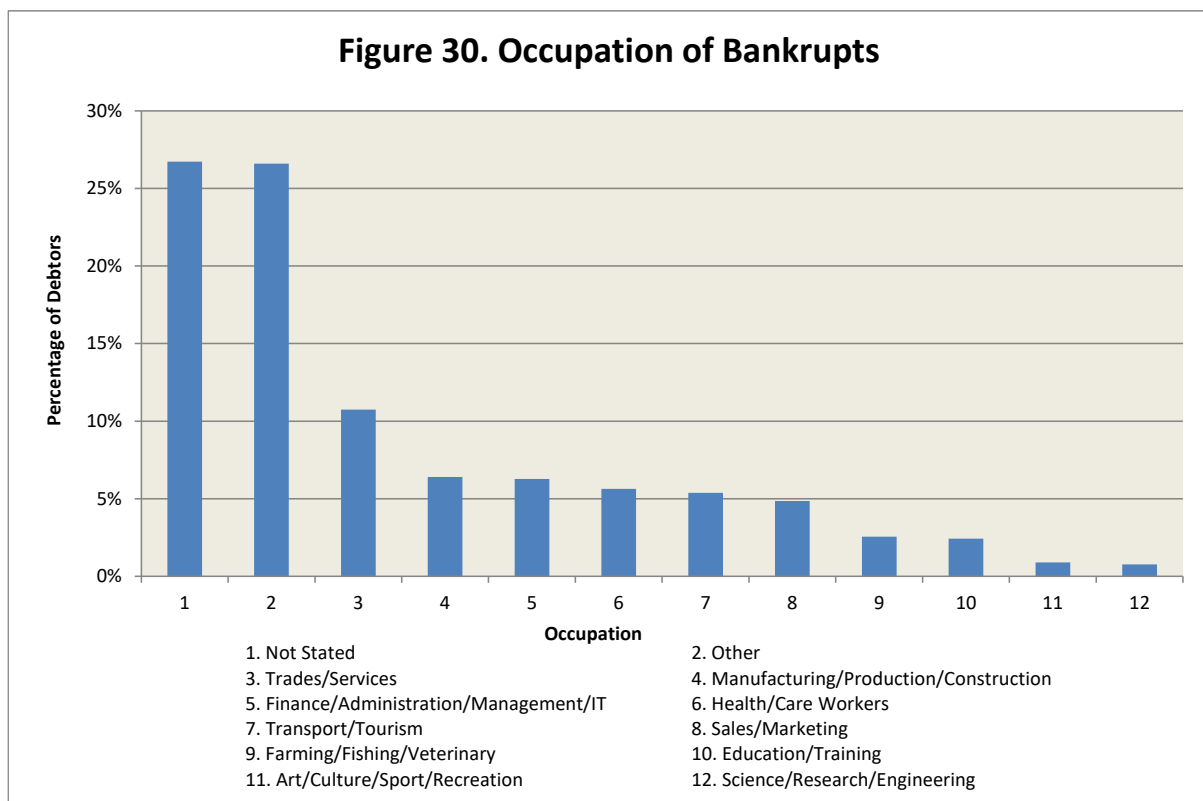
Figure 29. Bankruptcy - Employment Status



35% of debtors adjudicated bankrupt in 2020/21 were employed by third parties either full time or part time, while an additional 4% were either trading as a director/shareholder or trading on their own account.

