

In Confidence

Office of the Minister for Social Development and Employment

Office of the Minister of Revenue

Chair, Cabinet Social Wellbeing Committee

## **PASSING ON CHILD SUPPORT TO SOLE PARENT BENEFICIARIES: PHASED IMPLEMENTATION**

### **Proposal**

1. Cabinet previously agreed to pass on child support to sole parent beneficiaries from 1 July 2023. This paper seeks your approval to implement child support pass-on in two phases. Phase one would see child support passed on, and cash payments of child support relating to periods from 1 July 2023 charged as income for financial assistance purposes. The more difficult to legislate aspects which ensure all child support income is captured would not be in place until phase two is implemented, from mid-2025 at the earliest. Cabinet agreement for phase two will be sought at a later date.

### **Relation to Government priorities**

2. One of the Government's priorities is laying the foundations for the future. A critical part of that is reducing child poverty and improving child wellbeing. The Government is committed to addressing this through the Child and Youth Wellbeing Strategy (the Strategy), which sets out a shared understanding of what children and young people need and want in order to flourish, and what is needed to support them.
3. The changes proposed in this paper contribute to the welfare overhaul work programme, which seeks to ensure people have an adequate income and standard of living, are treated with and can live in dignity, and are able to participate meaningfully in their communities. The welfare overhaul also plays an important role in supporting our economic recovery through a focus on employment, upskilling and training, and contributes significantly to our commitment to reducing child poverty.
4. Reducing the number of children living in poverty is also a key priority for the Government, and links to the Child and Youth Wellbeing Strategy's outcome 'Children and young people have what they need'. This initiative contributes to this outcome by increasing the incomes of many sole parent families, thus ensuring more resources are available for their children. There is international evidence that suggests that this may foster both an improved relationship with their child and likelihood of payment.

### **Executive summary**

5. Cabinet agreed to pass on child support payments paid via Inland Revenue to sole parent beneficiaries, and to treat these payments as income for determining the amount of financial assistance payable by the Ministry of Social Development (MSD) [CAB-22-

MIN-0091 refers]. It was agreed that this change would apply from 1 July 2023. Approximately 41,550 sole parent families will receive on average \$65 per week of child support income, with a median of \$24 per week. Following the abatement of income-tested financial assistance, these families will gain overall by an average of \$47 per week, and a median of \$20 per week.

6. Additional policy design decisions were made after the Cabinet decision to determine how the income charging rules would apply. Reconciling the new issues brought about by these decisions has been difficult and has added complexity. The full design can no longer be delivered for 1 July 2023.
7. To deliver child support pass-on by 1 July, we propose implementing child support pass-on in two phases. This would ensure that child support was passed on by 1 July 2023, and that most child support would be treated as income for financial assistance purposes, and would allow for the full design to be implemented over time.
8. The overall gains clients are expected to receive in phase one are similar to the gains from the full design. There are some clients who will gain in phase one and some clients who will be disadvantaged, and same for phase two.
9. The cost of implementing phase one can be met within existing funding provided through Budget 2022.
10. Under this proposal, Inland Revenue will still pass on child support to sole parent beneficiaries, but only the amount of cash the client receives in hand that relates to periods from 1 July 2023 will be charged as income by MSD for financial assistance purposes. The more complex income charging rules will be implemented in phase two.

s 9(2)(h)

## Background

11. On 28 March 2022, Cabinet agreed to pass on child support payments paid via Inland Revenue to sole parent beneficiaries, and to treat these payments as income for determining the amount of financial assistance payable by MSD from 1 July 2023. Approximately 41,550 sole parent families will receive on average \$65 per week of child support income, with a median of \$24 per week. Following the abatement of income-tested financial assistance, these families will gain overall by an average of \$47 per week, and a median of \$20 per week. Furthermore, it is estimated to reduce child poverty by an estimated 10,000 (+/-4,000) according to the moving-line BHC50 (before-housing-costs) measure, and 6,000 (+/-3,000) using the fixed-line AHC50 (after-housing-costs) measure.<sup>1</sup>
12. Additional policy design decisions were made after the Cabinet decision to determine how the income charging rules would apply to various types of child support transactions to ensure fairness and consistency. Reconciling these new issues has been difficult due

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<sup>1</sup> In advice to Cabinet in March [CBC-22-MIN-0021 refers], the 2021 child poverty impact projections were used. The Budget child poverty projections have been updated by Treasury to incorporate the economic forecasts for the Budget Economic and Fiscal Update 2022 (BEFU), data from Statistics New Zealand – including changes to the cost of living – and Government policy interventions announced since the BEFU. These child poverty impact projections are based on the updated figures.

to the differences between how child support and the welfare systems are administered and their respective purposes. This additional complexity in design has flowed through to the drafting process, extending the length of time required to draft well beyond what would be necessary to implement for 1 July 2023.

