



31 July 2023



Dear [REDACTED]

Thank you for your requests made under the Official Information Act 1982 (OIA), received on 30 June 2023 and 5 July 2023. You requested the following:

... Are there any statistics kept with regards to review success rates broken down by status of the applicant?

And

I'm keen to understand the Child Support Review process and am keen to get some information around guidance, procedure and statistics specifically related to reviews under Ground 8 (the child support assessment does not take into account the income, earning capacity, property and financial resources of either parent or child).

- 1. Are there guidelines or an agreed interpretations of earning capacity (and at what level this may reasonably be reduced), property and financial resources (and what level a disparity between the receiving and liable parent should affect a decision).*
- 2. Is a consistent interpretation of capacity to earn and consideration of property and financial resources used for both liable and receiving parents?*
- 3. Are any statistics kept on review applications and outcomes (of specific interest are ground 8 applications and the success rate for liable parents or receiving parents)?*
- 4. If there is a significant variation between outcomes for applications made by receiving parents or those made by liable parents, has any work been done to understand the disparity in decisions?*
- 5. Is there any internal process to ensure review decisions are accurate and reflect the evidence presented by the parties?*
- 6. If a party to the decision alerts the IRD of an inaccuracy, is there any process to investigate or confirm the validity of the issue raised?*

Questions 1 and 2

Inland Revenue does not have set guidelines for interpreting "earning capacity, property and financial resources". Review officers must consider an application for administrative review and any supporting information on a case-by-case basis. Review officers are guided by legal precedent set by the Courts in making determinations under ground 8.

Both the Commissioner of Inland Revenue (the Commissioner) and the Courts consider ground 8 review applications under section 105(2)(c)(i) of the Child Support Act 1991 (the Act). The Commissioner then makes a determination under Part 6A of the Act which aligns with the way the Courts make departure orders under section 106(1) of the Act.

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Ground 8 applies equally to any parent in the assessment. Section 105(2)(c)(i) of the Act applies regardless of whether the parent is a liable parent or receiving carer:

105 Matters as to which court must be satisfied before making order

- (2) For the purposes of subsection (1)(a), the grounds for departure are as follows:
 - (c) that, by virtue of special circumstances, application in relation to the child of the provisions of this Act relating to formula assessment of child support would result in an unjust and inequitable determination of the level of financial support to be provided by the liable parent for the child because of—
 - (i) the income, earning capacity, property, and financial resources of either parent or the child; or

Both the Commissioner and the Courts must be satisfied that a departure is just and equitable to the child, the receiving carer, and the liable parent, and is otherwise proper. Section 105(4) of the Act sets out the just and equitable considerations.

Questions 3 and 4

Your request made on 30 June 2023 has been considered with question 3 of your request made on 5 July 2023.

The table below outlines the total administrative review cases completed between 1 November 2021 and 30 June 2023 where an application was made under ground 8, and the outcome of the review. Some applications included multiple grounds under the Act for review, including ground 8. However, applications resulting in a departure from the formula assessment may not have necessarily been granted a departure under ground 8.

Applicant	No Departure	Departure	Total	% Resulting in departure
Receiving Carer	346	1083	1429	75.79%
Liable Parent	443	734	1177	62.36%
Liable Parent/Receiving Carer	42	75	117	64.10%
Total	831	1892	2723	69.48%

Applications resulting in a departure could either increase or decrease an applicant’s liability or entitlement under any ground considered in the review. Some departures result in a decision that was contrary to what was applied for.

The variation in the outcome of administrative review applications between liable parent and receiving carer applicants is approximately 13.43%. No work has been undertaken to compare or analyse the outcomes of applications made by liable parents or receiving carers.

Question 5

All administrative review determinations are reviewed internally by a technical specialist experienced in child support before they are finalised.

Question 6

Customers can contact Inland Revenue to raise concerns about their administrative review. Depending on the concern, it will be investigated by an administrative review case manager, technical specialist experienced in child support, or a relevant team leader. If the concerns are not addressed adequately, a complaint may be made to have the matter reviewed further.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Sue Gillies
Customer Segment Leader, Families