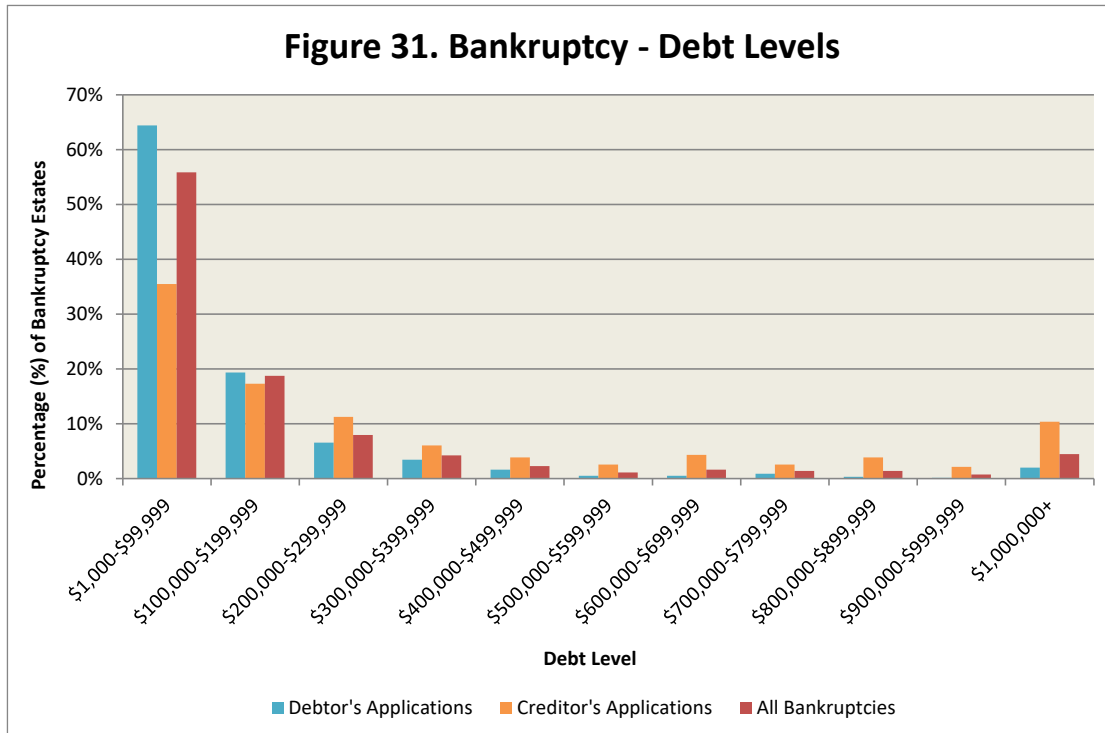
Table 13. Employment Status of Bankrupts				
Description	Male	Female	Unknown	Total
Currently Employed	37%	33%	6%	32%
Unemployment Benefit	18%	26%	4%	19%
Unemployed no Benefit	11%	5%	3%	8%
No Response	11%	7%	78%	18%
Sickness benefit/ACC	4%	6%	0%	4%
Trading on own account	4%	2%	0%	2%
Retired	5%	5%	3%	4%
Currently employed and receiving income support	3%	2%	1%	2%
Other	2%	1%	1%	1%
Unpaid family worker	0%	2%	1%	1%
Other Benefit	2%	7%	1%	3%
Trading in Partnership or as a Director/Shareholder	2%	1%	1%	2%
Employed part-time and receiving a benefit	1%	2%	0%	1%
Student	1%	3%	0%	1%

In their Statement of Affairs, debtors are asked to identify their primary occupation. 27% of debtors did not state their occupation, while another 27% selected 'other' employment not identified in the listed group classifications. 'Trades/services' was the highest defined occupational category with 11% of bankrupts working in these fields, the second most common occupational group identified was 'manufacturing/production/construction' with 6%.

