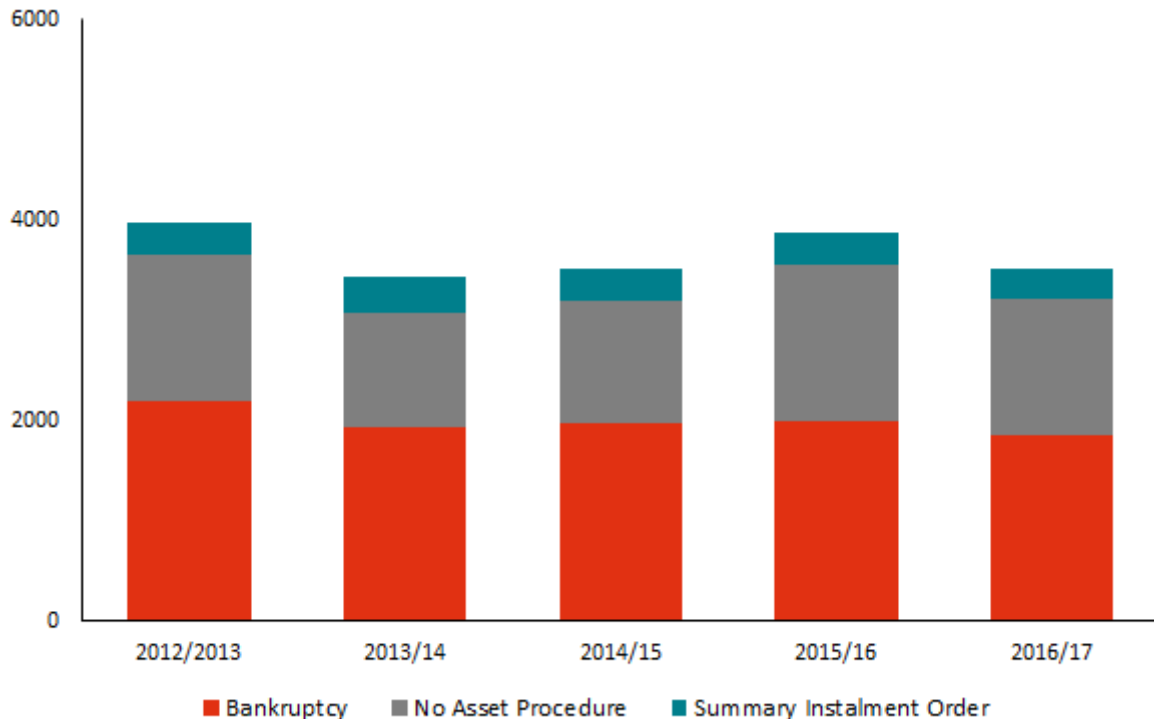


## FAIR panel discussion on Personal Insolvency – causes and relevant legislation

(As an extension of the MSME panel discussion, this panel exploring the causes and availability of insolvency processes and other reliefs available to over-indebted individuals in their jurisdiction (NZ, Australia, Hong Kong, USA))

Statistics from New Zealand Insolvency and Trustee Service

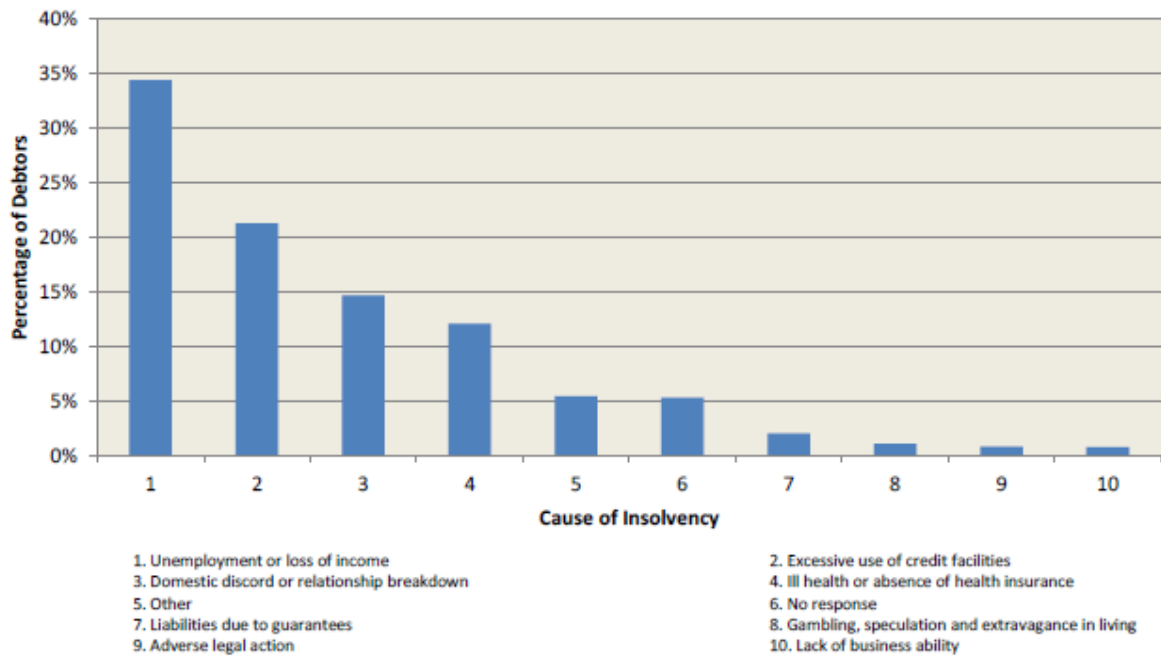
(<https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/>)



