Child Support Pass-On Evaluation: Early Insights

July 2024

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Contents

Acknowledgements

We would like to acknowledge the people from across MSD who contributed to this report, including representatives from the wider Insights group, Service Improvement and Delivery team, Income Support Policy team and Client Experience team.

We received valuable advice and feedback on the report from Inland Revenue.

We would like to particularly thank the members of MSD's National Beneficiary Advocates Consultative Group, and MSD clients who participated in the survey, for their contribution to this research.

Disclaimer

The views and interpretations in this report are those of the authors and are not the official position of the Ministry of Social Development.

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Publication date: 6 August 2026

Executive Summary

Child Support Pass-on (CSPO) was implemented on 1 July 2023. The changes included passing on child support to beneficiaries receiving a sole parent rate of main benefit and treating the passed-on child support as income for benefit purposes, removing the obligation for sole parents on benefit to apply for child support, and allowing liable parents to claim Temporary Additional Support for their child support costs.

This report summarises early insights from the evaluation of CSPO. Findings included are from monitoring data, MSD's Heartbeat Client Survey, and a workshop with beneficiary advocates.

Key early insights on sole parents' experiences of the introduction of CSPO

- Some clients found navigating the CSPO changes, and the wider child support system, to be complex.
- Clients appreciated staff members' effort when they listened to them and took the time to explain the changes. Some clients reported negative experiences when seeking clarification, and in some cases felt that staff members had given them inaccurate information or did not fully understand the changes.
- Clients and advocates felt that communication between Inland Revenue and Work and Income could be improved. For example, some clients felt that not all relevant information had been shared between agencies or they had to go back and forth between agencies when seeking clarification.

Key early insights on how CSPO impacted use of the child support system

- Numbers of families with child support arrangements through Inland Revenue have decreased over time and did not notably change following the introduction of CSPO.
- There were no clear impacts of CSPO on child support applications.
- Child support withdrawals increased when CSPO was implemented.

Key early insights on how CSPO has contributed to social and economic development

- CSPO impacted over 35,000 clients, who received a median income increase of $22.90 a week.
- Most clients received child support payments that were under benefit abatement thresholds.
- There has been little change in hardship grants for clients impacted by CSPO.
- For some clients, the unpredictability and fluctuations of income from CSPO is affecting their ability to budget.
- Concerns have been raised by clients and advocates that CSPO may impact some people's motivation to move into work or work more hours, and may exacerbate power imbalances between some parents.

Key early insights on liable parents' behaviour following the introduction of CSPO

- The percentage of liable parents paying child support on time has been increasing and continued to increase following the implementation of CSPO.
- The number of liable parents receiving Temporary Additional Support (TAS) to help with child support costs has increased steadily since child support became a cost that Temporary Additional Support could be granted for.
- Advocates felt that being able to include child support costs in TAS was a positive change for liable parents, who can be struggling financially when on a benefit if they are paying child support and caring for children part of time.

Introduction

Purpose

This report provides early insights from the Child Support Pass-on (CSPO) evaluation. It summarises evidence on the impacts of CSPO in the first 10 months after implementation.

Background

Prior to 1 July 2023, sole parents on benefit who had child support paid for children in their care did not receive these payments; the payments were collected by Inland Revenue and held to recoup the costs of paying the higher rate of a sole parent benefit. However, sole parents receiving non-beneficiary income support and couples on benefit did receive child support payments made for their children and these payments were treated as income for determining eligibility to income support.

CSPO was an initiative announced in Budget 2022 and implemented in July 2023. The policy objectives of CSPO were to treat sole parents more fairly and minimise the creation of new inequities, increase the adequacy of financial resources for sole parents to support children, reduce the number of children in poverty, and reduce barriers for liable parents to pay child support. The changes implemented as part of CSPO were:

- sole parents receiving a main benefit have child support payments made by the other parent passed on to them
- child support payments are treated as income for the purposes of benefit entitlement for receiving parents
- child support administered by IR is automatically charged forward as income for benefit entitlement purposes
- child support payments are an allowable cost for Temporary Additional Support (TAS) for paying parents
- the obligation to apply for child support through Inland Revenue was removed.

The CSPO evaluation is examining the impacts of CSPO in the first 6 to 18 months after implementation. The questions that the evaluation is focused on are:

1. Did sole parents' experiences of the introduction of CSPO align with the Te Pae Tawhiti and Te Pae Tata key shift of Mana Manaaki - a positive experience every time?
2. How has CSPO impacted use of the child support system (through Inland Revenue)?
3. Has CSPO contributed to the Te Pae Tawhiti and Te Pae Tata key shift of Kia Takatū Tātou – supporting long-term social and economic development?
4. How has CSPO impacted support provided by liable parents?
5. How do the costs of CSPO compare to the benefits?

Method

Monitoring data

MSD's microsimulation model (MSIM) was used to model the impacts of CSPO on sole parent beneficiaries eligible to receive child support after the changes. Results from MSIM are derived from MSD's administrative data, which contains information on all beneficiaries' circumstances. Results from the model are an estimate of the changes in clients' incomes as a result of CSPO, based on the main monthly data transfer from Inland Revenue to MSD of clients' child support payment information. Additional child support payments made throughout the month (e.g., if the liable parent pays late) are not captured in the modelling.

Modelled payments are more appropriate than using actual payment data to quantify the impact of the changes on sole parents because it is difficult to isolate the policy change from changes to clients' circumstances using actual payment data.

Data on liable parents receiving Temporary Additional Support for child support costs was drawn directly from MSD's administrative data.

Data on numbers of families with child support arrangements, child support applications and withdrawals, and liable parents paying child support on time was supplied by Inland Revenue.

MSD data in this report has been aggregated and randomly rounded to protect the privacy of participants.[1]

Qualitative data

Qualitative data was collected from two sources. The first was MSD's Heartbeat Client Survey (Heartbeat). Heartbeat is an ongoing online survey that clients are invited to participate in (by email) after an in-person or phone interaction with Work and Income or Seniors. The survey asks about clients' experiences in that interaction. On average Heartbeat receives 100,000 responses a year and has a response rate of 10%.

Responses from June 2023 to February 2024 were searched for key words related to CSPO, and 93 free-text comments were assessed as relevant to CSPO and were included in the dataset for analysis.

The second source of qualitative data was a workshop run with the National Beneficiary Advocates Consultative Group in March 2024, to understand their perspectives on how CSPO has impacted their clients. The workshop included 5 advocates from a range of different regions and organisations. The workshop was recorded and detailed notes were taken for analysis.

[1] Further information about how we keep data private can be found at: https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-keep-data-private.html

A thematic analysis was undertaken on both data sets, informed by Reflexive Thematic Analysis[2, 3, 4], as well as ideas of retroduction[5, 6].

An initial coding framework was developed based on the evaluation questions, and additional codes were developed inductively within each evaluation question focus area.

Coding was undertaken by one researcher, with regular checking of coding with the wider evaluation team. Themes were identified through iterative cycles of discussion and drafting.

Limitations

This report includes data from three early sub-projects of the CSPO evaluation and does not provide a comprehensive view of the impacts of CSPO or allow us to make any evaluative judgements.