13. Overcoming these legislative challenges has been time-consuming and complex. As a result of the policy and operational design, child support will be treated differently to other income in the welfare system. For example, child support will be subject to automated income charging rules and will always be charged forward over a prescribed period. Additionally, the policy design has required a separate income charging system to be developed in the social security system, which fits neatly alongside the existing income charging system that will continue to apply for other types of income. This means clients could have income calculated and charged under two systems. The legislative design and drafting must be prescriptive and contain limited discretion to account for these complexities, including clearly and tightly defining what falls into each of the income charging rules.
14. Officials have previously signalled there were inherent risks to the timeframes from working concurrently on the IT build and legislative drafting. Contingency was built into the original timeframe. However, the issues that have arisen have been more substantial than anticipated; for example, how to charge child support income when it includes debt repayments or offsets for different periods of time. This has resulted in significantly more time being required for drafting than was originally allowed for. Therefore, the full design can no longer be legislated for 1 July 2023.

### **Alternative options**

15. We considered several options for delivering child support pass on, including:
  - 15.1 delaying the implementation of the full design to late 2024,
  - 15.2 treating child support passed on as the income of the child (therefore reducing the impact on the benefit system and not abating the receiving carer's benefit), and
  - 15.3 a version of pass-on under which the child support would be passed on to the receiving carer but only the "cash in hand" (child support paid to a receiving carer's nominated account) amount would be treated as income for benefit purposes, with no further changes.
16. None of these options achieved all of the key objectives, which were to pass on child support by 1 July 2023, treat payments as income of the receiving carer for financial assistance purposes (consistent with the Social Security Act 2018) and remove the inequitable treatment between sole parents and other beneficiary families.

### **Phased approach**

17. In order to deliver child support pass-on, boost sole parents' incomes and contribute to meeting child poverty targets by 1 July 2023, we now consider it necessary to implement child support pass on in two phases. Phase one would be from 1 July 2023 and the more difficult to legislate aspects would not be implemented until mid-2025 at the

earliest. Under this approach, child support pass-on will apply to the same clients as previously agreed to by Cabinet.<sup>2</sup>

18. Generally, child support payments passed on will be treated as income of the receiving carer for financial assistance purposes, although the definition of what child support counts as income is more limited in phase one. It also removes the discriminatory treatment for sole parent beneficiaries including the obligation for them to apply for child support. This ensures the policies that Cabinet agreed to initially, and we have subsequently agreed to, will be implemented, albeit over a longer timeframe.
19. The following aspects of the proposal will proceed in phase one and apply from 1 July 2023:
  - 19.1 child support collected via Inland Revenue will be passed on to sole parent beneficiaries;
  - 19.2 the legislative obligation for sole parent beneficiaries to apply for child support via Inland Revenue will be removed; and
  - 19.3 formula assessed child support liability will be considered as an allowable cost for Temporary Additional Support and Special Benefit purposes.
20. Cabinet previously agreed to spread income charging of child support payments forward over four or five weeks, deviating from the general income rules in the Social Security Act 2018 which provide discretion for MSD to determine the period over which the income is charged. This approach was taken to ensure benefit payments are assessed based on the current financial resources available to a client (i.e., when the child support payment is received), and to reduce the likelihood that client debt is created.
21. In phase one, it is proposed that only the “cash in hand” received by a client is income for financial assistance purposes and will be charged forward over four or five weeks (except in limited circumstances, e.g., in the case of errors). Cash in hand will comprise regular (monthly) and arrears child support payments administered by Inland Revenue that relate to periods from 1 July 2023. By treating the cash received as income, any overpaid child support being repaid via deductions from the client’s future child support payments will reduce their income charge because their cash in hand position will be reduced. This will include debt repayments repaid via deductions from future child support payments, that relate to periods before 1 July 2023. This is wider than originally agreed.
22. For the cash in hand approach, MSD will consider child support payments income if they match child support payment information shared by Inland Revenue to a current client.
23. To simplify the legislation, the rules will no longer differentiate between a ‘regular’ child support payment and an ‘arrears’ child support payment when determining the period a payment is charged over. Rather, the charging period will be determined on the basis of the date the payment is notified by Inland Revenue to MSD in the information share.

