



**NEW ZEALAND  
INSOLVENCY AND  
TRUSTEE SERVICE**

# Insolvency Statistics and Debtor Profile Report

1 July 2022 to 30 June 2023



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

[New Zealand Government](https://www.newzealand.govt.nz/)

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*The Insolvency and Trustee Service (ITS) is a business unit within the Ministry of Business, Innovation and Employment (MBIE). The unit is part of the Market Integrity Branch, the General Manager of Market Integrity is the Official Assignee for New Zealand (OANZ).*

*The ITS acts on behalf of the OANZ who is appointed under the State Sector Act 1988 to administer the Insolvency Act 2006 and parts of the Companies Act 1993. We also have the Insolvency (Personal Insolvency) Regulations 2007.*

*The OANZ administers all Bankruptcies, No Asset Procedures, Debt Repayment Orders and some Court-appointed liquidations. The ITS maintain both an [Insolvency Register](#) and a [Debt Repayment Order Register](#). These registers are publicly available.*

## Annual Statistics – Personal Insolvency Volumes

In the 2022/23 year, the Insolvency and Trustee Service oversaw the administration of 1,136 new personal insolvency procedures. Remarkably, this figure marks the lowest annual volume recorded in over three decades, reflecting an 8% decline compared to the previous year, 2021/22.

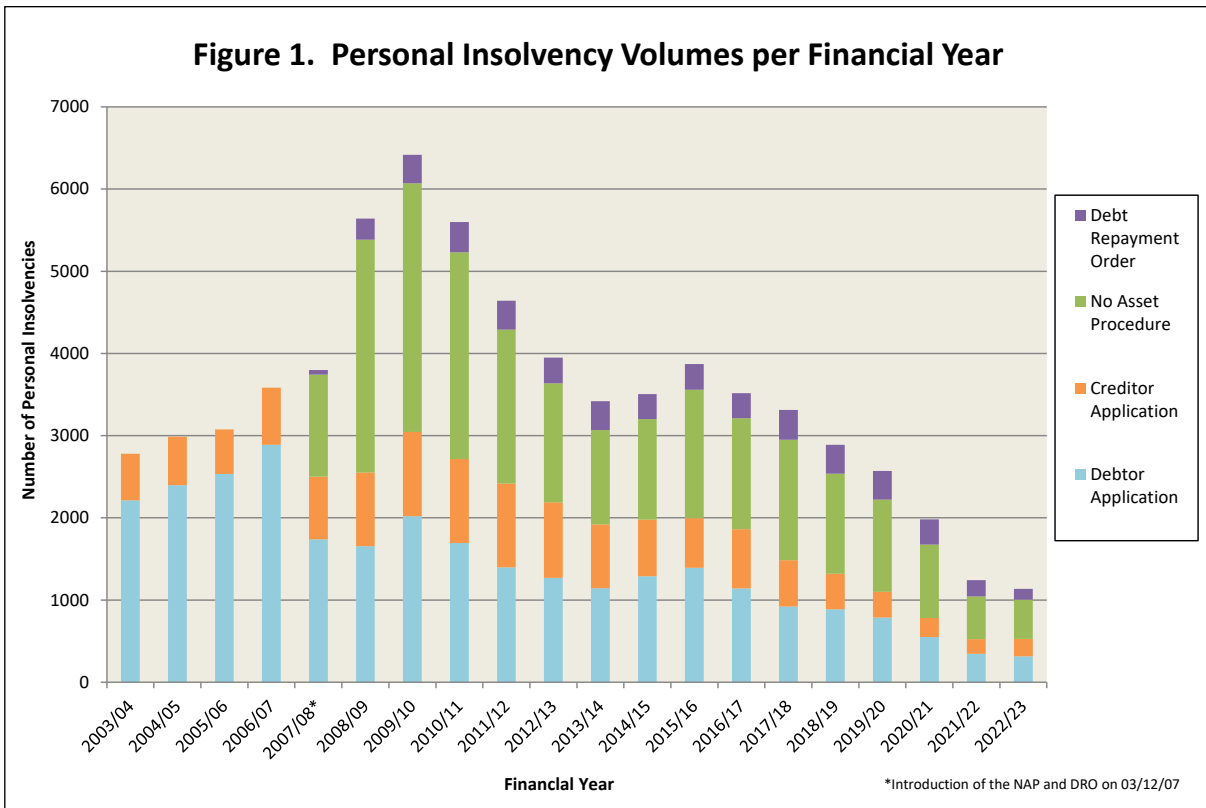
The total personal insolvency volume is made up of Debt Repayment Orders (DRO), No Asset Procedures (NAPs) and both Debtor and Creditor-initiated Bankruptcies.

Table 1. Personal Insolvency Volumes per Financial Year					
Financial Year	Total	Debtor Application	Creditor Application	No Asset Procedure	Debt Repayment Order
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
2021/22	1241	346	179	519	197
<b>2022/23</b>	<b>1136</b>	<b>316</b>	<b>212</b>	<b>476</b>	<b>132</b>

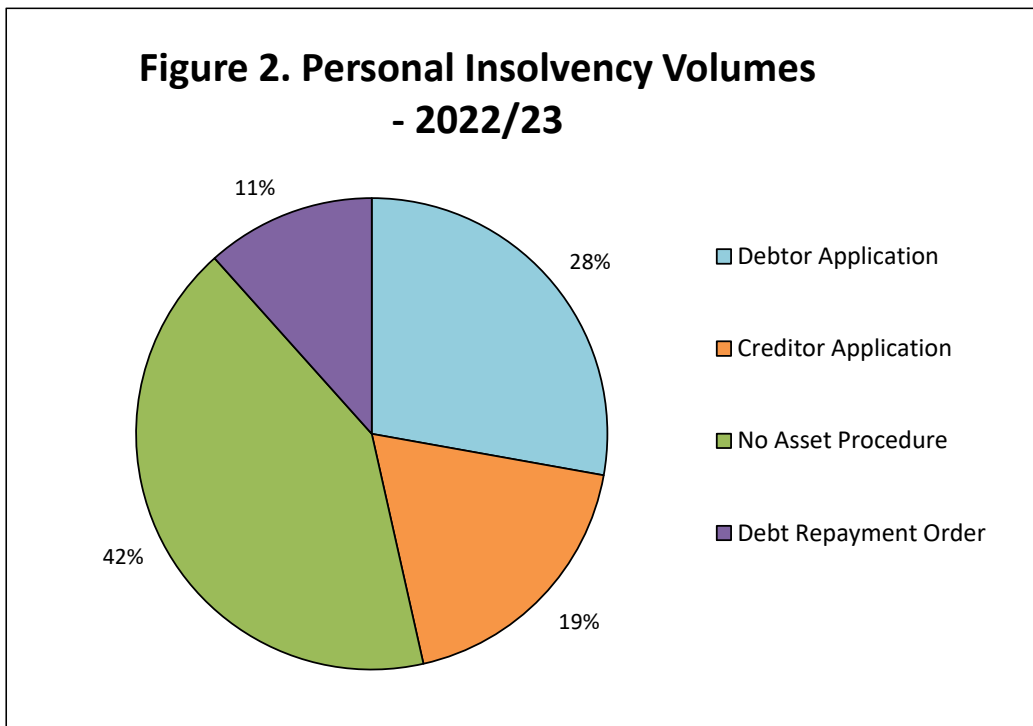
\*Introduction of the NAP and DRO on 03/12/2007

The Debt Repayment Order and No Asset Procedure provide an alternative to bankruptcy. Together, they made up 53% of total personal insolvency volumes in 2022/23, while bankruptcies accounted for 47%.

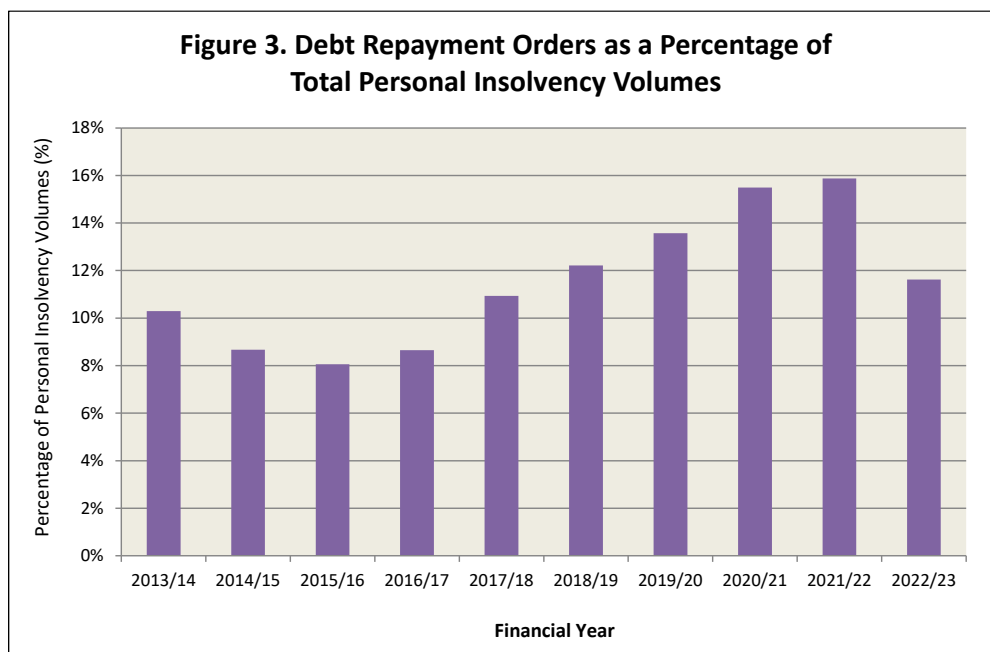
While bankruptcy volumes had been steadily decreasing since 2015/16, 2022/23 marked the end of this decline, with volumes stabilising and plateauing. Interestingly, creditor applications emerged as the sole procedure to experience an increase in volumes during 2022/23, while all other personal insolvency procedures (including Debtor Applications, No Asset Procedures and Debt Repayment Orders) experienced declines to varying degrees.



No Asset Procedures constituted the largest share of personal insolvency volumes in 2022/23, making up 42%. This was followed by Debtor Applications at 28%, Creditor Applications 19% and Debt Repayment Orders made up the remaining 11%.



The trajectory of Debt Repayment Orders within personal insolvency volumes had been rising steadily since 2015/16, reaching a peak of 16% in 2021/22. This trend was indicative of a growing preference for structured debt repayment plans among individuals facing financial challenges. However, the landscape shifted in 2022/23 as Debt Repayment Orders experienced a decline, receding to just over 11% of personal insolvency volumes.



In 2022/23, a mere 0.03% of the New Zealand population aged 18 and over entered into a personal insolvency procedure<sup>1</sup>, marking the lowest insolvency rate recorded in New Zealand in over a decade. Table 2. shows the rate of personal insolvency within New Zealand over the 10 years.