In particular, the qualitative data presented in this report tells us about the experiences of a small proportion of clients impacted by CSPO but does not tell us how common these experiences are. As such, these findings cannot be generalised to the whole population impacted by CSPO.

Our qualitative data may also be biased towards negative client experiences of CSPO. Many clients impacted by CSPO may not have had an interaction with Work and Income since CSPO was implemented, particularly if they did not have any problems related to CSPO. Without interacting with Work and Income they would not have received an invitation to complete the Heartbeat Client survey. In addition, the survey does not directly ask about child support or CSPO so clients will only mention child support if it relates to their recent contact with Work and Income or if they have an issue they want to highlight. Similarly, beneficiary advocates may be more likely to work with clients who are having problems related to CSPO than clients who aren't.

Future projects as part of the evaluation will provide more information on sole parents' experiences of the changes, the impacts of the changes, and the costs compared to the benefits of CSPO.

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[2] Braun, V., & Clarke, V. (2021). One size fits all? What counts as quality practice in (reflexive) thematic analysis? *Qualitative Research in Psychology*, *18*(3), 328–352. https://doi.org/10.1080/14780887.2020.1769238

[3] Braun, V., & Clarke, V. (2023). Toward good practice in thematic analysis: Avoiding common problems and be(com)ing a *knowing* researcher. *International Journal of Transgender Health*, *24*(1), 1–6. https://doi.org/10.1080/26895269.2022.2129597

[4] Byrne, D. A, (2022). Worked example of Braun and Clarke's approach to reflexive thematic analysis. *Qual Quant* 56, 1391–1412. https://doi.org/10.1007/s11135-021-01182-y

[5] Byrne, D. and Uprichard, E. (2012). Useful Complex Causality. *The Oxford Handbook of Philosophy of Social Science*. H. Kinaid. Oxford. Oxford University Press: 109-129.

[6] Ragin, C.C. and Amoroso, L.M. (2011). *Constructing Social Research*: The unity and diversity of method. Thousand Oaks, Sage Pine Forge Press.

Early insights on sole parents' experiences of the introduction of CSPO

Some clients found navigating the CSPO changes, and the wider child support system, to be complex

One of the challenges discussed by clients within the Heartbeat data and the benefit advocates workshop was the complexity of navigating the CSPO changes within the wider child support system. Advocates noted that the CSPO changes had caused confusion for clients, particularly around why the changes were happening and how they would be impacted. Similarly, some clients felt that not enough information was available online about the CSPO changes and discussed the complexity of having child support paid monthly, and then abatement calculations over the following 4- or 5-weeks.

Another issue raised by clients and advocates was that the letters clients received explaining the changes to their payments because of CSPO each month could be complex and difficult to understand, especially when they incorporate several updates.

Clients had mixed experiences when they sought additional clarification about the changes from MSD

Several clients had contacted MSD seeking clarification about the CSPO changes. There were a number of positive comments about interactions with staff and seeking clarification on the new changes. For example, people appreciated the effort when staff listened to them and took the time to explain the CSPO changes.

However, some clients described experiences of negative attitudes, feeling judged, or not being listened to while discussing their situation. Clients also described inconsistent information being provided about the CSPO changes, occasionally being given inaccurate information, and feeling that some staff did not fully understand the changes.

A general frustration raised by clients was waiting a long time on the phone to get through to MSD or not receiving a call back, especially if they were in situations of stress, such as going through a separation.

Clients and advocates felt that communication between Inland Revenue and Work and Income could be improved.

One of the main concerns that was captured by advocates and clients was communication between Work and Income and Inland Revenue. Clients believed that in some instances, Inland Revenue did not give all relevant information to Work and Income, which impacted their entitlements to other income support products. Some clients described feeling pushed back and forth between Inland Revenue and Work and Income to clarify changes to their payments and understand how the changes would impact them. Advocates also described a challenge for clients in clarifying details with Inland Revenue, due to a push by Inland Revenue for online interactions rather than phone calls.

Early insights on how CSPO impacted use of the child support system

Numbers of families with child support arrangements through Inland Revenue have decreased over time

Figure 1 shows the numbers of receiving carers and liable parents with child support arrangements through Inland Revenue, and the number of children associated with child support arrangements, have been slowly decreasing over time. From July 2023, the decreases were slightly steeper, perhaps reflecting the removal of the obligation for sole parents on benefit to apply for child support through inland Revenue.

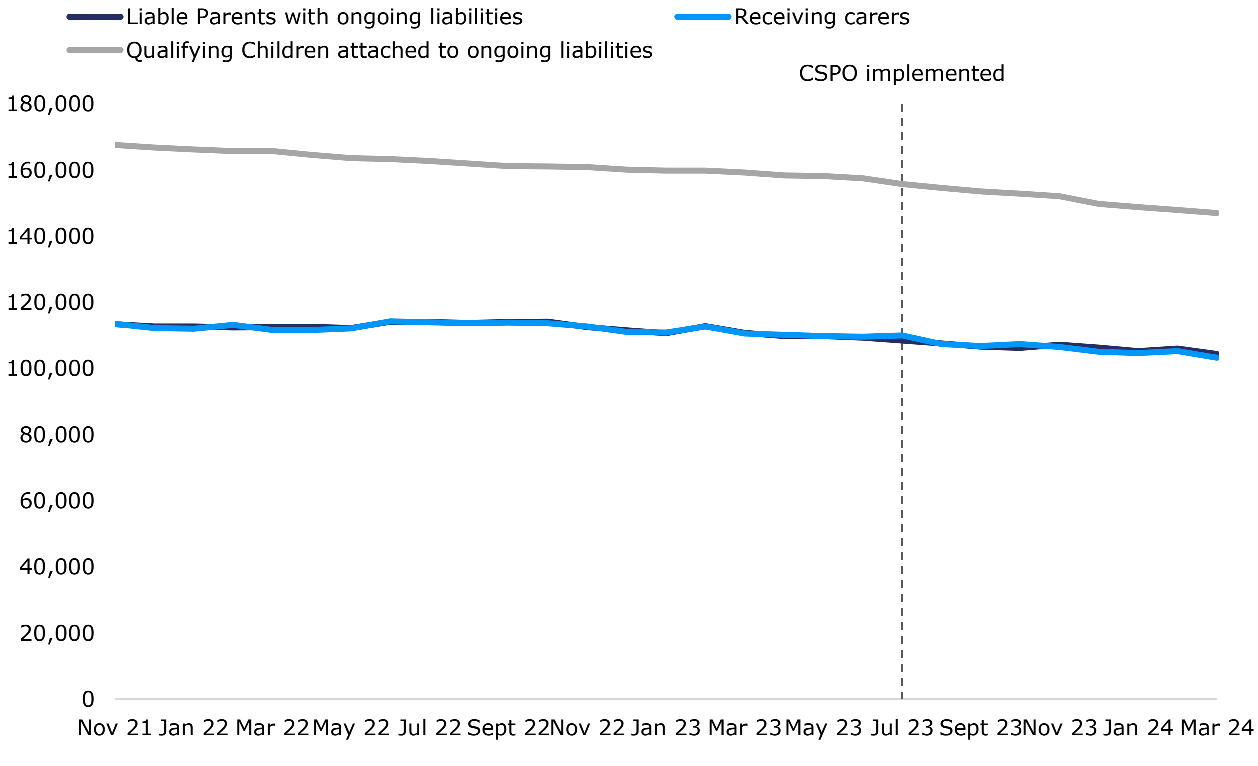
The number of receiving carers with child support arrangements through Inland Revenue has decreased from **109,934** in July 2023 to **103,238** in March 2024.