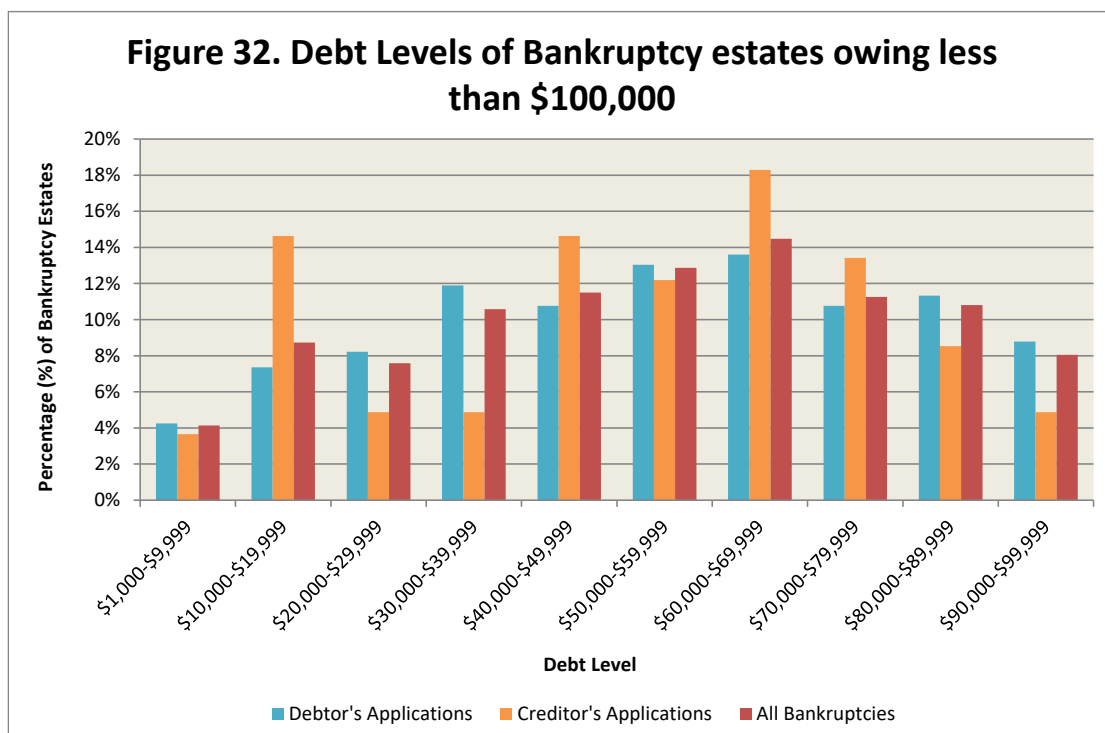


Debt Levels

Unlike No Asset Procedures and Debt Repayment Orders there is no upper limit to the level of debt a bankrupt can have; 56% of bankrupts adjudicated in 2020/21 had debt of less than \$100,000, 19% of bankrupts had debt levels of between \$100,000-\$200,000, and 25% had debt levels over \$200,000.



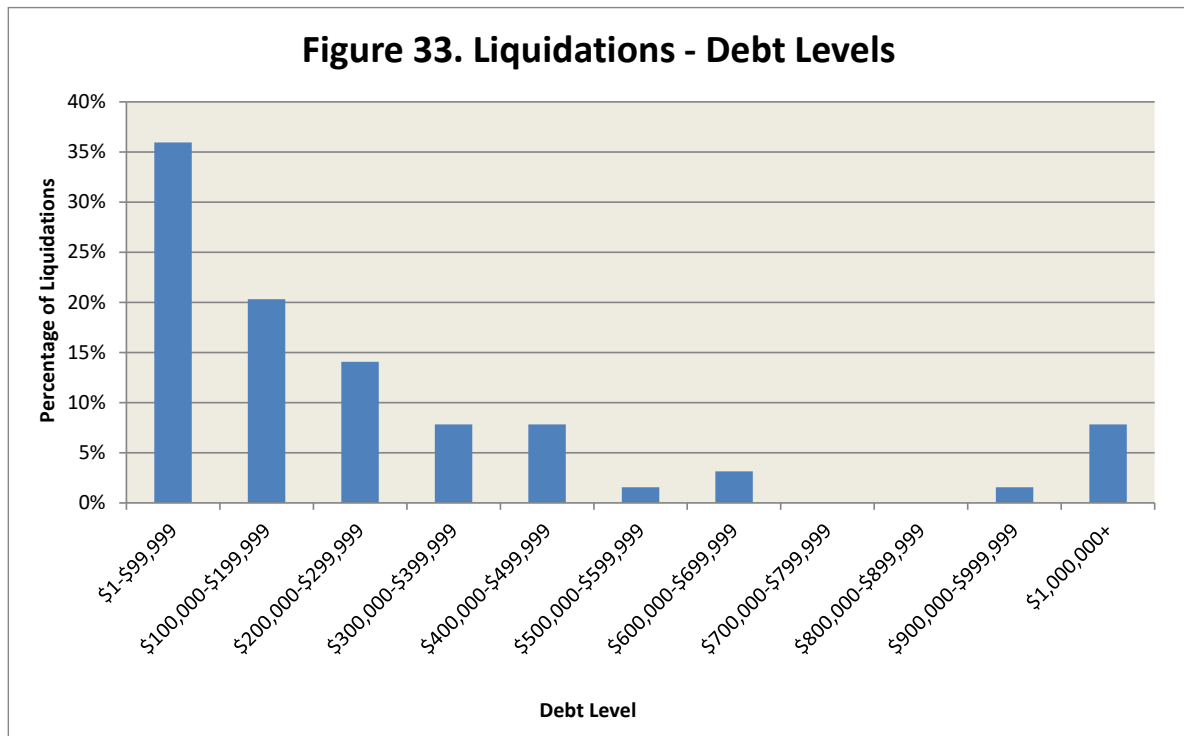
Of those bankruptcy estates that had less than \$100,000 in total debt, 43% owed less than \$50,000, and 57% had total debt of \$50,000-\$100,000.



Corporate Insolvencies

Debt Level

36% of liquidations administered by the Official Assignee in 2020/21 had total debt of less than \$100,000, while 64% of liquidations had debt of more than \$100,000.



Of the liquidation estates that had total debt of less than \$100,000, 65% had debt of less than \$50,000, and 35% had debt between \$50,000-\$100,000.