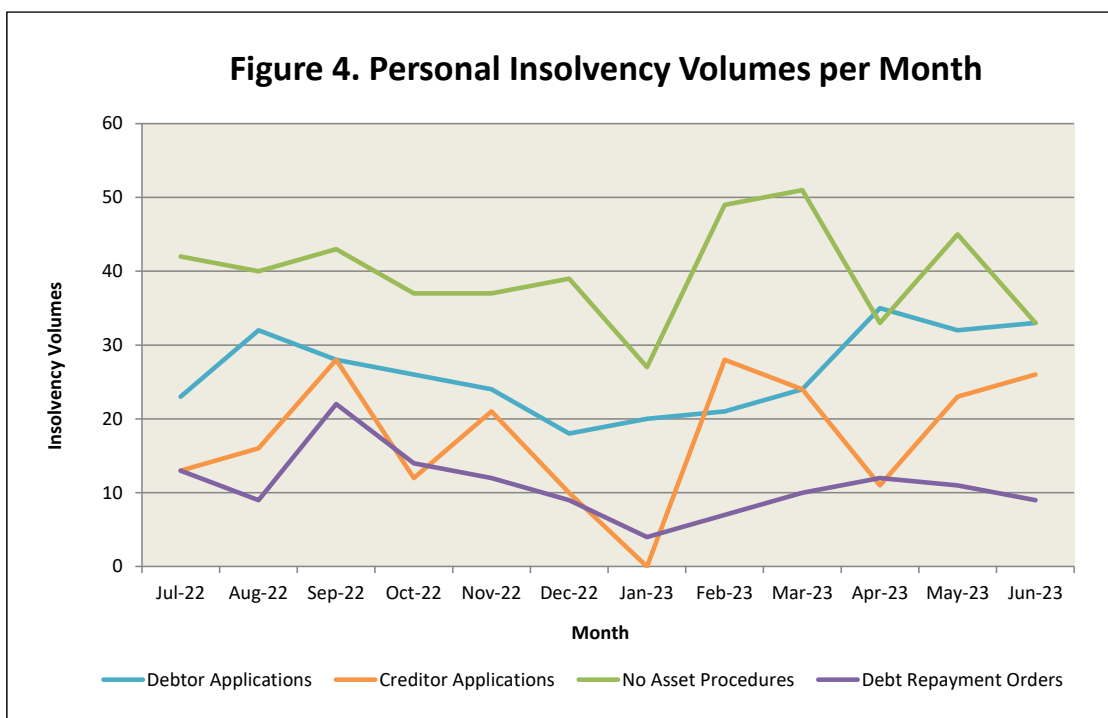
Financial Year 1 July - 30 June	Estimated Population*	Personal Insolvencies	Rate of Personal Insolvencies
2013/14	3,366,300	3,418	0.10%
2014/15	3,443,600	3,506	0.10%
2015/16	3,532,800	3,870	0.11%
2016/17	3,625,300	3,516	0.10%
2017/18	3,708,700	3,312	0.09%
2018/19	3,785,600	2,890	0.08%
2019/20	3,865,800	2,571	0.07%
2020/21	3,942,100	1,982	0.05%
2021/22	3,957,100	1,241	0.03%
2022/23	3,983,600	1,136	0.03%

\*Estimated resident population aged 18+ as at 31 March

<sup>1</sup> Population estimates sourced from Statistics New Zealand (2023), *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-22	91	23	13	42	13
Aug-22	97	32	16	40	9
Sep-22	121	28	28	43	22
Oct-22	89	26	12	37	14
Nov-22	94	24	21	37	12
Dec-22	76	18	10	39	9
Jan-23	51	20	0	27	4
Feb-23	105	21	28	49	7
Mar-23	109	24	24	51	10
Apr-23	91	35	11	33	12
May-23	111	32	23	45	11
Jun-23	101	33	26	33	9
<b>Total</b>	<b>1,136</b>	<b>316</b>	<b>212</b>	<b>476</b>	<b>132</b>

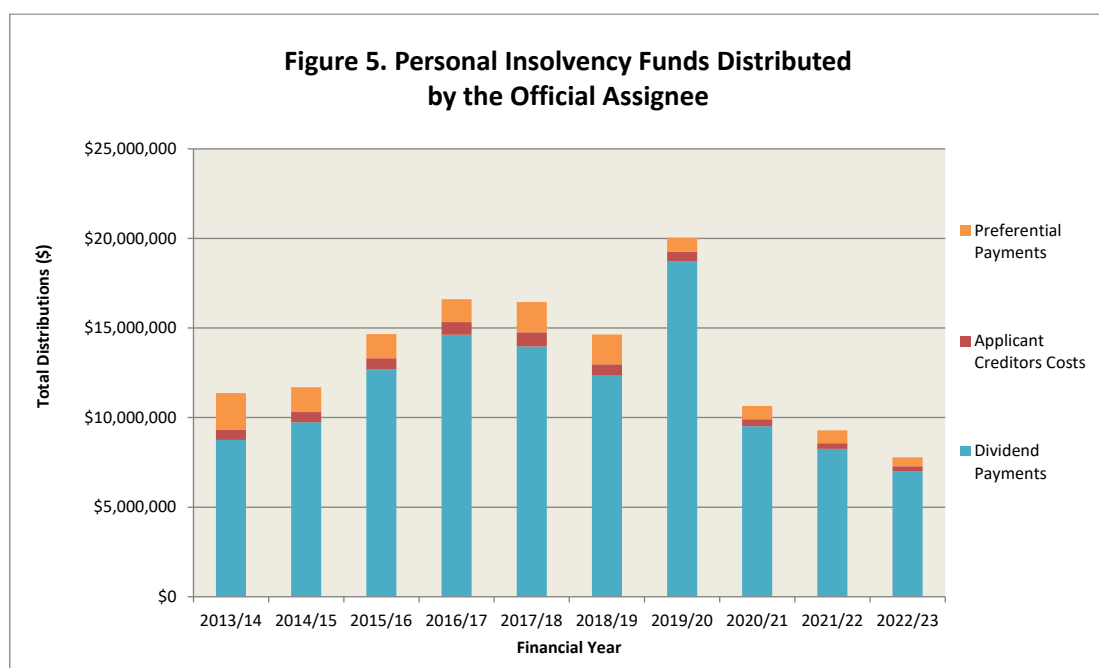
During 2022/23 the Insolvency and Trustee Service received an average of 11 Debt Repayment Orders per month, 40 No Asset Procedures and 44 new bankruptcy estates. The lowest number of new personal insolvencies was received in the month of January, while the highest volume of new personal insolvencies was received in September 2022, followed by May 2023.



In 2022/23, debtors from the Auckland region constituted the largest share of personal insolvencies nationwide, comprising 34% of the total volume. Following behind, Canterbury emerged as the second most represented region, accounting for 17% of new personal insolvencies. The Waikato region followed suit, contributing 12% to the overall tally of new personal insolvencies in New Zealand in 2022/23.

Table 4. Personal Insolvency Volumes per Region 2022/23						
Court Region	%	Total	Debtor Applications	Creditor Applications	No Asset Procedures	Debt Repayment Orders
Auckland	34%	325	75	93	133	24
Bay of Plenty	7%	67	14	16	27	10
Canterbury	17%	162	33	22	76	31
Gisborne	0%	1	1	0	0	0
Hawkes Bay	4%	38	6	5	13	14
Manawatu-Whanganui	7%	70	19	6	37	8
Marlborough	1%	13	2	0	9	2
Nelson	1%	11	2	5	3	1
Northland	4%	36	9	6	20	1
Otago	4%	37	15	5	15	2
Southland	2%	23	3	3	7	10
Taranaki	4%	41	12	4	19	6
Tasman	1%	7	3	2	2	0
Waikato	12%	114	40	18	45	11
Wellington	11%	108	39	12	47	10
West Coast	2%	18	1	1	15	1
Unknown	7%	65	42	14	8	1
		<b>1136</b>	<b>316</b>	<b>212</b>	<b>476</b>	<b>132</b>

In the 2022/23 financial year the Official Assignee disbursed \$7,776,204.38 in personal insolvency distributions to creditors. Of these funds, 90% constituted dividend payments to unsecured creditors, 6% were payments to preferential creditors and 4% were distributions towards applicant creditor’s costs. Of the total funds paid in personal insolvency distributions, 24% of funds (\$1,828,657.01) was paid to Debt Repayment Order creditors.



## Annual Statistics - Corporate Insolvency Volumes

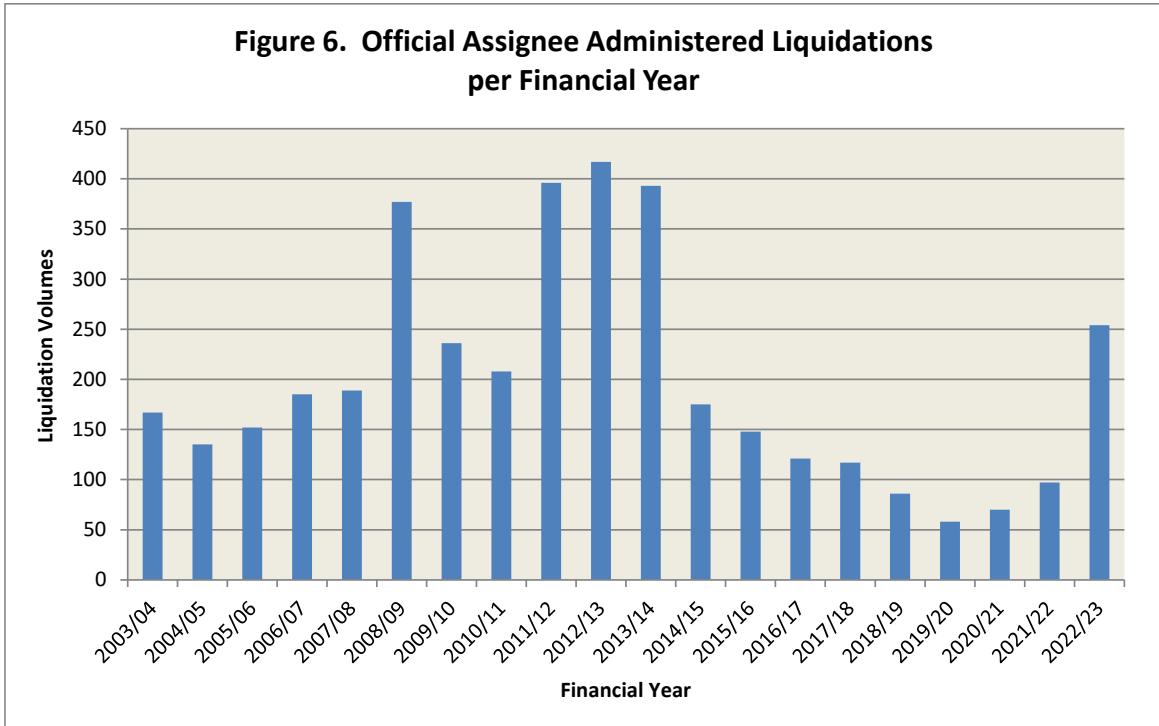
The Official Assignee can be appointed the liquidator of a company by the Court, or if a special resolution is passed by reason of the Official Assignee exercising voting rights attaching to shares in the company of a person who has been adjudged bankrupt; or another company of which the Official Assignee is liquidator. As of June 30, 2023, the total number of registered companies in New Zealand stood at 729,819<sup>2</sup>.

<b>Table 5. Corporate Insolvency Volumes per Financial Year</b>	
<b>Financial Year 1 July - 30 June</b>	<b>Corporate Insolvency Volumes</b>
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	70
2021/22	97
<b>2022/23</b>	<b>254</b>