Similarly, the number of liable parents with child support arrangements has decreased from **108,398** in July 2023 to **104,372** in March 2024.

Some liable parents may also be receiving child support and vice versa, so may be counted twice, as a liable parent and as a receiving carer.

Consistent with the decline in parents with child support arrangements, the number of children child support is paid for through Inland Revenue has also decreased, from **155,723** in July 2023 to **146,993** in March 2024.

Figure 1: Numbers of liable parents, receiving carers, and children with child support arrangements through Inland Revenue



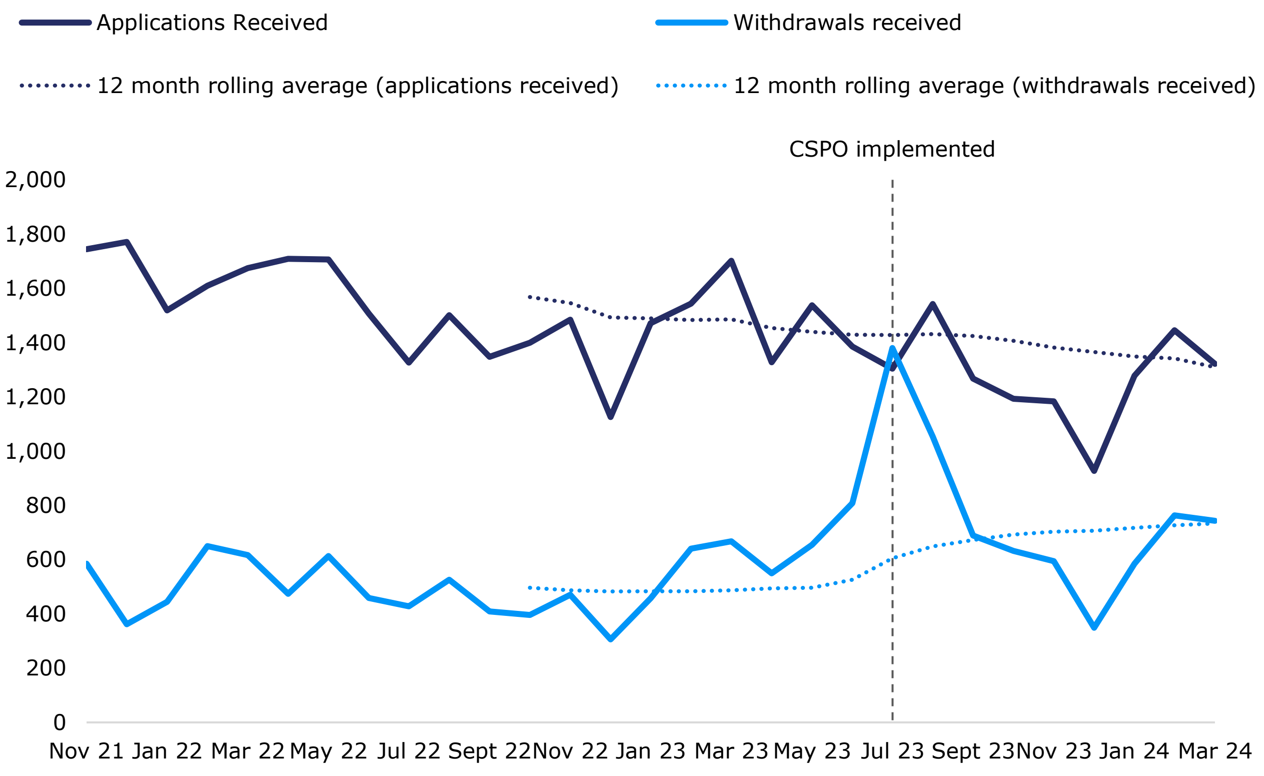
There are no clear impacts of CSPO on child support applications, but child support withdrawals have increased

Figure 2 shows that numbers of child support applications and withdrawals received by Inland Revenue fluctuate from month to month, and generally follow similar trends.

There was no clear impact of CSPO on the number of child support applications received by Inland Revenue. Application numbers were similar in July 2023 at **1,304** and March 2024 at **1,321**, however, the 12-month rolling average shows a small downwards trend.

Child support withdrawals began to increase in the months before CSPO was implemented, peaking at **1,380** in July 2023 which coincides with sole parents on benefit being able to opt-out of their child support arrangements from 1 July 2023. Following a seasonal drop in December, withdrawals have remained higher than before CSPO, with **743** in March 2024.

Figure 2: Number of child support applications and withdrawals received by Inland Revenue



Early insights on how CSPO has contributed to social and economic development

CSPO impacted 35,709 clients when it was first implemented, who received a median increase of $22.90 a week

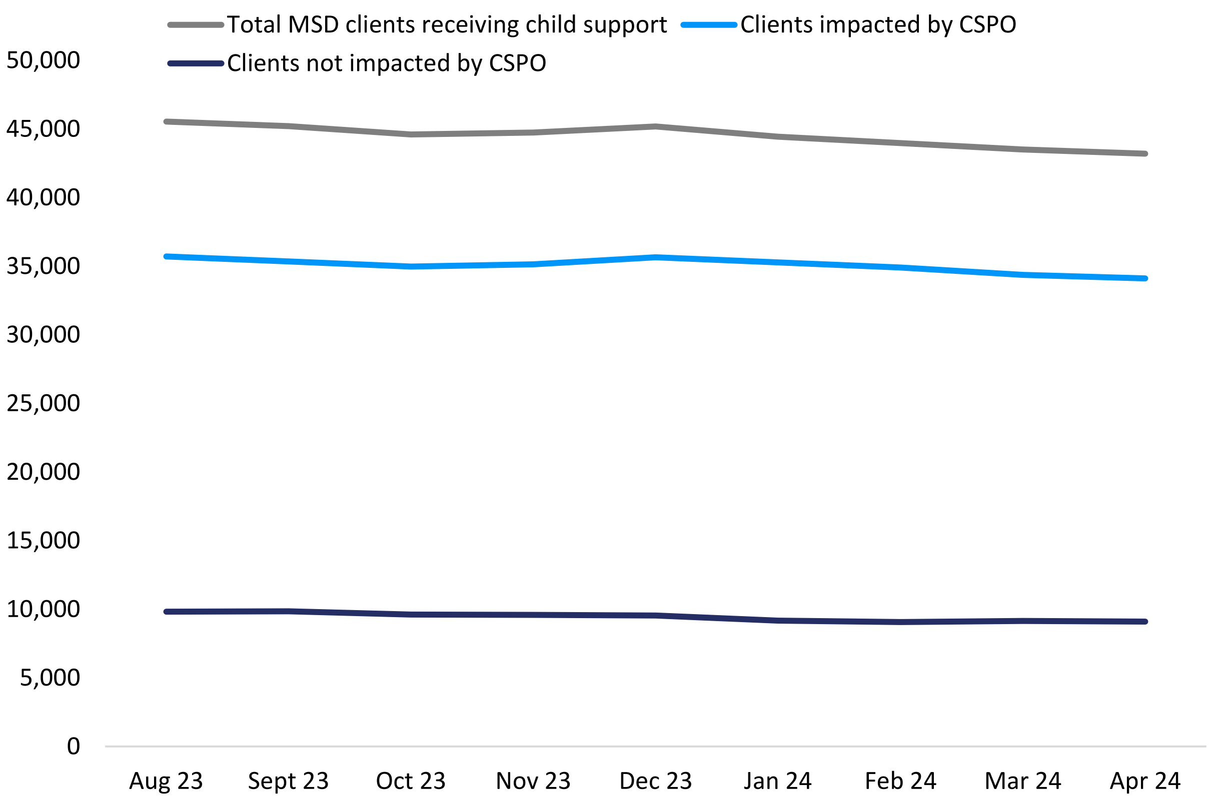
When the CSPO policy was developed, it was predicted that 41,550 sole parent families would benefit by a median of $24.00 a week, or an average of $65.00 a week[7].