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<sup>2</sup> As previously agreed, recipients of an Unsupported Child’s Benefit will be excluded from the proposal.

24. The appendix to this paper provides a list of all the policies agreed to by Cabinet in March 2022, and all the policies subsequently agreed to by joint Ministers under their delegated authority, and the phase in which each policy will apply. Cabinet will need to agree to phase two implementation at a later date.
25. There are also three further technical or minor policy amendments required to give effect to phase one of child support pass-on outlined in paragraphs 43-48.
26. Phase two will incorporate the following features:
  - 26.1 Reducing the client's income charge when they repay overpaid child support using personal resources such as savings.
  - 26.2 Ensuring debt repayments are only taken into account for a debt that relates to periods on or after 1 July 2023.
  - 26.3 Ensuring that child support relating to a period when the client was not receiving a benefit will not impact the client's income for benefit purposes.
  - 26.4 Treating amounts of child support that are offset between parents as income for financial assistance purposes.<sup>3</sup>
  - 26.5 Ensuring that when a new MSD client has their benefit commencement backdated to a prior period, child support received during that period can be included as income for calculating their benefit rate.
27. After the implementation of phase one, officials will begin work on the policy and legislative design required for the full proposal to be implemented in phase two. Phase two cannot be implemented until mid-2025 at the earliest. We have asked officials to report back to us by the end of 2023.

*Impact of phased approach on sole parent beneficiaries*

28. In phase one, 41,550 sole parent families will benefit from having child support passed on. However, not all of the income charging rules will be in place. As noted earlier, only cash payments made to a receiving carer will be treated as income for financial assistance purposes in phase one. This impacts sole parent beneficiaries in a number of ways.
29. Clients who have their child support offset would have a lower income charge (than what is intended in the full design) and as a result may receive a higher rate of benefit (phase one) compared to if the offset amount was included as income (phase two). Officials estimate 2,250 clients may have offset child support in a 12-month period and could be impacted. In phase two, the offset amounts will be treated as income which could result in a reduced benefit rate for these clients. § (9)(2)(g)(i)

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<sup>3</sup> For example, Sam and Alex pay each other child support. Sam owes Alex \$120 in child support and Alex owes Sam \$100 in child support, Sam only has to pay Alex \$20 and Alex pays nothing as \$100 of child support has been offset. In phase one, despite benefiting from the value of the \$120 and \$100 respectively, only Alex will have \$20 charged as income for benefit purposes.

30. Clients making debt repayments by having Inland Revenue withhold a portion of their child support payment will have the repayment reflected in their income charge in phase one and phase two. This is because they will be paid less child support in hand, resulting in a lesser income charge and potentially a greater benefit rate. The intent was for debt repayments to only reduce an income charge if the debt related to periods from 1 July 2023. However, this limitation will only apply from phase two and repartnered couples will be impacted differently depending on if they had declared the child support as income before 1 July 2023. Officials estimate that this will impact fewer than 1,000 clients per year.
31. When receiving carers owe child support debt (for example, from a child support reassessment reducing their child support entitlement), they may repay the debt through personal resources, such as savings (as opposed to using future child support payable). Debt repayments will reduce the child support income currently charged against a person's benefit,<sup>4</sup> resulting in a higher benefit rate. However, this policy will not be in place until phase two. This means in phase one the client may receive a higher income charge and reduced benefit rate compared to if the debt repayment had been taken into account. Officials estimate that this will impact fewer than 500 clients per year. Clients paying debts from personal resources will be treated differently to clients repaying debts from future child support payments.
32. Clients who are repaying a child support debt by having Inland Revenue withhold a portion of their child support payment may be advantaged and benefit twice in phase one if the debt relates to a period before 1 July 2023. This is because two different income charging rules could be applied concurrently. MSD would automatically reduce their current income charge forward, and potentially pay a greater benefit rate, because the client receives less child support cash in hand to reflect their debt repayment. However, if the client originally declared the child support received in that period as income and later advises that child support was reassessed down, MSD could also retrospectively reduce their previous income charge and pay additional benefit to the client. Officials anticipate few clients would be impacted given low self-declaration rates of child support pre-1 July 2023.
33. Clients receiving child support payments for a period when they were off benefit will have the payment charged as income during phase one, which may lead to a reduced benefit rate. Officials estimate approximately 1,900 clients had at least one month with no benefit for the three months preceding September 2022. These clients could be disadvantaged by having income charges applied for periods they were not on a benefit. This will be addressed through phase two.
34. This also means clients making debt repayments (from their current child support payment) for periods they were off benefit may have this debt repayment reduce their income charge, resulting in a greater benefit rate. In phase two these debt repayments