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

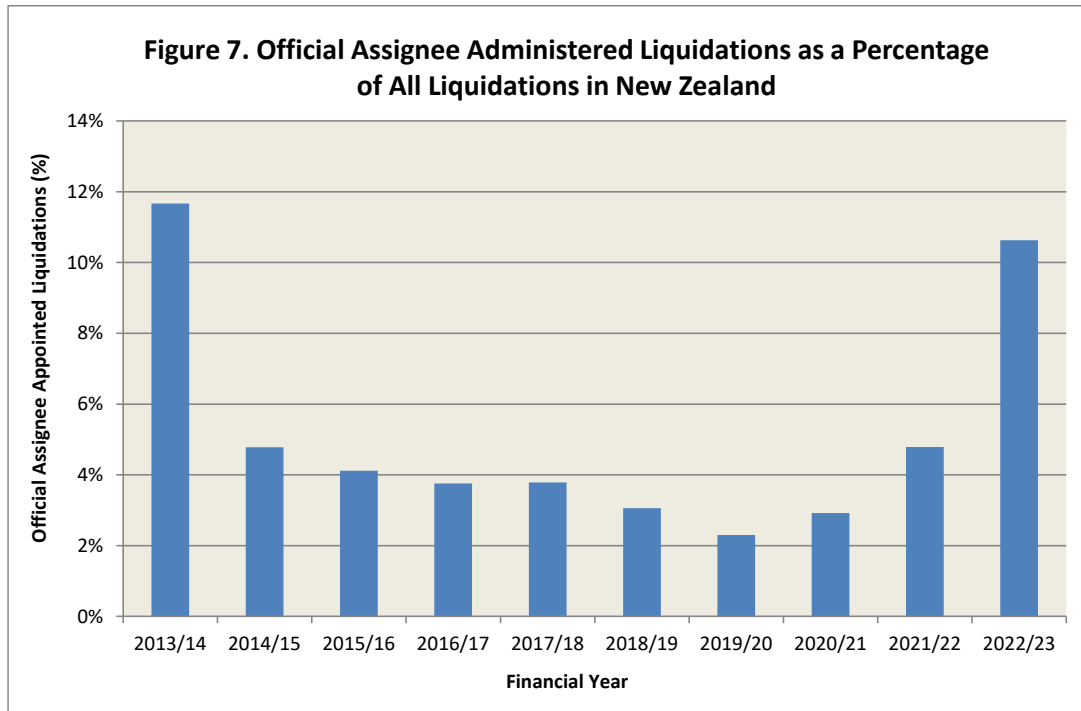




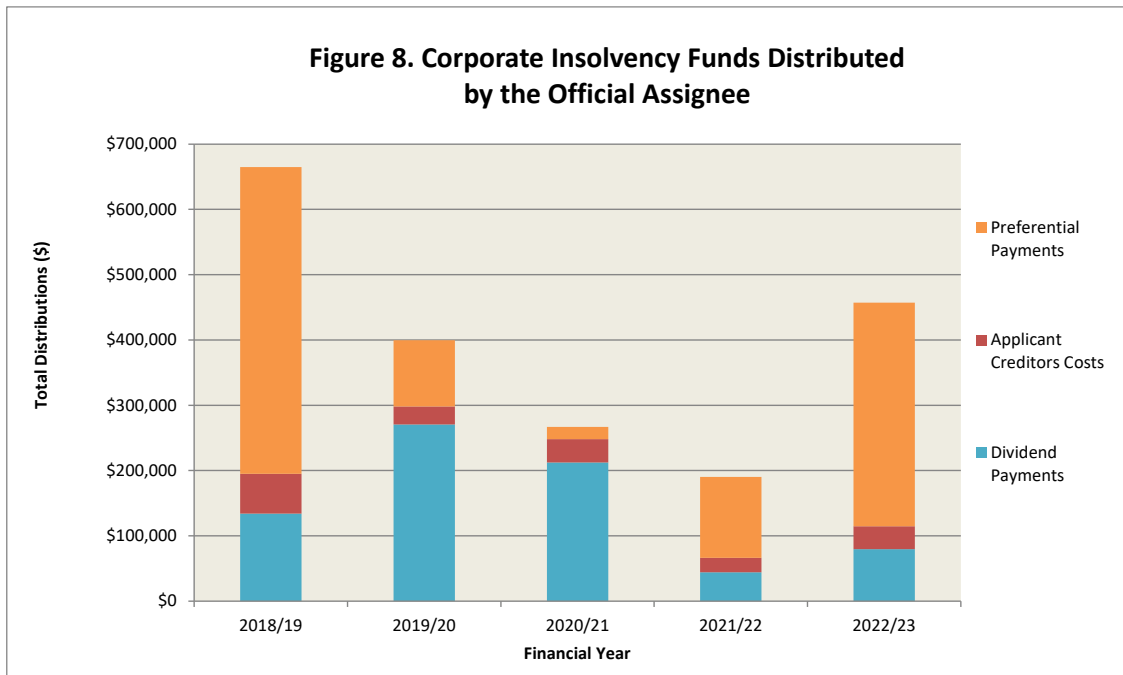
In 2022/23 the Official Assignee was appointed the liquidator of 254 companies, marking a notable increase compared to the 2021/22 period, where liquidations received were less than half this figure. Among these company liquidations, 44% originated in the Auckland region, 11% in Wellington and 8% in Christchurch. Only one Voluntary Liquidation was received in 2022/23.

<b>Table 6. Corporate Insolvency Volumes 2022/23</b>		
<b>Court Region</b>	<b>%</b>	<b>Number of liquidations</b>
Auckland	44%	113
Blenheim	1%	2
Christchurch	8%	21
Dunedin	3%	7
Gisborne	2%	4
Greymouth	1%	2
Hamilton	5%	13
Invercargill	1%	2
Masterton	0%	1
Napier	3%	7
Nelson	1%	2
New Plymouth	2%	5
Palmerston North	4%	11
Rotorua	2%	6
Tauranga	6%	14
Timaru	1%	3
Wanganui	1%	3
Wellington	11%	29
Whangarei	3%	8
Voluntary Liquidation	0%	1
		<b>254</b>

In 2022/23, 2,389 companies were placed into liquidation within New Zealand<sup>3</sup>. The Official Assignee was appointed the liquidator of 10.6% of these liquidations.



The Official Assignee distributed \$457,150.91 in corporate insolvency distributions in 2022/23. Of these funds, 17% were paid out as dividend payments, 8% were distributions towards applicant creditor’s costs and the majority of the funds (75%) were received by preferential creditors as preferential payments.



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

## Key Characteristics of Debtors 2021 to 2023

Table 7. Debtor Characteristics 2021 to 2023	Bankrupts		NAP Debtors		DRO Debtors	
	2022/23	2020/21	2022/23	2020/21	2022/23	2020/21
Number	528	782	476	893	132	307
Gender % male (where identified)	55%	55%	40%	44%	39%	39%
Age (most represented)	40-44 (16%)	45-49 (15%)	30-34 (19%)	25-29 (20%)	40-44 (16%)	25-29 (19%)
Ethnicity* (most represented)	European (66%)	European (70%)	European (69%)	European (69%)	European (66%)	European (66%)
% not employed (of those known)	46%	42%	71%	71%	37%	43%
Debt < \$20,000	8%	7%	35%	42%	35%	46%

Despite volumes having decreased significantly between 2021 and 2023, the key characteristics of insolvent debtors have remained consistent with some minor variations.

Of the 1,136 debtors who entered into insolvency during 2023, the gender of 1,064 of them is known; 50% were women, and 50% were men. In 2023, men were still more likely than women to enter into bankruptcy, while women were more likely than men to enter into a No Asset Procedure or a Debt Repayment Order.

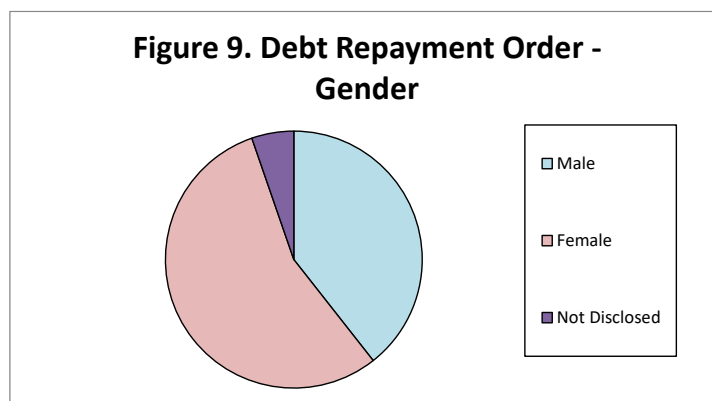
There has been a change in the age of debtors entering into insolvency between 2021 to 2023. The most common age group for bankruptcy dropped from 45-49 in 2021, to 40-44 in 2023, while the most common age group for NAP debtors increased from 25-29 in 2021 to 30-34 in 2023. The biggest change was seen in DRO debtors, with the most common age group changing from 25-29 in 2021 to 40-44 in 2023, with the 25-29 and 35-39 age groups following closely behind.

There was a decrease in the percentage of insolvencies that fell into the under \$20,000 debt range for both No Asset Procedures and Debt Repayment Orders over the period. Where 42% of No Asset Procedures and 46% of Debt Repayment Orders were for under \$20,000 debt in 2021, this fell to just 35% for both procedures in 2023.

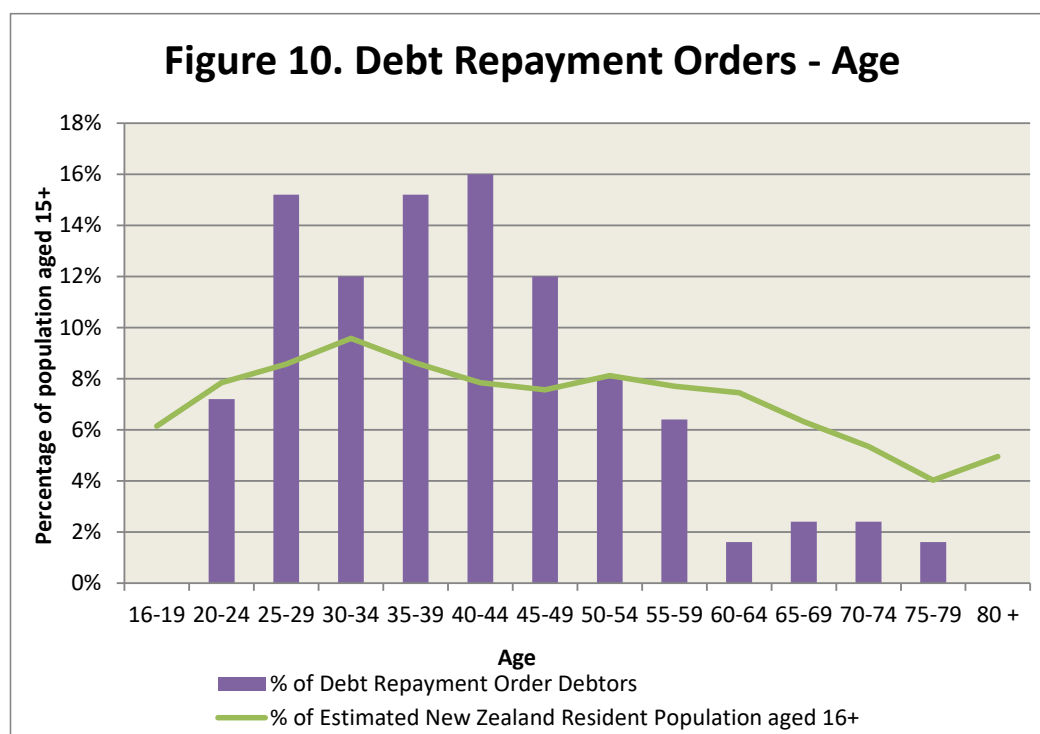
## Debt Repayment Orders

### Age and Gender

A total of 132 debtors entered into a Debt Repayment Order in 2022/23. Of those who did, 52 debtors (39%) were male and 73 (55%) were female, seven people did not disclose their gender.



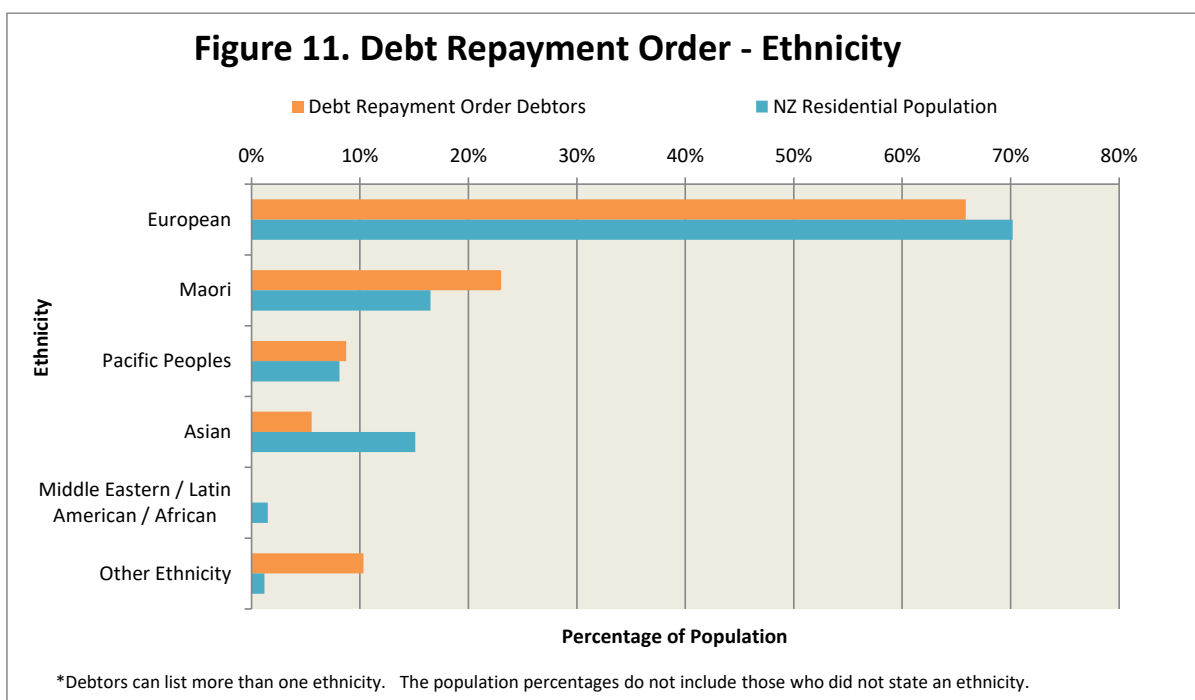
Amongst Debt Repayment Order debtors, the age groups most represented were 40-44 years (16%), 25-29 years (15.2%) and 35-39 years (15.2%). The corresponding percentage of the estimated New Zealand residential population aged over 15 is 7.8% for those aged 40-44 years, and 8.6% for both the 25-29 and 35-39 year age brackets<sup>4</sup>. The average age of debtors who entered a Debt Repayment Order in 2022/23 was 41 years old.