Figure 3 shows that the CSPO policy impacted **35,709** sole parents on benefit in August 2023 when the first child support payment was passed on, who made up **78.4%** of all MSD clients receiving child support payments.

The total number of sole parents on benefit receiving child support has decreased slightly over time to **34,113** in April 2024 – a 4.5% reduction from August 2023.

The total reduction in all MSD clients receiving child support over the 9 months since CSPO was implemented was 2,337. Most of this reduction was due to clients impacted by CSPO reducing (1,596) rather than other clients (741).

Figure 3: Number of MSD clients receiving child support payments impacted by CSPO



[7] https://www.treasury.govt.nz/sites/default/files/2022-09/b22-cbc-22-sub-0021-4658786.pdf

In April 2024, the Aukland Metro region had the greatest share of clients impacted by CSPO (28.2%), followed by 11.7% in the Bay of Plenty, 10.4% in Canterbury, and 9.2% in the Waikato region (Figure 4).

Figure 4: Number of MSD clients impacted by CSPO by region as at April 2024

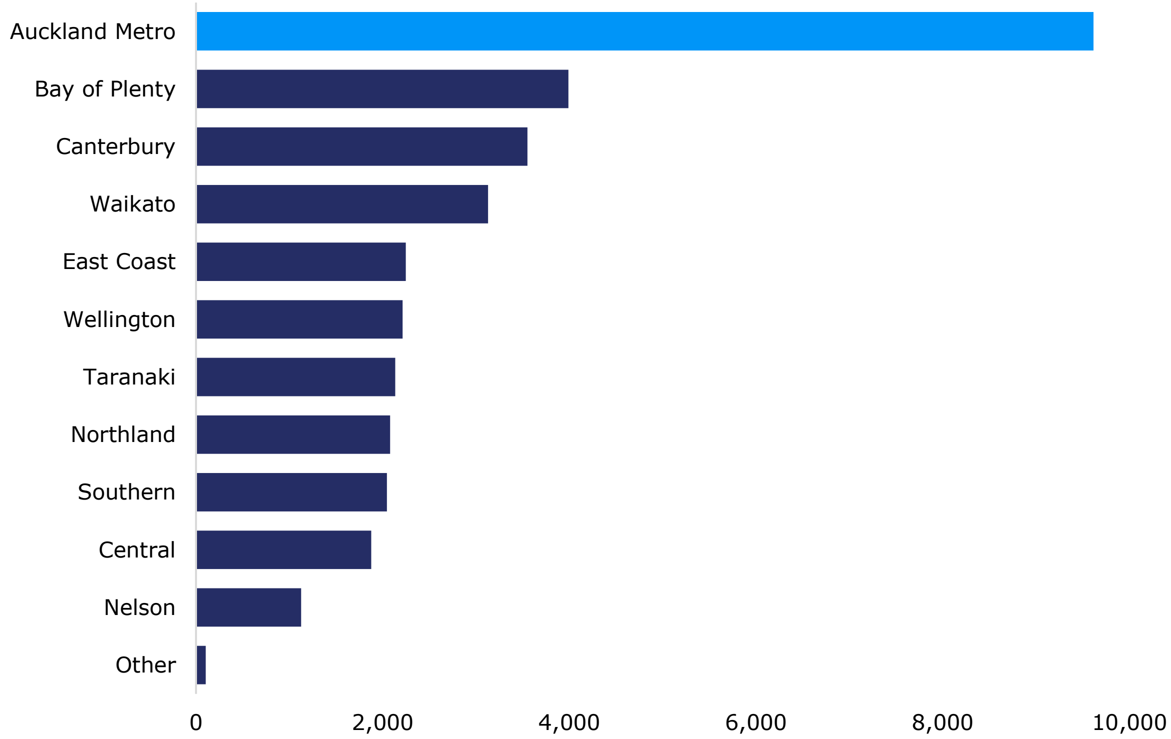


Table 1 shows that as at April 2024, **88.9%** of clients impacted by CSPO were female. Clients with a health condition or disability[8] comprised **15.9%** of those impacted by CSPO. Most clients impacted by CSPO reported having European (**49.1%**) and Māori (**46.8%**) ethnicities, followed by Pacific peoples (11.1%) and Asian (3.4%) ethnicities.[9]

Table 1 also shows that in the month of April 2024, income changes because of CSPO after benefit abatement averaged **$57.88 per week**, although the median change was **$22.90 per week**. The median was largely similar across sub-groups and has been consistent over time.

Of all clients impacted by CSPO, **30.6%** received an additional **$20 to $40 a week**, followed by 21.7% of clients receiving between $0 to $20. There were no changes in income for 8.9% of clients, while **0.2%** experienced a **loss in income** (Figure 5).

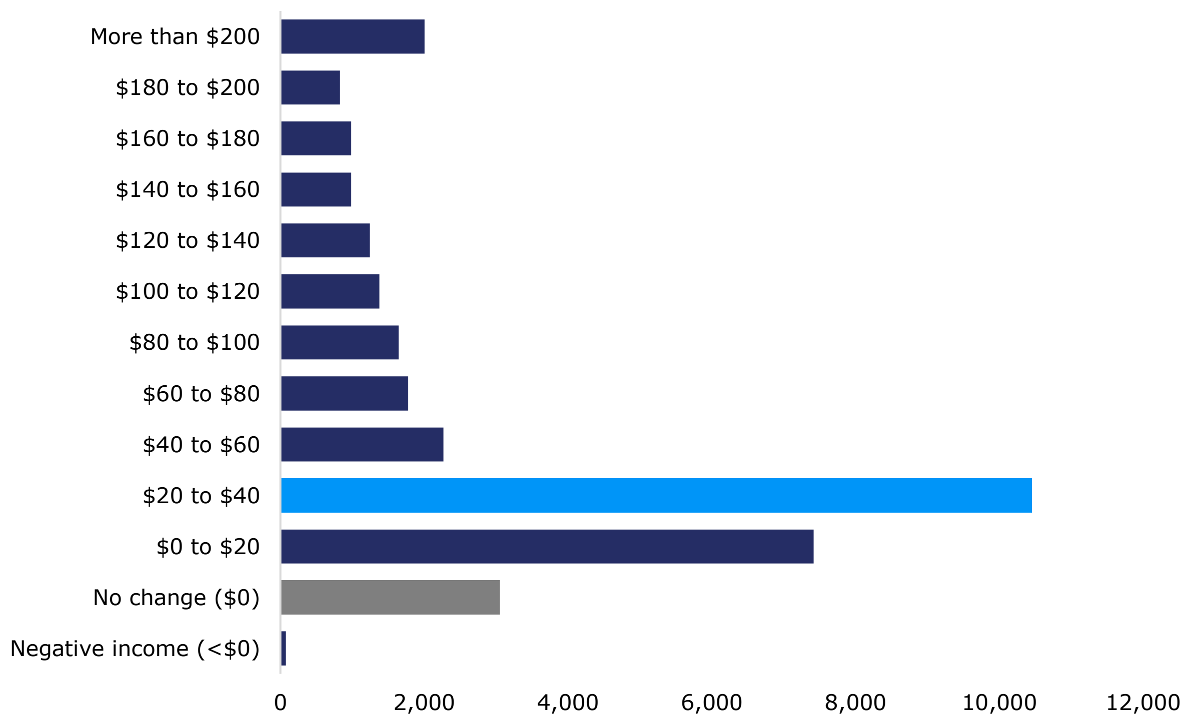
Of the 75 clients who made up the 0.2% experiencing a loss in income in April 2024, the median change was **-$0.13 a week**. The median monthly amount of child support paid by the respective liable parents for caregiver parents experiencing a loss in income was $125.74, compared to $100 for all caregiver parents.