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<sup>4</sup> As part of the full design, MSD proposed to reduce the client's child support income charge going forward after they made a child support debt repayment using personal resources (savings) or their current child support entitlement. For example, Amy's September child support income charge is \$80. In the same month, Amy makes a child support debt repayment of \$50 (either through personal resources or her current child support entitlement). MSD would reduce Amy's September child support income charge by the value of her debt repayment (\$50) to \$30, resulting in Amy potentially receiving a greater benefit rate.

will not be taken into account. Officials estimate that this will impact fewer than 1,000 clients per year.

35. The transition between the two phases and the introduction of additional income charging rules will see some clients' benefits change which may create confusion for clients and staff, however the majority of clients will not be affected. MSD and Inland Revenue will work together on ensuring there is clear communications to both staff and clients throughout this transition.
36. The implementation of phase two will address the advantages and disadvantages listed above. § (9)(2)(g)(i)  
   
  This risk should be balanced against the fact that these clients will now receive child support and be better off overall, § (9)(2)(g)(i)
37. Further, the overall gains clients are expected to receive in phase one are similar to the gains from the full design. A small group will be impacted by the phased approach (noted in paragraphs 28-33). While officials cannot model the impact of the phased approach on these groups, it is estimated the number of people impacted is comparatively small.
38. Phase two cannot be implemented until mid-2025 at the earliest. § (9)(2)(g)(i)

## Housing

39. Phase one will also extend to MSD housing supports. This means child support income will be included in the assessment of the Income-Related Rent paid by public housing tenants. This will ensure consistency in the treatment of child support across the key social housing systems and housing-related financial assistance (e.g., public, emergency and transitional housing, the Accommodation Supplement and housing-related hardship assistance). There will also be a return in savings to the Crown, as it will deliver approximately \$21.58m in returned revenue to the Crown over five years. These savings were included in the original Budget 2022 costings.
40. The phased approach will require amendments to the Public and Community Housing Management Act 1992 (PACHMA) and associated Regulations, which provide the legislative basis for Income-Related Rent in the public housing system. The current description of assessable income in PACHMA is broad, and without appropriate amendments it may include the forms of child support that are to be excluded under phase one. If not amended, there is a risk that child support income for Income-Related Rent could be treated differently to child support income under the Social Security Act 2018 (e.g., for the Accommodation Supplement and Emergency Housing Special Needs Grants). This discrepancy would create different operational approaches to MSD's treatment of income and may cause confusion for clients and staff.
41. There are also other aspects of PACHMA that may conflict with the phased approach under the Social Security Act 2018, such as different income charging rules and sources of income information. However, officials are awaiting legal and operational analysis (due by the end of 2022) to determine the specific legislative amendments required. We

are therefore seeking Cabinet agreement to amend PACHMA to give appropriate effect to the phased implementation of child support pass-on, without significantly altering the existing Income-Related Rent assessment or the public housing system more broadly. These changes will be included as consequential amendments in the Child Support (Pass On) Acts Amendment Bill.

### **Further decisions required on technical or minor policies**

42. A number of technical or minor policies are required to give effect to passing on child support in phase one.

*A transitional provision is needed for clients receiving Temporary Additional Support at 1 July 2023*

43. Formula assessed child support will be included as allowable costs for Temporary Additional Support (TAS) from 1 July 2023. New allowable costs can only be included in a client's TAS from the date the client applies to have it included or from the date the cost starts, whichever is later. This means that new allowable costs cannot be backdated.<sup>5</sup>
44. The change to include child support as an allowable cost is expected to result in an influx of calls (both from new and current clients) from 1 July 2023. Clients who are receiving TAS and have a child support liability on 1 July 2023 may be disadvantaged by a delay in having their child support costs taken into account. These clients would be worse off than a client paying child support and newly applying for TAS from 1 July 2023, as these clients would have their child support liability taken into account from the date this liability becomes an allowable cost.
45. We therefore recommend that a transitional provision be introduced to allow clients already receiving TAS at 1 July 2023 to be able to backdate their child support costs to the later of 1 July or from when they were made liable for child support or become eligible for TAS. The application for backdating must be made by or at their next TAS reapplication. This will ensure that the administrative impact on MSD service delivery is spread over 13 weeks without disadvantaging existing TAS clients.