<sup>4</sup> The New Zealand residential population statistics are sourced from Statistics New Zealand (2023), *Estimated Resident Population of New Zealand: At 30 June 2023 - tables*. Wellington: Statistics New Zealand.

## Ethnicity

On the Statement of Affairs form debtors are prompted to indicate their ethnicity by selecting one or multiple options that best represent their self-perceived ethnic identity. In the 2022/23 year, 66% of debtors who entered a Debt Repayment Order disclosed their ethnicity as European. This is slightly underrepresented compared to the New Zealand residential population, 70% of whom identify as European<sup>5</sup>. 'Māori' emerged as the second most represented ethnicity among Debt Repayment Order debtors, constituting 23% of the total. The proportion exceeds the 17% of the New Zealand residential population who identified as Māori in the 2018 census.



## Employment

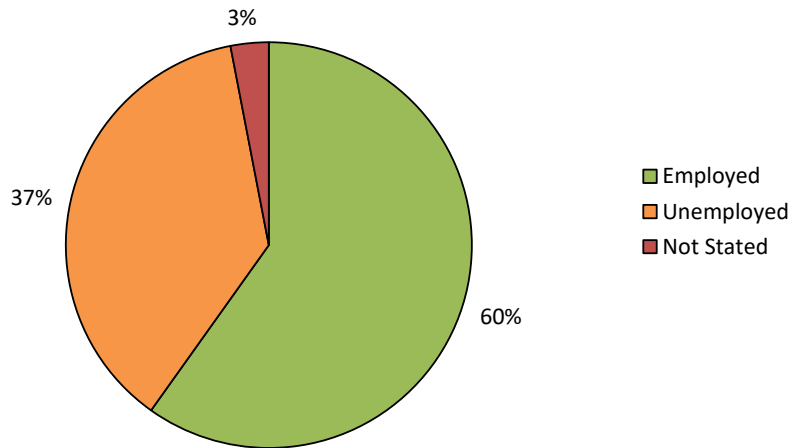
60% of Debt Repayment Order debtors were employed either full-time or part-time at the date they entered into the Debt Repayment Order; 58% of female debtors and 71% of male debtors.

37% were recorded as being unemployed (this includes beneficiaries, students, and retirees), while a further 3% did not state their employment status. The unemployment rate in New Zealand in the June 2023 quarter was 3.6%<sup>6</sup>.

<sup>5</sup> The New Zealand resident population statistics are sourced from Statistics New Zealand (2023), *2018 Census Data*. Wellington: Statistics New Zealand.

<sup>6</sup> The New Zealand unemployment rate is sourced from Statistics New Zealand (2023), *Unemployment Rate: June 2023 QTR*. Wellington: Statistics New Zealand.

**Figure 12. Debt Repayment Order Debtors  
- Employment Status**

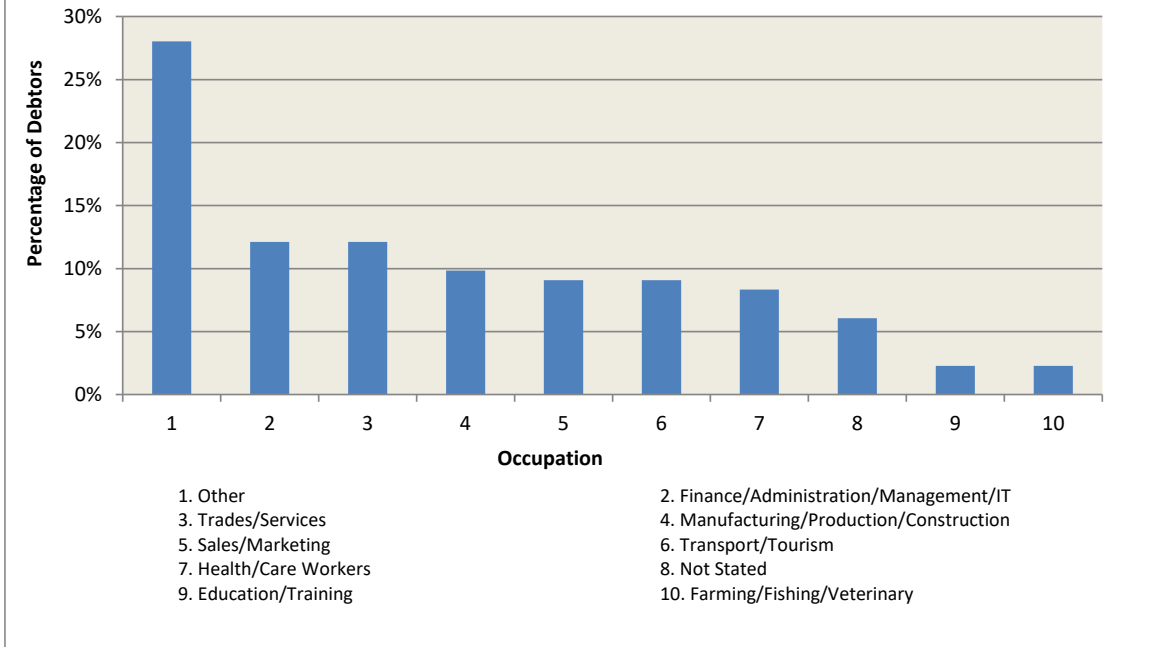


**Table 8. Employment Status of Debt Repayment Order Debtors**

Description	Male	Female	Total*
Currently employed	67%	47%	52%
Unemployment benefit	19%	25%	22%
Sickness Benefit/ACC	8%	8%	8%
Currently employed and receiving income support	2%	8%	5%
Retired	0%	5%	3%
Employed part-time and receiving benefit	0%	3%	2%
Other	2%	1%	2%
Student	0%	1%	1%
Trading on own account or as a director/shareholder	2%	0%	1%
Unemployed no benefit	0%	1%	1%
Other benefit	0%	0%	1%
Not stated	0%	0%	3%

Debtors are asked to list their main occupation in their Statement of Affairs. Of those who entered into a Debt Repayment Order in 2022/23, 12% identified that they were involved in 'finance/administration/management/IT', another 12% were involved in 'trades/services', while 10% were employed in the 'manufacturing/production/construction' industries. 28% 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. In 2022/23, 9% of Debt Repayment Order debtors had debt levels of less than \$10,000, 26% had debt levels from \$10,000-\$19,999 and 65% had debt levels over \$20,000.

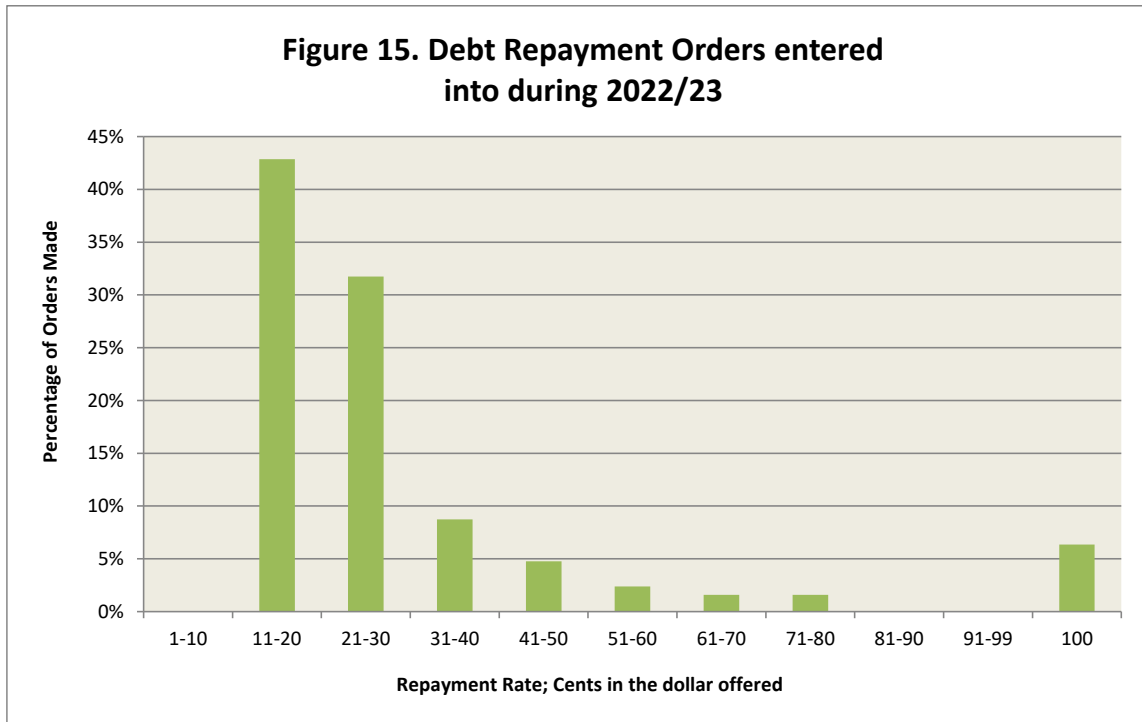
**Figure 14. Debt Repayment Order - Debt Levels**



## Repayment Rate

In 2022/23, 6% of all Debt Repayment Orders entered were for the repayment of 100 cents in the dollar to creditors. In 12% of Orders made, more than 50 cents in the dollar is being repaid to creditors, however, the most common repayment rate was between 11-20 cents in the dollar (43%) followed by 21-30 cents in the dollar (32%).

The average repayment rate for Debt Repayment Orders made in 2022/23 was 32 cents in the dollar.