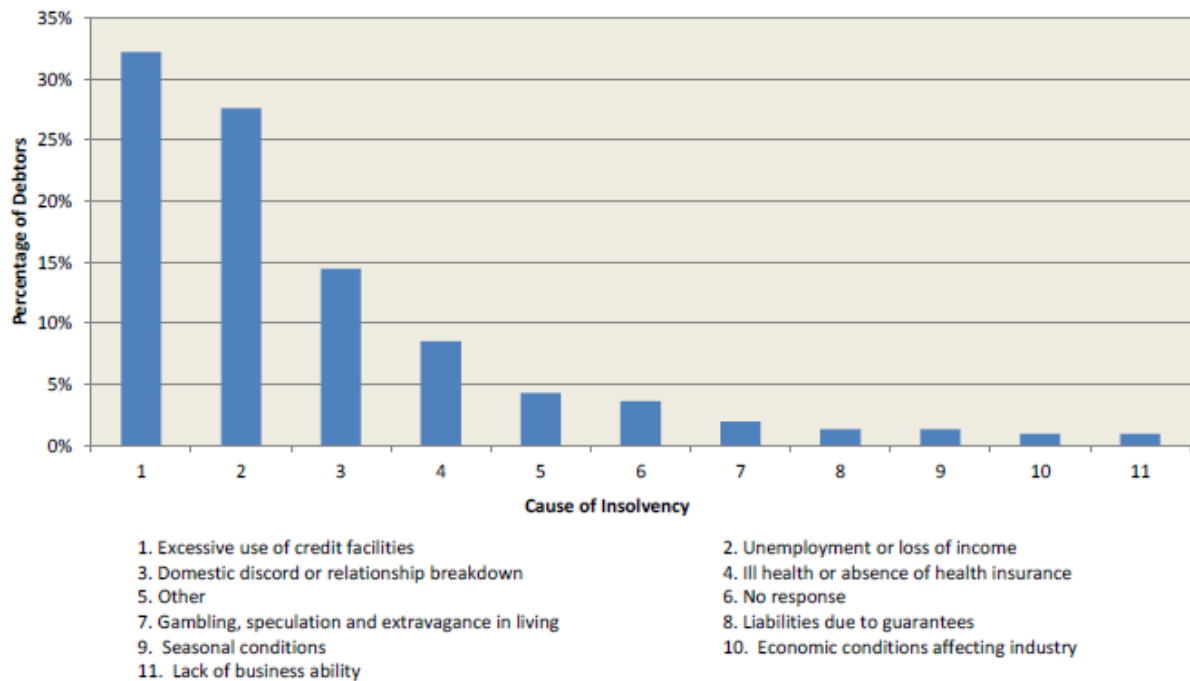
### Causes of bankruptcy

Cause	Debtor Application	Creditor Application	Total
No response	3%	46%	20%
Unemployment or loss of income	21%	3%	14%
Other	18%	4%	13%
Failure to provide for taxation	6%	18%	11%
Domestic discord or relationship breakdowns	12%	6%	10%
Excessive use of credit facilities	15%	1%	9%
Ill health or absence of health insurance	8%	2%	6%
Adverse legal action	1%	7%	3%
Liabilities due to guarantees	2%	5%	3%
Economic conditions affecting industry	2%	4%	3%
Lack of business ability	3%	1%	2%
Failure to keep proper books and records	3%	0%	2%
Failure of another business organisation	1%	2%	1%
Excessive interest payments and capital losses	2%	0%	1%
Gambling, speculation and extravagance in living	1%	1%	1%
Lack of sufficient working capital	1%	1%	1%