[8] This only includes clients who have declared a health condition or disability to MSD because they are receiving a health condition or disability related payment. Therefore, this may be an undercount of the proportion of clients with a health condition or disability.
[9] MSD uses total response ethnicity which means clients can identify as more than one ethnicity. This results in totals within ethnic breakdowns adding to more than 100 percent.

Table 1: Weekly income increases because of CSPO after abatement as at April 2024, by ethnicity, gender, and health condition/disability

	n	*%*	*Lower quartile*	*Median*	*Upper quartile*	*Mean*
Ethnicity						
Māori	15,972	46.82%	$11.45	$22.87	$64.45	$49.15
European	16,761	49.13%	$11.45	$22.90	$97.00	$62.43
Pacific Peoples	3,801	11.14%	$19.07	$22.90	$101.51	$64.04
Asian	1,170	3.43%	$16.01	$22.90	$98.15	$65.31
MELAA	432	1.27%	$17.26	$22.90	$94.94	$60.01
Other	522	1.53%	$17.53	$27.93	$108.06	$68.19
Gender						
Female	30,339	88.94%	$14.03	$22.90	$94.65	$61.33
Male	3,756	11.01%	$11.38	$22.87	$22.90	$30.07
Gender diverse	18	0.05%	$3.79	$11.45	$116.75	$56.82
Health condition/Disability						
Has health condition/disability	5,436	15.94%	$12.05	$22.90	$96.09	$61.29
No health condition/disability	28,677	84.06%	$12.55	$22.90	$84.63	$57.24
Total	**34,113**	**100.00%**	**$12.46**	**$22.90**	**$86.51**	**$57.88**

Figure 5: Number of clients experiencing income changes because of CSPO after abatement as at April 2024



Most clients received child support payments that were under benefit abatement thresholds

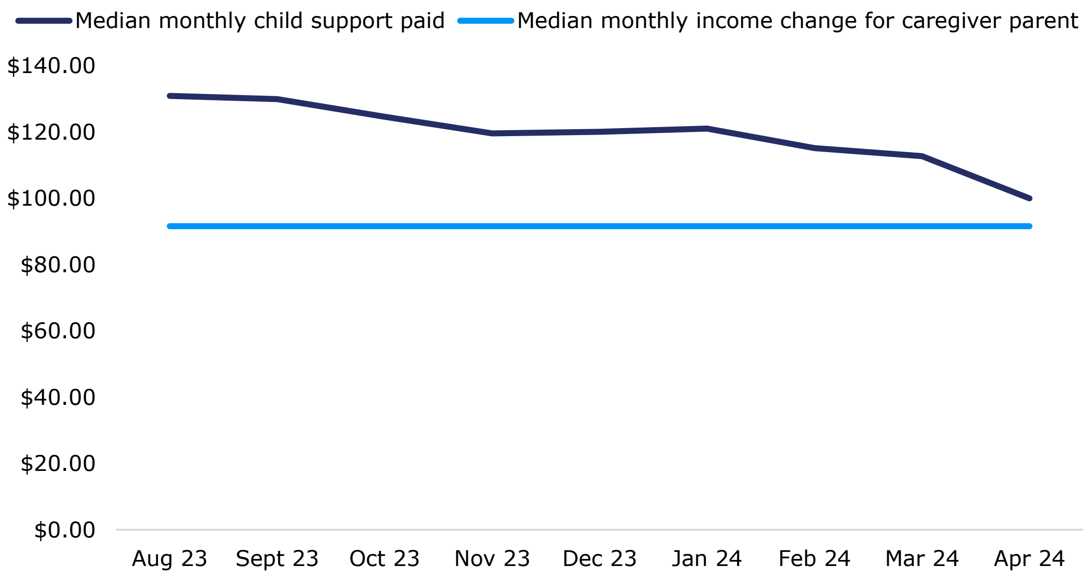
Sole parents on a main benefit can earn up to $160 a week before their benefits start to abate. Their benefit is reduced by 30 cents for each $1.00 of weekly income over $160 and not over $250, and by 70 cents for each $1.00 of weekly income over $250.

For clients impacted by CSPO in April 2024, 85.3% were receiving weekly child support payments less than the $160 abatement threshold, 9.1% received weekly payments between the $160 and $250 thresholds, and 5.6% received weekly payments of more than the $250 abatement threshold.

On average, **37.9%** of clients impacted by CSPO had their income support payments (including supplementary payments with different abatement rules) abated due to child support payments each month, while 62.1% did not experience any abatement. The average abatement experienced by clients was $17.00 a week when averaged over August 2023 to April 2024, and the median abatement amount was $0.

Figure 6 shows the difference between the median monthly child support paid by the liable parent, and the median change in income for the caregiver parent after accounting for abatement of other income support. The amount of child support paid has reduced by **23.6%** from a median of $130.92 in August 2023 to $100.00 in April 2024, however the median income change has remained constant (at $91.60), reflecting less abatement when child support payments are lower.

Figure 6: Median monthly amount of child support paid by liable parents and median monthly income change for caregiver, after abatement, as a result of CSPO



The average **amount retained monthly** by MSD through abatement from the CSPO policy is **$2,534,322**, over August 2023 to April 2024. The total retained by MSD over that period through abatement is $22,808,898.

There has been little change in hardship grants for clients impacted by CSPO

MSD offers three main types of hardship grants for clients:

- Special Needs Grants provide one-off financial assistance to clients to meet immediate needs that aren't required to be paid back.
- Recoverable Assistance Payments can be paid to clients and non-current clients to meet essential immediate needs. These payments have to be paid back to MSD.
- Advanced Payment of Benefit can help clients who are on a benefit and need assistance to meet an immediate need, by providing an advance of up to 6 weeks on their benefit.