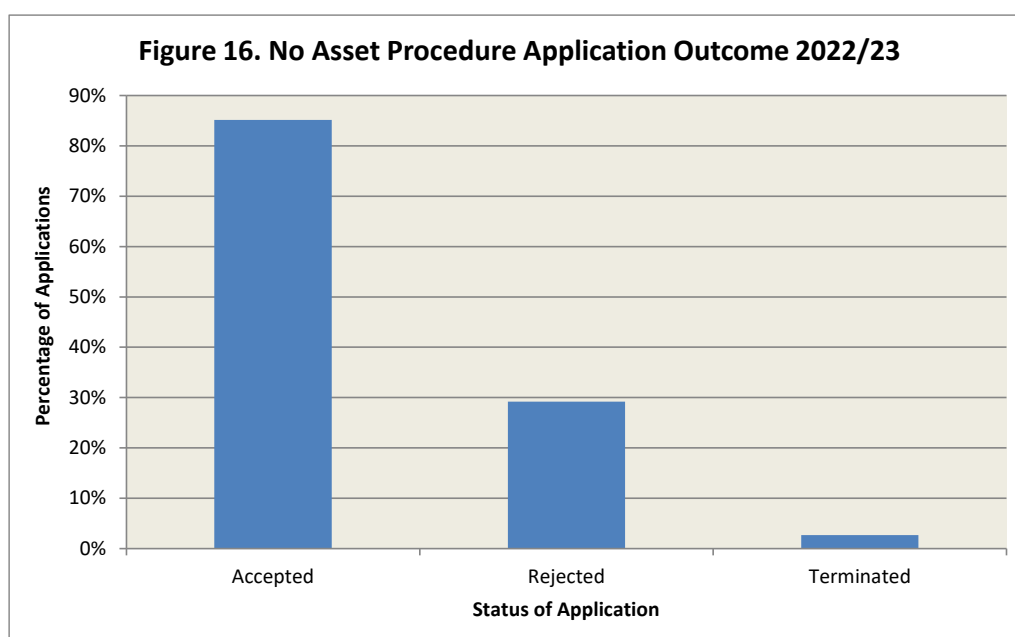
## No Asset Procedures

### Applications – Rejections and Terminations

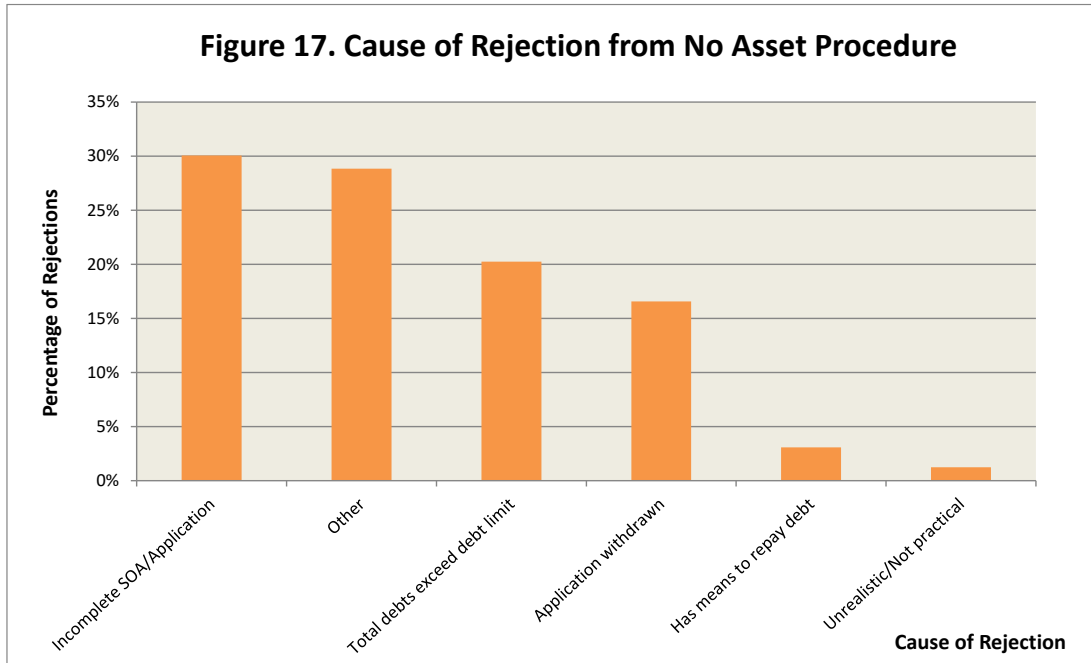
In 2022/23, 559 applications were received for entry into the No Asset Procedure. Of these, 476 were accepted.

Table 9. 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
2021/22	621	519	168	10
2022/23	559	476	163	15

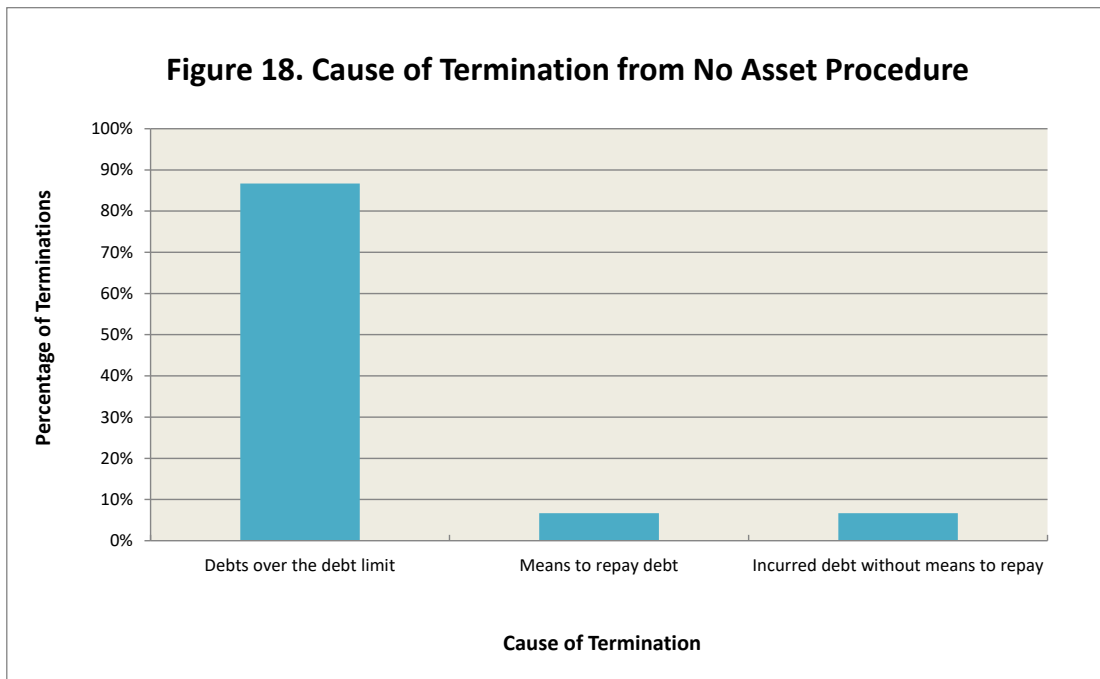
An application that has been rejected from entry into the No Asset Procedure can be resubmitted depending on the reason for the rejection, for example submitting an 'incomplete Statement of Affairs'. In such instances, certain applications may be counted as having been both rejected and later accepted; likewise, an application which has been accepted can then be terminated. For this reason, the number of 'accepted' and 'rejected' applications in Table 9. does not equal the number of 'received' applications, nor do the percentages in Figure 16. add up to 100%.



Of the 559 No Asset Procedure applications that were received in 2022/23, 29% were rejected. Some of these rejected applications were resubmitted, in the end 85% of all those submitted throughout the year were accepted.



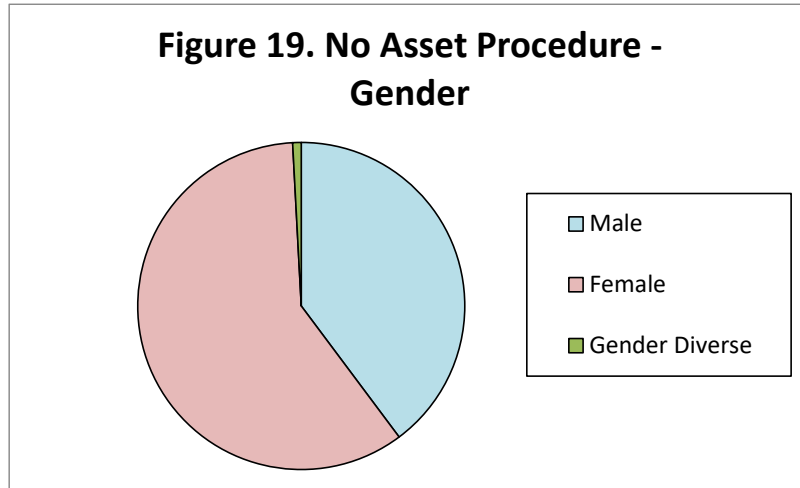
The most common cause of rejection of a No Asset Procedure application in 2022/23 was due to having an ‘incomplete Statement of Affairs/application’ which accounted for 30% of rejections. ‘Total debts exceed debt limit’ was the second most commonly identified cause representing 20% of rejections, with ‘application withdrawn’ accounting for a further 17%.



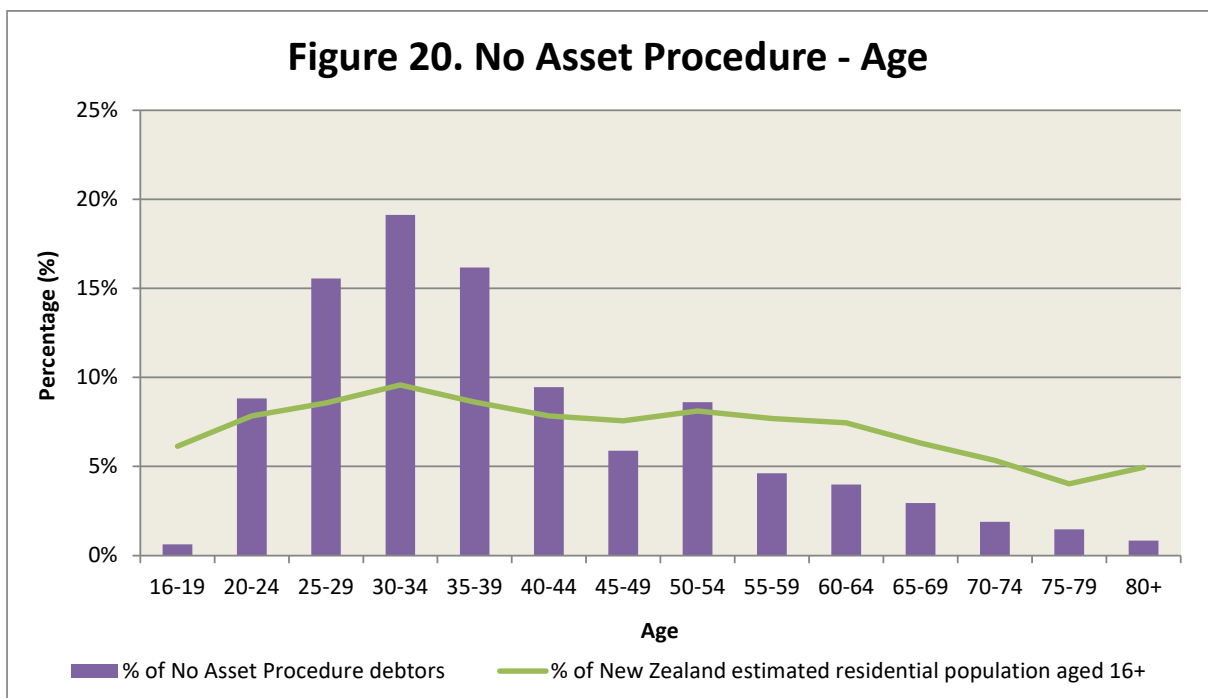
In 2022/23, 15 No Asset Procedures were terminated; the most common cause was ‘debts over the debt limit’ which accounted for 87% (or 13) terminations.

## Age and Gender

59% of debtors who entered a No Asset Procedure in 2022/23 were female, 40% were male and 1% identified as Gender Diverse.



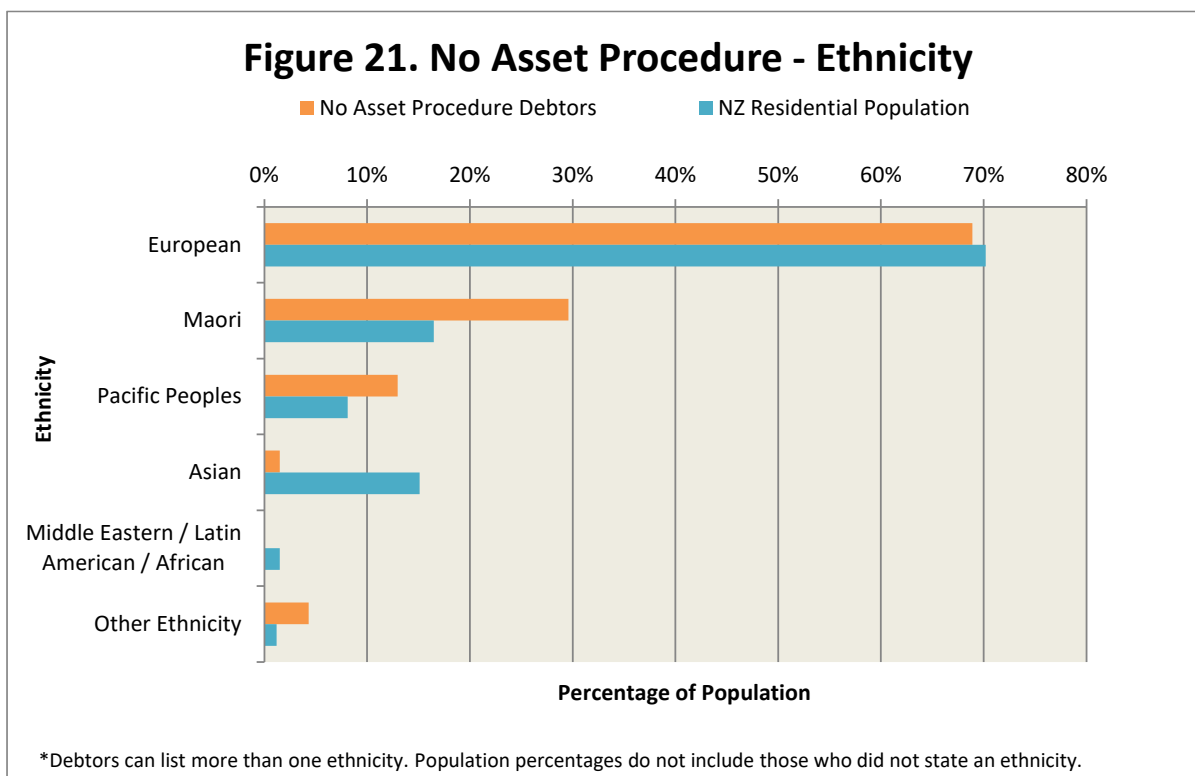
The most common age of debtors entering into a No Asset Procedure in 2022/23 was 30-34 years, followed by 35-39 years. Debtors in their 20's accounted for 25% of all No Asset Procedure debtors, which is overrepresented compared to making up 16% of the estimated New Zealand residential population<sup>7</sup>. Debtors in their 30's made up 35% of No Asset Procedure debtors compared to 18% 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 a No Asset Procedure in 2022/23 was 40 years.