*Remove child support income records for periods from 1 July 2023 to prevent this income being charged twice*

46. For periods from 1 July 2023, Inland Revenue will share child support information with MSD to enable the automation of the charging of child support as income. If a client has self-declared child support income prior to 1 July 2023 for periods after 1 July 2023, child support income could be charged twice.<sup>6</sup>
47. We recommend that child support income charges declared by clients (before the information share) relating to child support payments from Inland Revenue are removed on a date to be determined by MSD.

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<sup>5</sup> It is estimated that 9000 clients will be able to include child support as an allowable cost.

<sup>6</sup> This would only apply to re-partnered and non-beneficiaries receiving supplementary assistance who are currently required to declare the child support they receive.



*Treatment of court ordered lump sums*

48. Court ordered lump sums of child support should continue to be treated in accordance with the current general income rules from phase one. This would allow MSD staff to apply discretion and determine what period the payments relate to, and also whether they are capital payments not to be charged as income. It is also worth noting that since November 2021 there has only been one court ordered lump sum issued, and it did not pertain to a beneficiary.

s 9(2)(h)

s 9(2)(h)

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s 9(2)(h)

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s 9(2)(h)



s 9(2)(h)

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s 9(2)(h)



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**Financial implications**

- 59. The cost of implementing phase one can be met within existing funding provided through Budget 2022. Phase two may require further funding. At this stage it is not possible to cost phase two until there is more certainty around the timing for phase two.
- 60. The original 28 March 2022 Cabinet agreement to pass on child support payments paid via Inland Revenue to sole parent beneficiaries [CAB-22-MIN-0091 refers] did not disclose the operating impact from Emergency Housing Client Contributions. There is no impact on appropriations with this amendment as it is an increase in revenue.
- 61. Because emergency housing clients are required to contribute 25 percent of their income toward their emergency housing costs, a number of sole parent beneficiaries

receiving an Emergency Housing Special Needs Grant will pay a higher emergency housing contribution rate once child support is passed on. Because of these increases, it is estimated that there will be a return of \$1.239m in savings to the Crown over five years. This is in addition to savings estimates that formed part of the Budget 2022 funding agreed to by Cabinet.

## **Legislative implications**

62. Implementing these proposals requires changes to the Child Support Act 1991, the Social Security Act 2018, the Public and Community Housing Management Act 1992 and associated regulations.
63. If approved, we propose including the legislative changes in the Child Support (Pass On) Acts Amendment Bill. At this stage, we propose that the Bill be introduced in March 2023, subject to a shortened Select Committee period and seeking enactment by mid-June 2023.
64. However, if there are delays in finalising the drafting of the Bill, we propose that the Bill then be introduced on Budget night 2023 and enacted under urgency. We will work with the Treasury on including the Bill on the legislative programme for Budget 2023, if required.

## **Impact analysis**

### **Regulatory Impact Statement**

65. An addendum to the initial Regulatory Impact Statement has been prepared. The addendum reflects that following the issues with timeframes, four additional options have now been considered. Additionally, that the new preferred option of officials is a phased approach.
66. The review panel reiterates this assessment of the overall RIA. The addendum notes the reason for the deviation from the original preferred option (the problem definition for the addendum), and sets out a range of options for progressing as well as the constraints to which that analysis is subject. The addendum could have more clearly stepped through how the critical delivery and cost constraints affected the options set and deviations from the original RIA content, but overall, the document presents a clear assessment of the impacts of the new preferred option.

## **Population implications**

67. As already noted in the earlier Cabinet paper [CAB-22-MIN-0091 refers], passing on child support will mean:
  - 67.1 Approximately 41,550 sole parent families will receive on average \$65 per week of child support income, with a median increase of \$24 per week. Following the abatement of income-tested financial assistance, these families will gain overall by an average of \$47 per week, and a median of \$20 per week.
  - 67.2 Child poverty is estimated to be reduced by 10,000 (+/-4,000) according to the moving-line BHC50 (before-housing-costs) measure and 6,000 (+/-3,000) using the fixed-line AHC50 (after-housing-costs) measure. The benefits associated

with child poverty reduction will be realised during phase one, when child support is passed on.