**Figure 23. Primary Cause of Insolvency Amongst No Asset Procedure Debtors**



**Figure 12. Primary Cause of Insolvency Amongst Summary Instalment Order Debtors**



## Key Characteristics of Debtors 2015 to 2017

Debtor Characteristics 2015 to 2017	Bankrupts		NAP Debtors		SIO Debtors	
	2016/17	2014/15	2016/17	2014/15	2016/17	2014/15
Number	1862	1979	1349	1223	304	304
Gender % male	64%	63%	44%	38%	43%	35%
Age (most represented)	40-44 (18%)	40-44 (16%)	25-29 (15%)	25-29 (17%)	25-29 (19%)	25-29 (14%)
Ethnicity (most represented)	NZ European (53%)	NZ European (61%)	NZ European (64%)	NZ European (67%)	NZ European (63%)	NZ European (69%)
% not employed	37%	54%	72%	78%	37%	43%
Debt < \$20,000	8%	9%	52%	60%	52%	68%

## Key Characteristics of Debtors 2012 to 2014

Debtor Characteristics 2012 to 2014	Bankrupts		NAP Debtors		SIO Debtors	
	2013/14	2011/12	2013/14	2011/12	2013/14	2011/12
Number	1921	2417	1145	1872	352	351
Gender % male	62%	62%	40%	41%	39%	39%
Age (most represented)	40-44 (17%)	40-44 (16%)	25-29 (16%)	25-29 (16%)	25-29 (14%)	20-24 (16%)
Ethnicity (most represented)	NZ European (53%)	NZ European (55%)	NZ European (60%)	NZ European (60%)	NZ European (68%)	NZ European (66%)
% not employed	55%	48%	80%	82%	41%	47%
Debt < \$20,000	9%	9%	64%	65%	68%	73%

## 2. Key Characteristics of Debtors 2009 to 2011

Table 7. Debtor Characteristics 2009 to 2011	Bankrupts		NAP Debtors		SIO Debtors	
	2010/11	2008/09	2010/11	2008/09	2010/11	2008/09
Number	2714	2564	2514	2833	368	257
Gender % male	61%	65%	41%	45%	38%	43%
Age (most represented)	45-49 (17%)	40-44 (17%)	20-24 (20%)	20-24 (23%)	35-39 (15%)	35-39 (19%)
Ethnicity (most represented)	NZ European (55.5%)	NZ European (53.2%)	NZ European (68.9%)	NZ European (63.8%)	NZ European (67.4%)	NZ European (59.2%)
% not employed	48%	42%	77%	73%	46%	28%
Debt < \$20,000	10%	13%	63%	62%	65%	44%

**Annual figures for new estates since 2006/7**

	<b>Bankruptcies</b>	<b>Summary Instalment Orders</b>	<b>No Asset Procedures</b>	<b>total</b>
<b>2016-2017</b>	1863	304	1349	3516
<b>2015-2016</b>	1996	312	1563	3871
<b>2014-2015</b>	1979	304	1223	3506
<b>2013-2014</b>	1921	352	1145	3418
<b>2012-2013</b>	2188	314	1448	3950
<b>2011-2012</b>	2417	351	1872	4640
<b>2010-2011</b>	2714	368	2514	5596
<b>2009-2010</b>	3054	346	3026	6426
<b>2008-2009</b>	2564	257	2833	5654
<b>2007-2008</b>	2504	54	1244	3802
<b>2006-2007</b>	3585			3585

## Creditors' v debtors' bankruptcy applications 2004-2018

<b>Year</b>	<b>Creditors</b>	<b>Debtors</b>	<b>Total</b>
<b>2017-18</b>	564	921	<b>1485</b>
<b>2016-17</b>	722	1141	<b>1863</b>
<b>2015-16</b>	602	1393	<b>1995</b>
<b>2014-15</b>	690	1289	<b>1979</b>
<b>2013-14</b>	777	1144	<b>1921</b>
<b>2012-13</b>	914	1270	<b>2184</b>
<b>2011-12</b>	1031	1398	<b>2429</b>
<b>2010-11</b>	1024	1694	<b>2718</b>
<b>2009-10</b>	1032	2022	<b>3054</b>
<b>2008-09</b>	866	1655	<b>2521</b>
<b>2007-08</b>	749	1720	<b>2469</b>
<b>2006-07</b>	704	2889	<b>3593</b>
<b>2005-06</b>	547	2540	<b>3087</b>
<b>2004-05</b>	592	2403	<b>2995</b>