<sup>7</sup> The New Zealand residential population statistics are sourced from Statistics New Zealand (2023), *National Population Estimates: At 30 June 2023 - tables*. Wellington: Statistics New Zealand.

## Ethnicity

69% of No Asset Procedure debtors in 2022/23 identified as being European. This is reasonably aligned with the 70% of the New Zealand resident population in the 2018 census who identified as being European. 30% of No Asset Procedure debtors identified as Māori; which is significantly overrepresented compared to making up just 17% of the residential population<sup>8</sup>. Pacific Peoples were also overrepresented with 13% of No Asset Procedure debtors selecting this ethnicity, compared to just 8% of the New Zealand residential population identifying as Pacific Peoples.

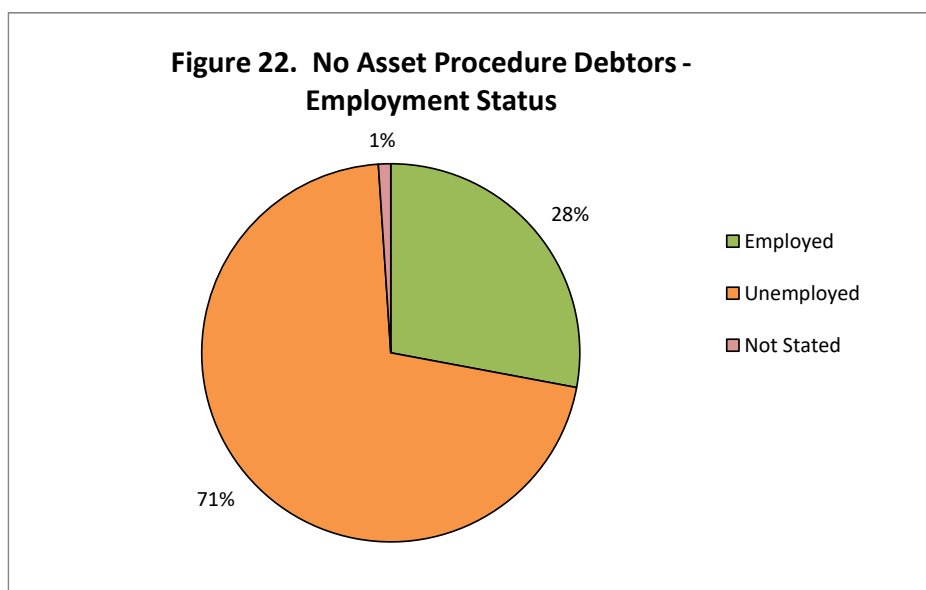


## Employment

To enter the No Asset Procedure, debtors are subject to a means test to determine whether they can make repayments 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 alternative insolvency procedures.

28% of No Asset Procedure debtors noted that they were employed in their Statement of Affairs at the time that they entered insolvency; 30% of male debtors and 27% of female debtors.

<sup>8</sup> The New Zealand resident population statistics are sourced from Statistics New Zealand (2023), *2018 Census Data*. Wellington: Statistics New Zealand.

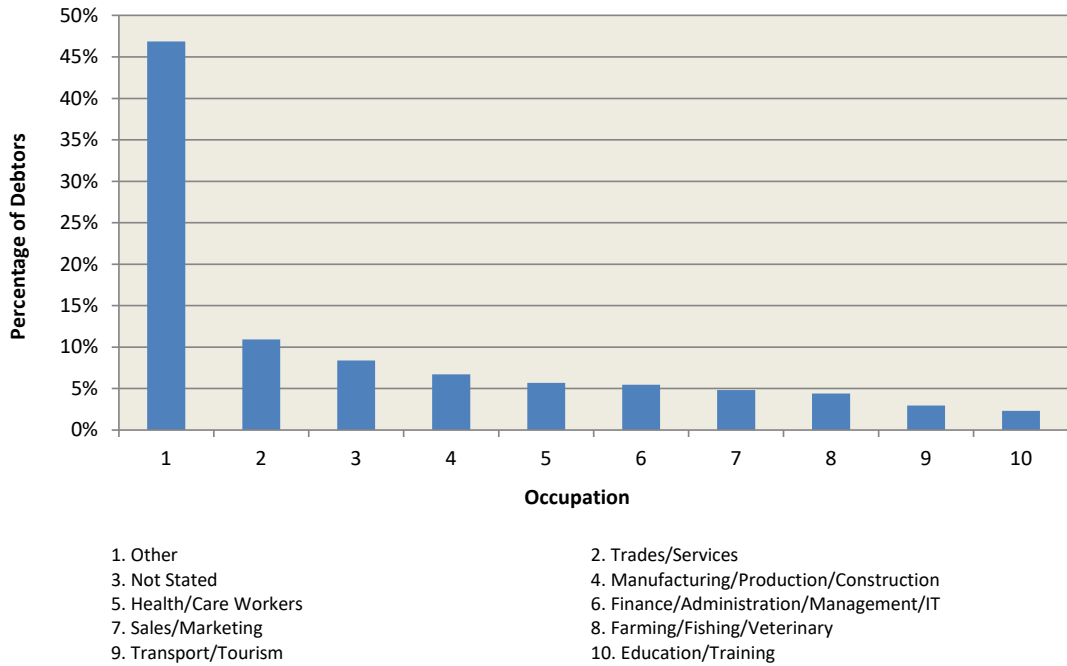


The most common employment status of those who entered a No Asset Procedure in 2022/23 was to be on an 'Unemployment benefit'; 39% of males and 43% of females.

<b>Table 10. Employment Status of No Asset Procedure Debtors</b>			
<b>Description</b>	<b>Male</b>	<b>Female</b>	<b>Total %</b>
Unemployment benefit	39%	43%	42%
Currently employed	25%	18%	21%
Other benefit	3%	10%	7%
Sickness benefit/ACC	10%	5%	7%
Currently employed and receiving income support	3%	9%	6%
Unemployed no benefit	10%	4%	6%
Retired	5%	5%	5%
Other	2%	3%	2%
Student	1%	2%	1%
Employed part-time AND receiving benefit	1%	1%	1%
Unpaid family worker	1%	1%	1%
Trading as a director/shareholder of a company	1%	0%	0%
No response	1%	1%	1%

When asked to select a primary occupation, 47% of No Asset Procedure debtors selected 'other' employment not identified in the statistical occupation groups listed. 11% selected 'trades/services' and 7% selected 'manufacturing/production/construction'. An additional 8% of debtors did not give a response to this question.

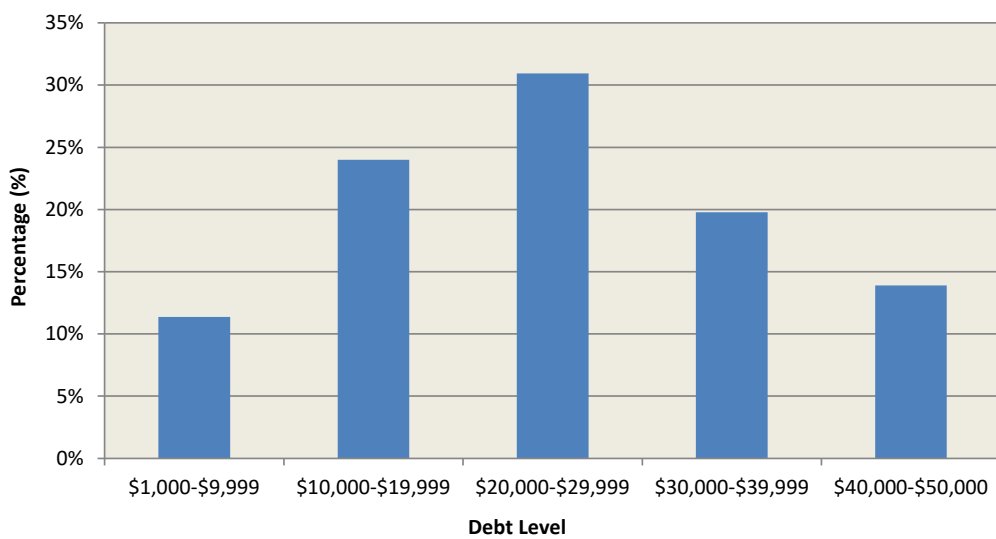
**Figure 23. Statistical Occupation Group of No Asset Procedure Debtors**



**Debt Levels**

In 2022/23, the most common level of debt amongst No Asset Procedure debtors was \$20,000-\$29,999 (31%). 11% of debtors had debt levels of \$1,000-\$9,999, while 24% had debt of between \$10,000-\$19,999. 34% of debtors had debts over \$30,000.

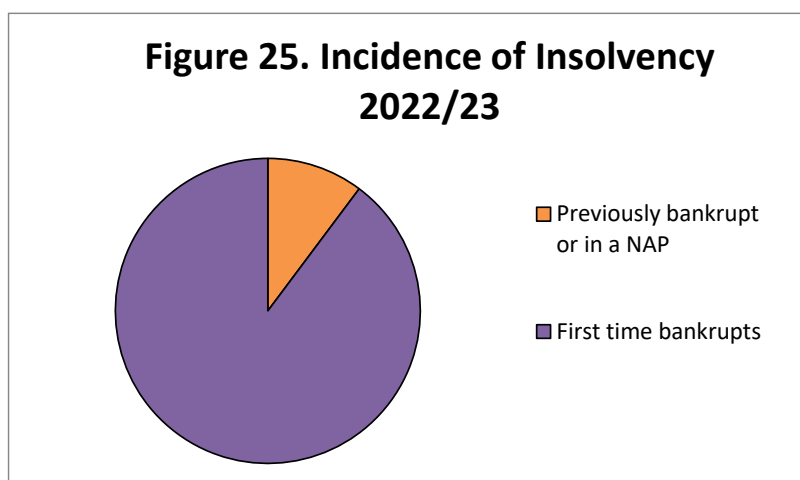
**Figure 24. No Asset Procedures - Debt Levels**



## Bankruptcies

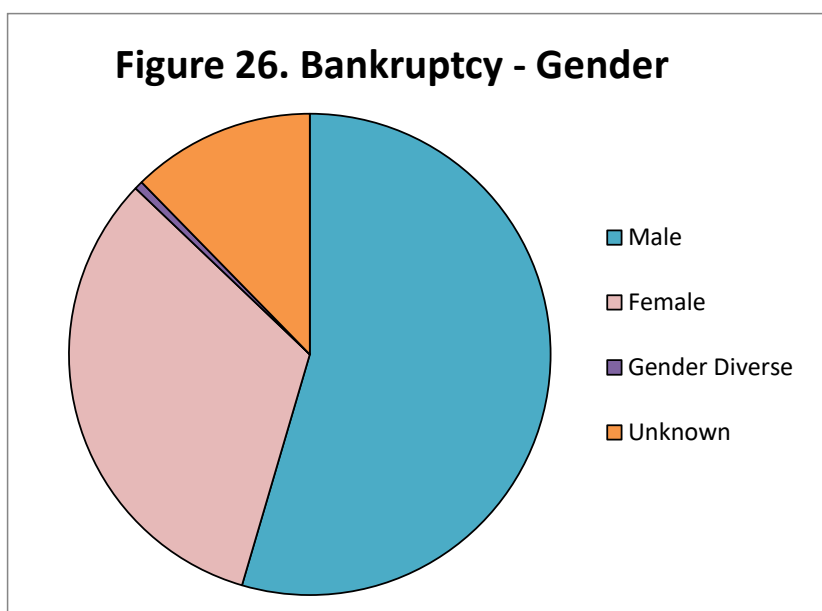
### Incidence of Insolvency

10% of debtors adjudicated bankrupt in 2022/23 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 during their lifetime. The level of repeat insolvency was higher for those adjudicated bankrupt by way of a debtor's application with a 'previously insolvent' rate of 14%. Debtors adjudicated by way of a creditor's application had previously been bankrupt or in a No Asset Procedure in 4% of cases.