In Figures 7 and 8, the receipt of these three types of hardships grants is explored before and after CSPO was implemented, for sole parents on benefit who were receiving child support payments as of April 2024.

The median monthly dollar amount of hardship grants received was **$191.50** across August 2022 to March 2023 and **$177.00** across August 2023 to March 2024. Monthly medians for December 2022 to February 2023 were notably higher than in December 2023 to February 2024, which may be related to the extreme weather events impacting the North Island during those months.

The monthly average number of these clients who received a hardship grant was 12,585 for August 2022 to March 2023, and 12,921 for August 2023 to March 2024, **a 2.7% increase** from the previous year.

Figure 7: Median dollar amounts of hardship payments received by clients impacted by CSPO in April 2024, before and after the implementation of CSPO

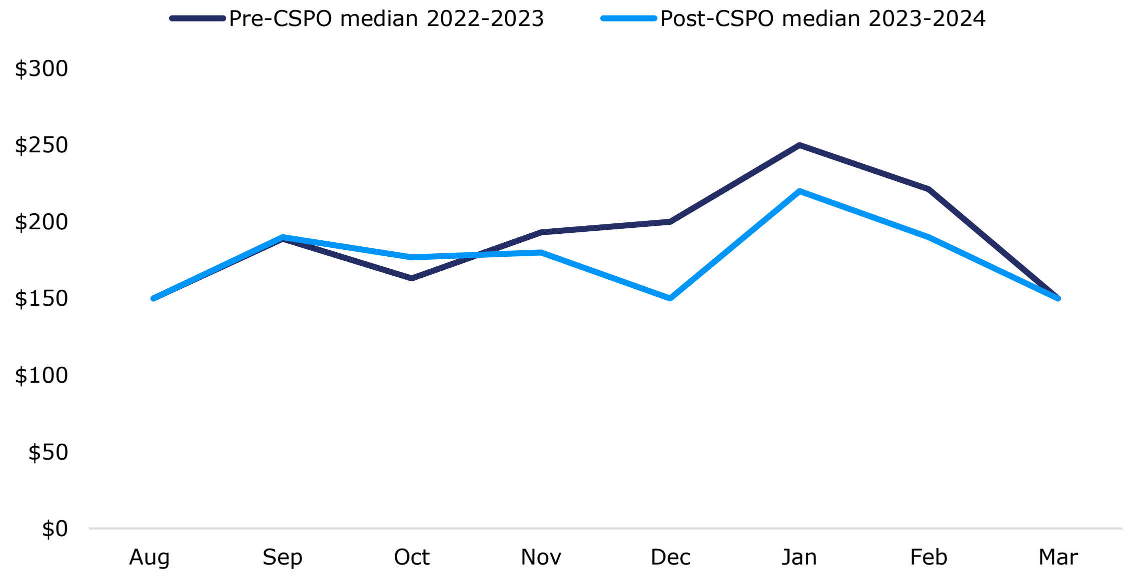
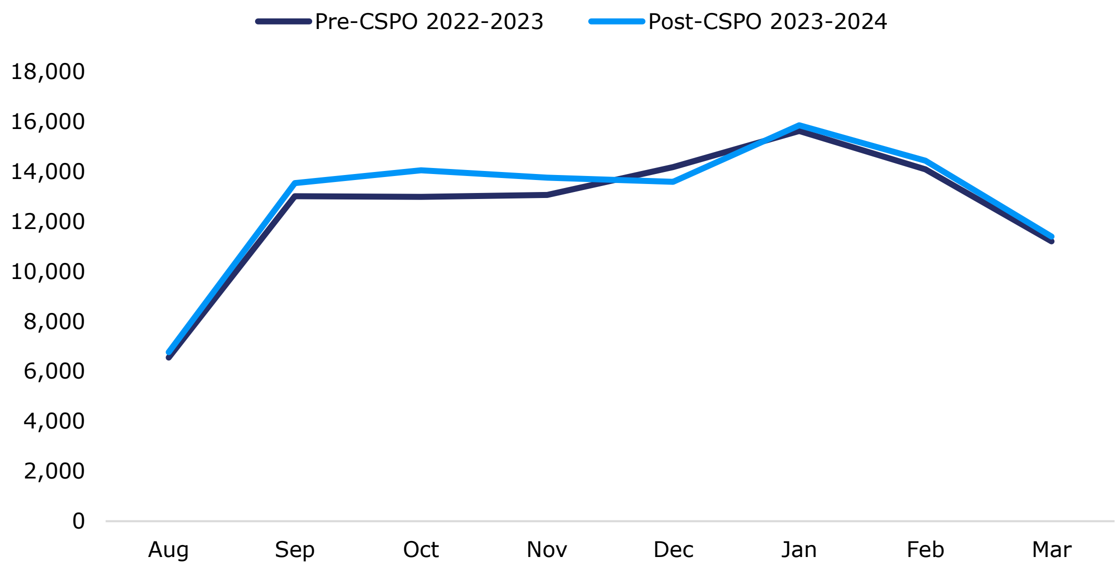


Figure 8: Number of clients impacted by CSPO in April 2024 who also received hardship payments, before and after the implementation of CSPO



For some clients, the unpredictability and fluctuations of income from CSPO is affecting their ability to budget.

Clients who provided comments in the Heartbeat survey, as well as advocates, noted the impact of income fluctuations caused by CSPO on people's capacity to budget. While additional income would be welcome, where liable parents are inconsistent in payment, recipient parents cannot plan to use the additional income. Where this inconsistency in payment occurs, potential benefits of additional income may be reduced.

Clients noted that being unable to budget makes planning and making financial decisions more difficult, which has a negative influence on their well-being and, in some cases, their children's well-being.

The changes have impacted some clients' eligibility for other income support products.

Clients and advocates have expressed concerns regarding the impact of the CSPO changes on other income support payments that clients were receiving. Advocates reported that one of the biggest impacts on clients was a decrease in Temporary Additional Support (TAS) entitlements or the payment being suspended completely.

Clients and advocates also mentioned the impact of larger lump sum child support payments, where the liable parent had not paid for some time. For example, where a large lump sum payment is received, some clients said this impacted eligibility for supplementary benefits that month, such as Accommodation Supplement and Working for Families. Clients noted concern as to whether these supplementary benefits would start again the following month.

Another challenge raised by clients was that in some cases their child support had been double-counted if they self-declared it to MSD, which led to much higher abatement of their income support payments.

CSPO may impact people’s motivation to move into work or work more hours

One of the concerns raised by clients and advocates, was the impact of the change on people’s motivation to move into work or work more hours. Treating the child support payment as income for benefit purposes may reduce the number of hours clients can work before their income support begins to abate. After accounting for abatement and costs related to work (i.e., the cost of travel), advocates questioned how much financially better off clients would be.

CSPO may exacerbate power imbalances between parents

Beneficiary advocates discussed concerns that some liable parents would pressure caregiver parents to switch to private child support arrangements, which would allow them greater control over the frequency and dollar amount of payments and to avoid penalties for late payments. Particularly in circumstances of previous abuse, providing more power to the liable parent could impact negatively on the caregiver parent and their children.

In responses to the Heartbeat survey, some clients talked about the negative consequences of feeling like they must rely on the other parent because they now receive child support payments from them, especially if the relationship has a history of abuse. The parents discussed how this might be triggering and emotionally damaging.