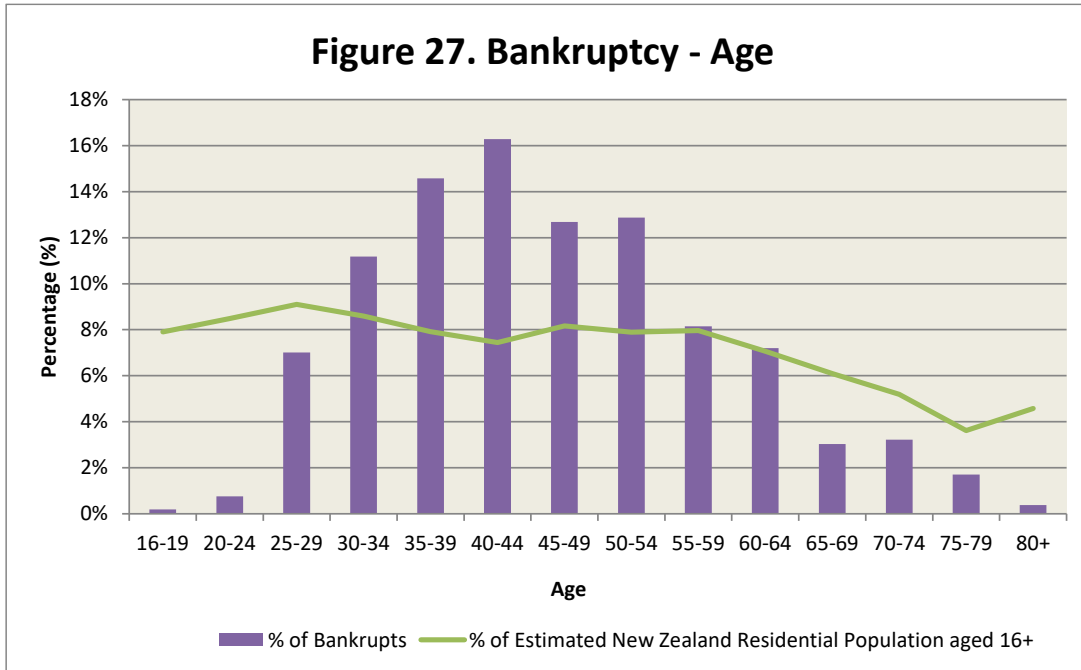


### Age and Gender

The gender of 11% of debtors who went bankrupt in 2022/23 is unknown, 55% were male, 33% were female, and 1% identified as gender diverse. Of those debtors whose gender is known, a higher proportion of creditor applicant debtors are male (74%) compared to those who submitted a debtor's application for bankruptcy (57%).



The most commonly represented age of people who went bankrupt in 2022/23 was 40-44 years. 26% of bankruptcy debtors were between the ages of 30-39, 29% of debtors were aged 40-49 and 21% of debtors were aged 50-59 years. Debtors aged 30 to 54 were over-represented compared to their respective New Zealand residential population age-group percentages<sup>9</sup>.



Of the people who entered into bankruptcy during 2022/23; the youngest person was 19, the oldest person was 89 and the average age was 46 years old.

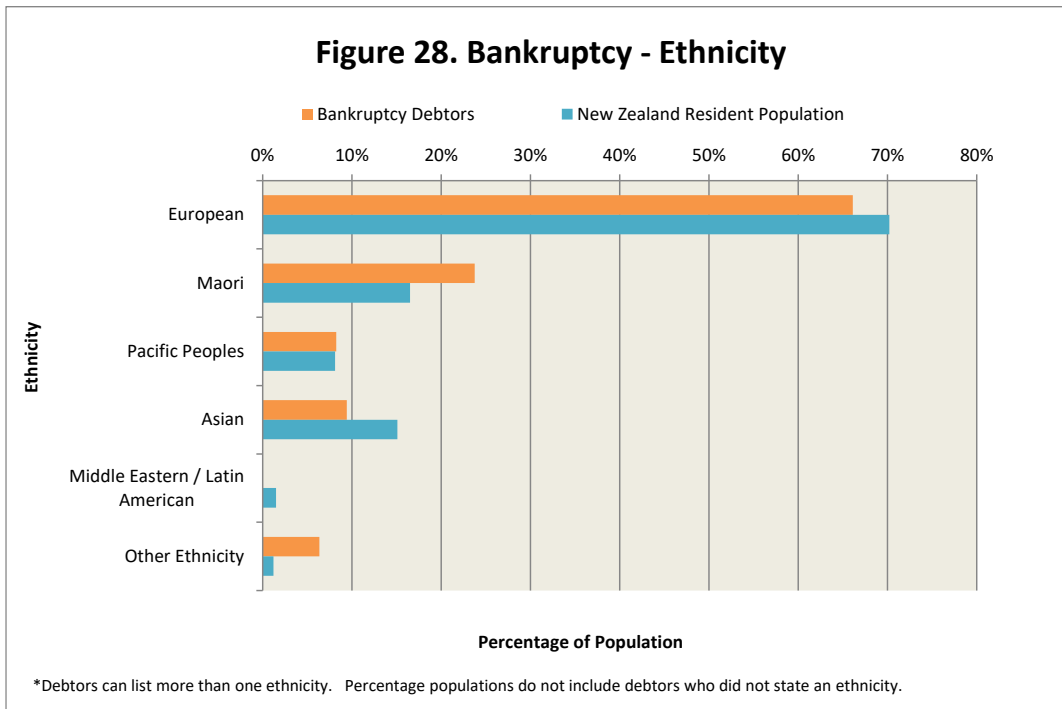
### Ethnicity

Of the bankrupt debtors who identified an ethnicity in their Statement of Affairs, 66% identified as being European and 24% identified as Māori. In the 2018 census 70% of the New Zealand resident population identified as being European, while 17% identified as Māori. In the less populated categories, 9% of bankrupt debtors identified as Asian, 8% Pacific Peoples and 6% 'other ethnicity'<sup>10</sup>. Debtors can identify as being more than one ethnicity.

<sup>9</sup> The New Zealand residential population statistics are sourced from Statistics New Zealand (2023), *National Population Estimates: At 30 June 2023 - tables*. Wellington: Statistics New Zealand.

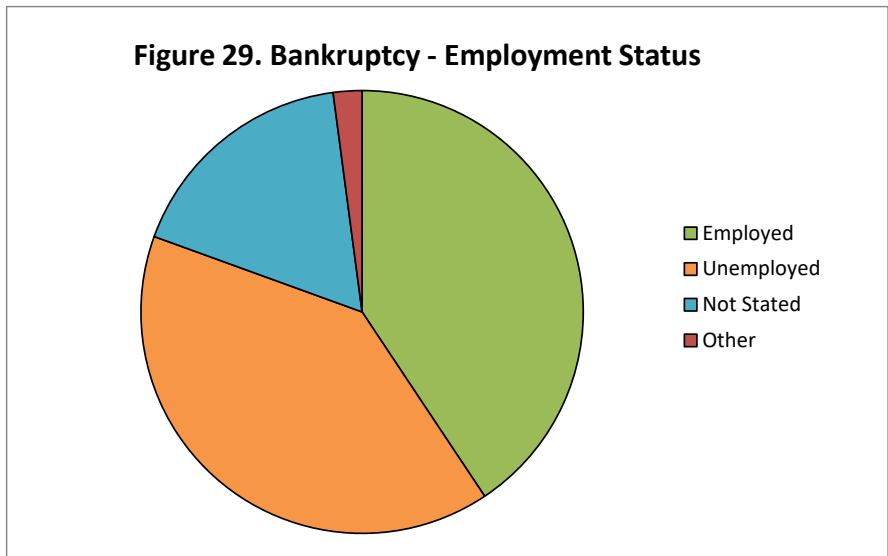
<sup>10</sup> The Estimated New Zealand Resident Population ethnicity statistics are taken from Statistics New Zealand (2023), *2018 Census Data*. Wellington: Statistics New Zealand.





## Employment

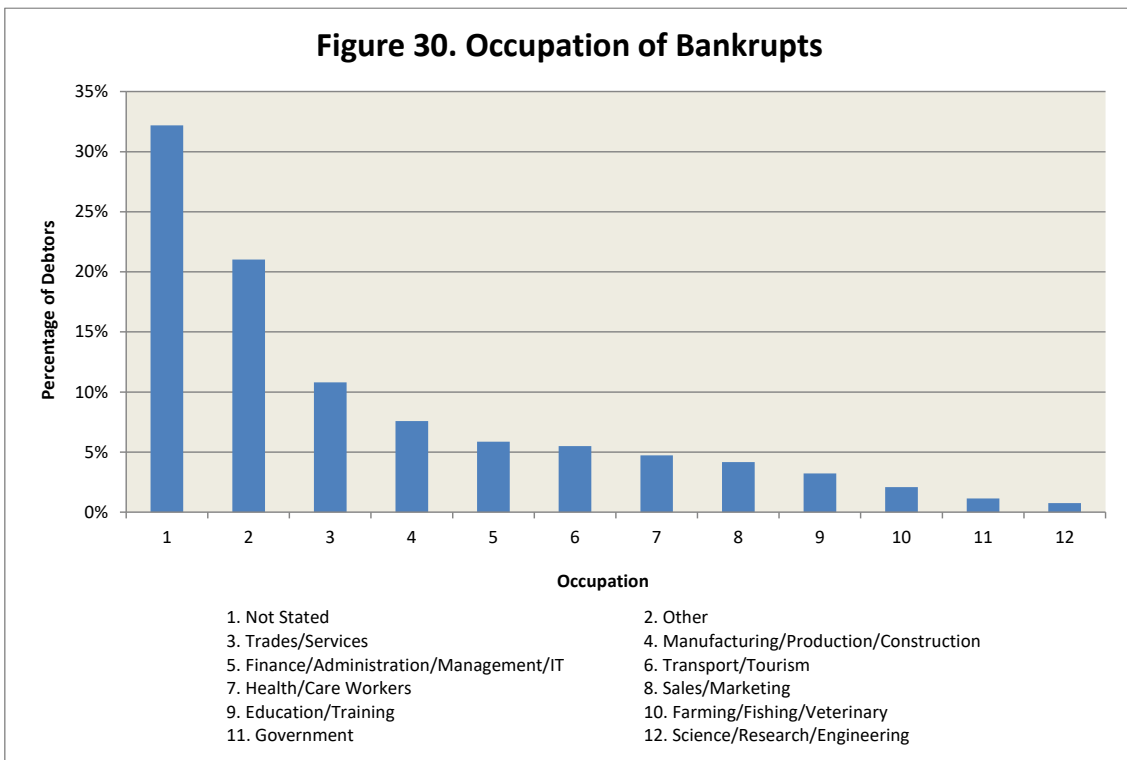
42% of bankrupt debtors adjudicated in 2022/23 stated that they were employed at the date of adjudication, 37% stated that they were unemployed, while the remaining 21% did not state their employment status or selected 'Other'.



Of the debtors adjudicated bankrupt in 2022/23 who stated that they were employed, 86% were employed by third parties, either full time or part time, while the remaining 14% were either trading as a director/shareholder, trading on their own account or trading in partnership.

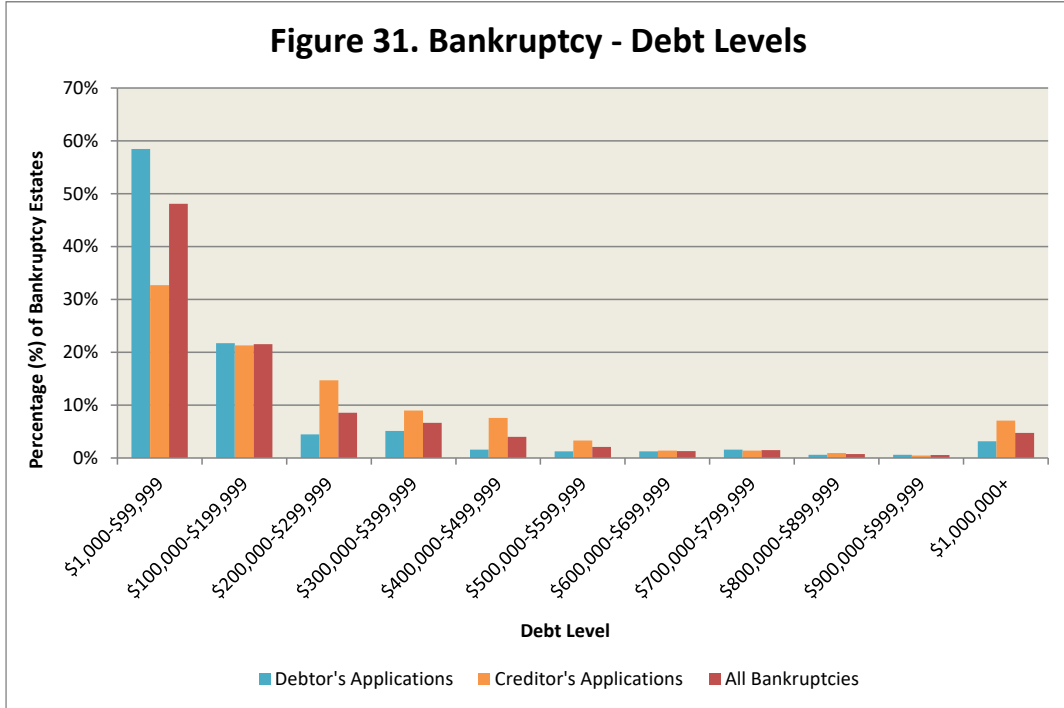
Table 12. Employment Status of Bankrupts				
Description	Male	Female	Unknown	Total
Currently Employed	34%	31%	10%	30%
Unemployment Benefit	15%	22%	7%	16%
Unemployed no Benefit	13%	3%	0%	8%
Retired	6%	2%	1%	4%
Sickness Benefit/ACC	4%	5%	0%	4%
Currently employed and receiving income support	2%	9%	0%	4%
Trading on own account	4%	2%	3%	3%
Other Benefit	2%	3%	4%	3%
Trading as Direct/Shareholder of a company	4%	1%	0%	2%
Other	2%	3%	0%	2%
Employed part-time and receiving a benefit	1%	3%	1%	2%
Unpaid family worker	1%	2%	0%	1%
Student	0%	2%	0%	1%
Trading in partnership	0%	0%	0%	0%
Not Stated	12%	10%	72%	19%

In their Statement of Affairs, debtors are asked to identify their primary occupation. 32% of debtors did not state their occupation, while another 21% 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 8%.

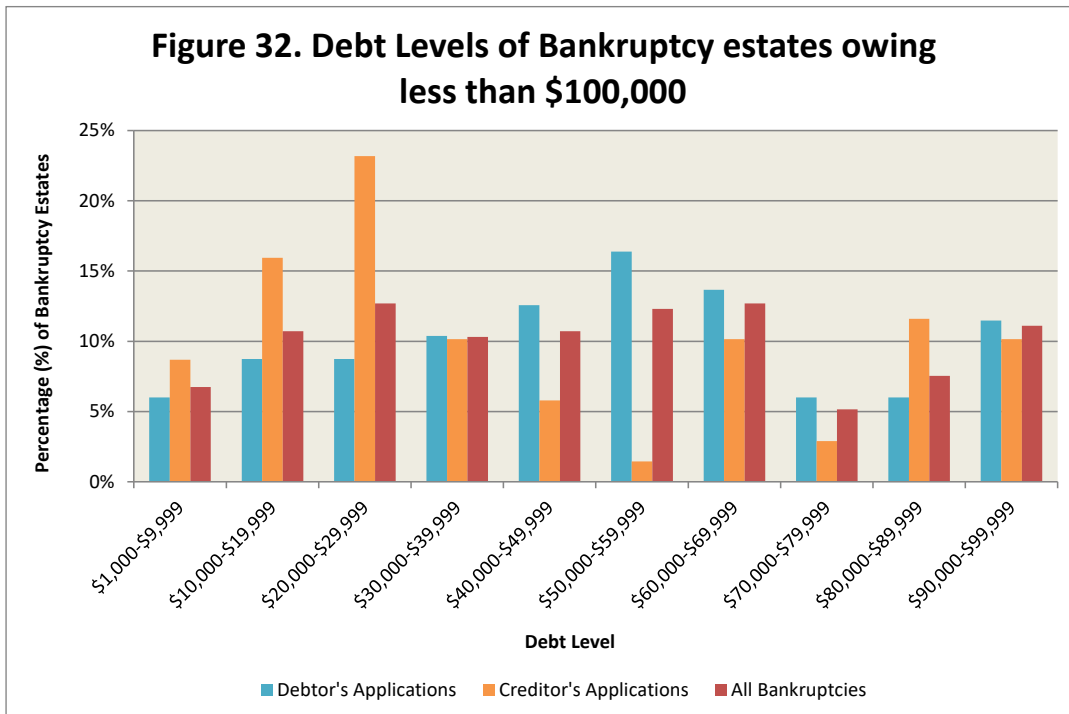


### Debt Levels

Unlike No Asset Procedures and Debt Repayment Orders there is no upper limit to the level of debt a bankrupt can have; 48% of bankrupts adjudicated in 2022/23 had debt of less than \$100,000, 22% of bankrupts had debt levels of between \$100,000-\$200,000, and 30% had debt levels over \$200,000.



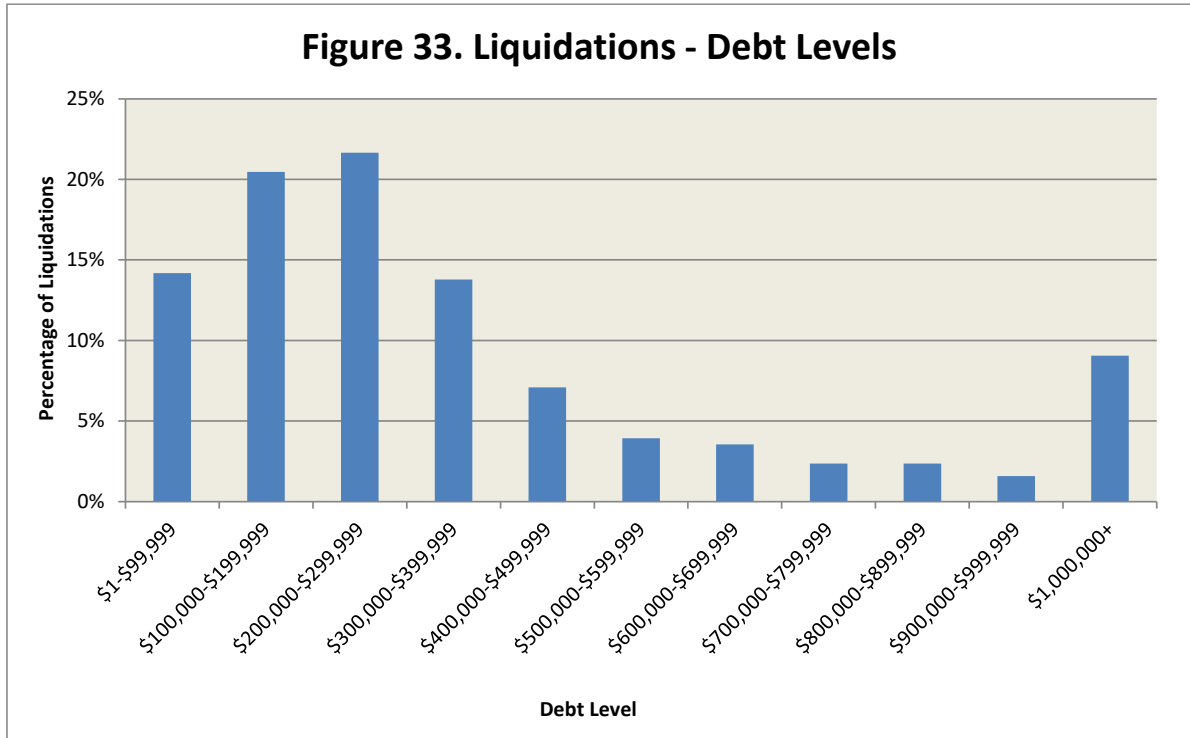
Of those bankruptcy estates that had less than \$100,000 in total debt, 51% owed less than \$50,000, and 49% had total debt of \$50,000-\$100,000.



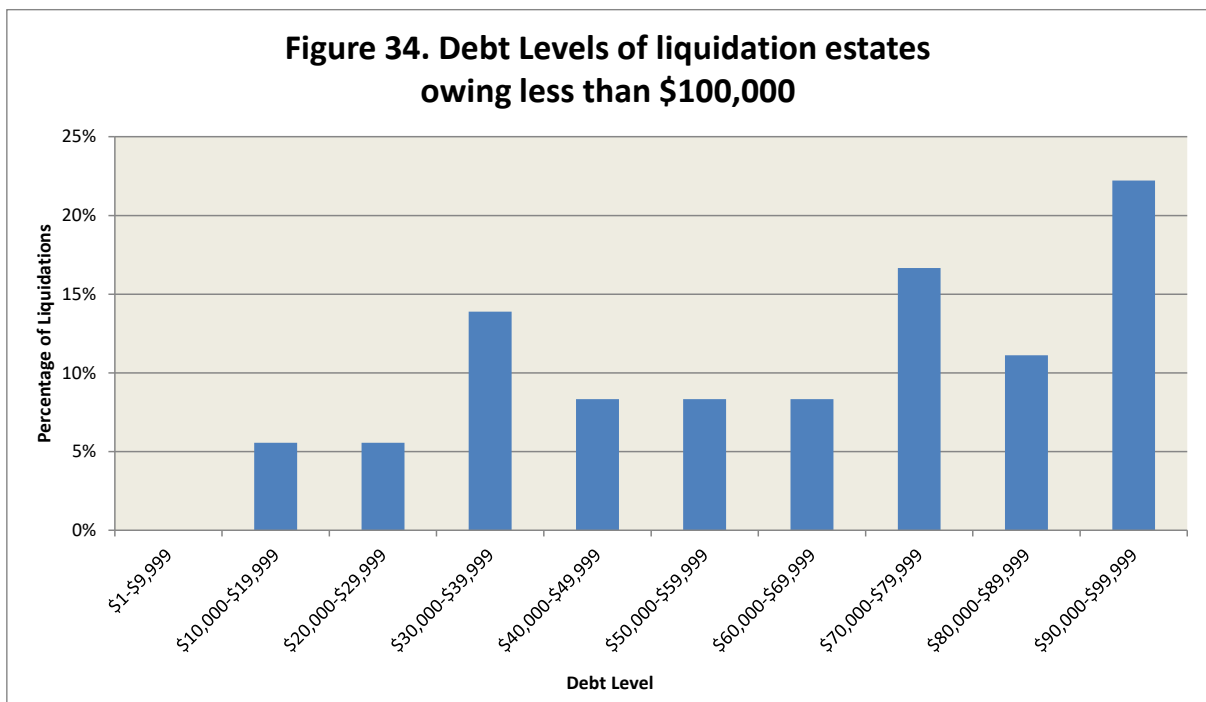
## Corporate Insolvencies

### Debt Level

35% of liquidations administered by the Official Assignee in 2022/23 had total debt of less than \$200,000, while 65% of liquidations had debt of more than \$200,000.



Of the 36 liquidation estates that had debt of less than \$100,000, 33% had debt of less than \$50,000, and 67% had debt between \$50,000-\$100,000.



## Glossary

### Key Characteristics of Debtors 2021 to 2023

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

For further comparative data on previous financial years please refer to the Insolvency and Trustee Service website, [www.insolvency.govt.nz](http://www.insolvency.govt.nz).