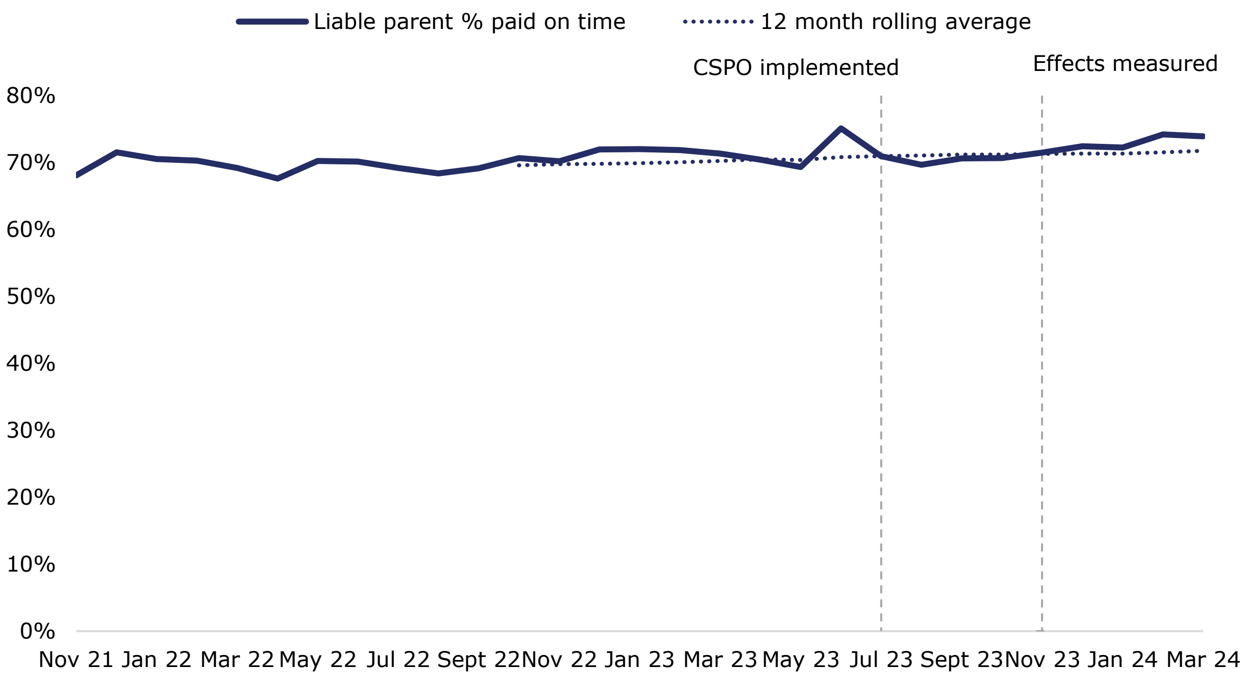
Early insights on liable parent behaviour following the introduction of CSPO

The percentage of liable parents paying on time has been increasing and continued to increase following the implementation of CSPO

CSPO was not expected to make a large difference in the percentage of liable parents paying on time because child support is able to be paid by compulsory direct deduction from the liable parents' earnings (implemented in October 2021), or by a redirection of the liable parents' benefit.

In March 2024, **73.93%** of liable parents paid child support to Inland Revenue on time, up slightly from **71.35%** in March 2023, which continues an existing trend of the percentage of liable parents making payments on time slowly increasing (Figure 9)[10].

Figure 9: Percentage of liable parents making child support payments through Inland Revenue on time

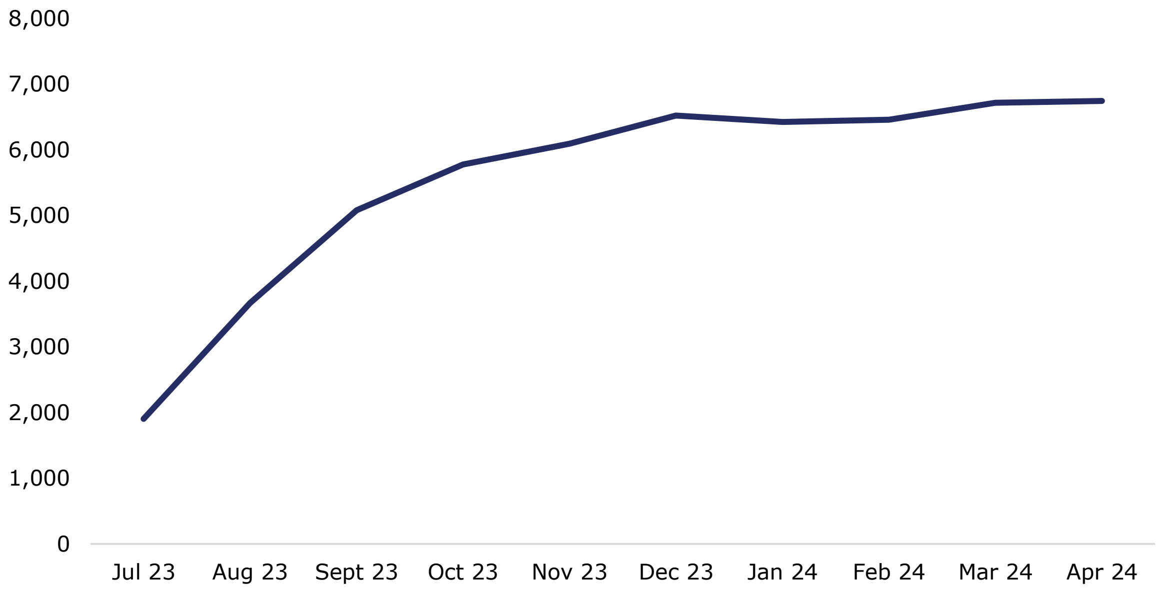


[10] Effects of CSPO on the percentage of liable parents paying child support on time to Inland Revenue are not officially measured by Inland Revenue until November 2023, to ensure that all payments and system updates are captured.

An increasing number of liable parents are receiving Temporary Additional Support for child support costs

The number of parents claiming Temporary Additional Support (TAS) for Child Support has increased from **1,905** in July 2023 to **6,744** in April 2024, as shown in Figure 10.

Figure 10: Number of people claiming TAS for child support costs



As at April 2024, most parents claiming TAS for child support costs were Māori or European (50.2% and 52.9% respectively)[11], Male (65.8%), did not have a health condition or disability[12] (82.0%), and were receiving a main benefit (96.9%), as shown in Table 2.

The median weekly child support cost for parents claiming TAS was **$22.10** as at April 2024. This median was consistent across all sub-groups except for non-beneficiaries, who had a higher median of **$39.16** (Table 1). Non-beneficiaries may have higher incomes than those on benefit or Superannuitants, which would increase their child support liability if formula assessed through Inland Revenue.

Figure 11 shows that, as at April 2024, most (6,156) parents claiming TAS for child support had costs that were between $20 and $40 a week. There was a wide range of child support costs, with a small number of parents (105) liable for over $200 a week.

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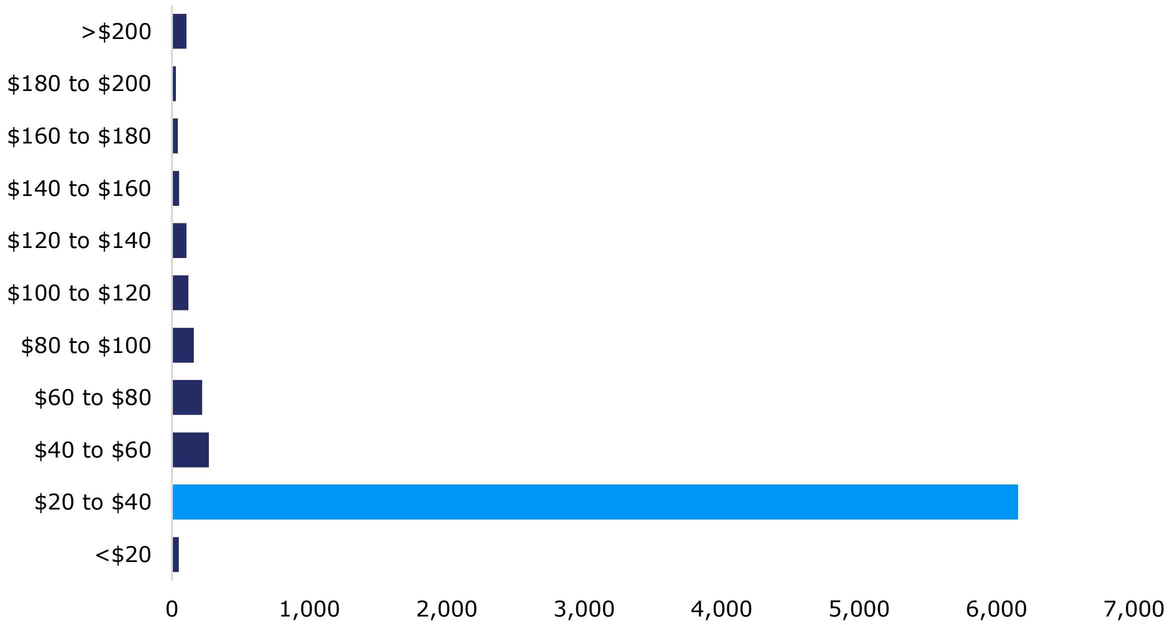
[11] MSD uses total response ethnicity which means clients can select multiple ethnicities and counts of clients by ethnicity can add to greater than 100%

[12] This only includes clients who have declared a health condition or disability to MSD because they are receiving a health condition or disability related payment. Therefore, this may be an undercount of the proportion of clients with a health condition or disability.

Table 2: Weekly child support costs for liable parents receiving TAS as at April 2024, by ethnicity, gender, health condition or disability, and benefit receipt

	n	*%*	*Lower quartile*	*Median*	*Upper quartile*	*Mean*
Ethnicity						
Māori	3,387	50.22%	$22.10	$22.10	$22.15	$39.06
European	3,567	52.89%	$22.10	$22.10	$22.10	$37.31
Pacific Peoples	651	9.65%	$22.10	$22.10	$22.15	$43.08
Asian	156	2.31%	$22.10	$22.10	$25.07	$42.75
MELAA	57	0.85%	$21.13	$22.10	$22.10	$28.77
Other	105	1.56%	$22.08	$22.10	$22.10	$38.07
Gender						
Female	2,295	34.03%	$22.08	$22.10	$22.10	$31.97
Male	4,440	65.84%	$22.10	$22.10	$22.15	$41.73
Gender diverse	9	0.13%	$21.84	$22.10	$22.38	$24.76
Disability/health condition						
Has disability/health condition	1,212	17.97%	$22.08	$22.10	$22.10	$30.36
No disability/health condition	5,532	82.03%	$22.10	$22.10	$22.15	$40.14
Benefit receipt						
On benefit	6,537	96.93%	$22.10	$22.10	$22.10	$37.03
Non-beneficiary	183	2.71%	$22.10	$39.16	$90.97	$87.68
Superannuitant	24	0.36%	$22.10	$22.10	$22.10	$33.38
Total	**6,744**	**100.0%**	**$22.10**	**$22.10**	**$22.10**	**$38.39**

Figure 11: Distribution of weekly Child Support costs for parents claiming TAS, as at April 2024



Advocates thought the changes to TAS for liable parents were positive, but noted a lack of awareness

The low initial uptake of TAS may have been due to a lack of awareness that Child Support costs could be included as allowable costs for TAS. Beneficiary advocates reported that, as of March 2024, they were still telling liable parents who weren't aware that they could apply for TAS for their child support costs, as the change hadn't been well communicated to all liable parents.

Another issue raised by advocates was the procedure of obtaining verification of child support costs when applying for TAS. Liable parents need to provide proof that they are paying child support and, in some cases, have to do so by contacting Inland Revenue. Advocates believed that this shouldn't necessary where MSD already has a record of the child support costs, such as if child support is paid directly from the parents' benefit.

Overall, advocates felt that being able to include child support costs in TAS was a positive change for liable parents, who can be struggling financially when on a benefit if they are paying child support and caring for children part of the time.

Similarly in the Heartbeat Survey, examples were noted of shared-care arrangements where liable parents considered they were in financial hardship due to paying child support and directly paying costs while children were in their care.

Appendix 1: Timeline of Key Child Support Policy and Legislation changes

1992	Introduction of formulae assessed child support administered by IRD came into effect (Child Support Act 1991). Custodial parents receiving sole parent rate of main benefits and Unsupported Child's Benefit were required to apply to IRD for child support paid by the liable parent. Child support assistance programme established to assist liable parents where payment would result in serious hardship.
2003	Child support assistance programme revoked.
2005	Increase in penalty for sole parent beneficiaries not naming the other parent.
2010	Review of child support scheme considered pass on of child support to sole parent beneficiaries but did not recommend this change.
2011	Child support scheme changes announced, including update of formula and direct deduction of child support payments from wages, although the latter was not implemented.
2012	Expert Advisory Group on Solutions to Child Poverty, included pass on of child support to sole parent beneficiaries within recommendations.
2013	Child Support Scheme Amendment Act 2013. Legislation related to changes in child support announced in 2011.
2015	Changes to child support scheme came into effect (2013 legislation), including: revised formula; wider recognition of shared care; considering both parents' income.
2016	Second tranche of changes (2013 legislation) came into effect, including: qualifying age for children reduced from 19 to 18 years, reduction in penalty rates and voluntary deduction from employment income for liable parents.
2019	Welfare Expert Advisory Group recommends child support pass-on.
2020	Repealed Section 192 of Social Security Act 2018, removal of penalty for not naming the other parent.
2021	Child Support Amendment Act 2021 - allowed for compulsory child support payment deductions from salary/wages by employers. Other changes included calculations and treatment of penalties for late payment of child support.
2023	Child Support (Pass On) Amendments Act - allowed for pass on of child support to people on a sole parent rate of main benefit. Removed requirement to apply for formula-assessed child support from Inland Revenue.
1 July 2023	CSPO came into effect, first payment August 2023.

Key source: Social Assistance Chronology[13]

[13] https://www.msd.govt.nz/about-msd-and-our-work/about-msd/history/social-assistance-chronology-programme-history.html