68. The population impacts for Māori, Pacific peoples, and disabled people (clients receiving Supported Living Payments) were provided previously. All of these population groups gain from child support being passed on.

### Consultation

69. The Child Poverty Unit and the Child Wellbeing Unit in the Department of Prime Minister and Cabinet, the Treasury, Ministry for Women, Te Arawhiti – the Office for Māori Crown Relations, Te Puni Kōkiri, Ministry of Housing and Urban Development, the Ministry of Youth Development, the Ministry for Ethnic Communities, the Office for Disability Issues, the Youth Service and Oranga Tamariki—Ministry for Children have been consulted on this paper.

### Communications

70. We will make an announcement on the contents of the Bill, including the phased in approach, when the Child Support (Pass On) Acts Amendment Bill is introduced. A commentary on the Bill will also be released at this time. Inland Revenue will include details of the new legislation in a *Tax Information Bulletin* after the Bill is enacted. MSD and Inland Revenue will inform clients of the upcoming changes to ensure clients are aware of the advantages of applying for child support.

### Proactive release

71. We propose to delay the proactive release of this Cabinet paper, associated minutes, and key advice papers with appropriate redactions until the introduction of the Child Support (Pass On) Acts Amendment Bill. The expected introduction date for this Bill is March 2023.

### Recommendations

The Minister for Social Development and Employment and the Minister of Revenue recommend that the Committee:

1. **note** that on 28 March 2022, Cabinet agreed to pass on child support payments paid via Inland Revenue to sole parent beneficiaries, and to treat these payments as income for determining the amount of financial assistance payable by the Ministry of Social Development from 1 July 2023 [CAB-22-MIN-0091 refers];
2. **note** the initial design of the treatment of child support payments paid via Inland Revenue as income for determining the amount of financial assistance payable by the Ministry of Social Development cannot be delivered by the intended implementation date of 1 July 2023;
3. **agree** that a phased approach is adopted;
4. **agree** that in phase one, only the cash a client receives from Inland Revenue relating to periods from 1 July 2023 and where the payment information is provided to MSD

through the information share will be automatically charged as income for financial assistance purposes;

5. **note** that the overall gains clients are expected to receive in phase one are similar to the gains from the full design;

6. **agree** that the period over which the child support is charged will be determined based on the date the payment is notified on the information share;

7. **agree** to the following technical or minor policy amendments that are required to give effect to phase one of child support pass-on to:

7.1 allow formula assessed child support as an allowable cost for Temporary Additional Support and Special Benefit to be backdated to 1 July 2023 for a limited period;

7.2 remove previously declared child support income from MSD's system before commencement of the information share to prevent income being charged twice;

7.3 apply the current general income charging rules to court ordered lump sums, including determining if the court ordered lump sum payment is income or capital;

8. **note** that the introduction of the following policies will be delayed until phase two and will require Cabinet agreement at a later date:

8.1 reducing the client's income charge when they repay overpaid child support using personal resources;

8.2 ensuring debt repayments are only taken into account for a debt relating to periods after 1 July 2023;

8.3 ensuring that child support relating to a period when the client was not receiving a benefit will not impact the client's income for financial assistance purposes;

8.4 treating offset amounts of child support as income;

8.5 treating child support received (for past periods) as income when a new MSD client has their benefit commencement backdated;

9. **agree** to amend the Public and Community Housing Management Act 1992 and associated Regulations to give appropriate effect to the phase one for public housing and Income Related Rent;

10. s (9)(2)(g)(i) [Redacted]

11. s 9(2)(h) [Redacted]

12. s 9(2)(h)
- 13.
14. s (9)(2)(g)(i)
15. **note** that the proposals in this paper for phase one will be included in the Child Support (Pass On) Acts Amendment Bill;
16. s 9(2)(f)(iv)
- 17.
18. **note** that in the 28 March 2022, Cabinet decision to pass on child support payments paid via Inland Revenue to sole parent beneficiaries, the operating impact from Emergency Housing Client Contributions was not disclosed [CAB-22-MIN-0091 refers];
19. **note** the following changes as a result of the decision noted in recommendation 16 above, with a corresponding impact on the operating balance and net debt:

Vote Social Development Minister of Housing	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-departmental Revenue: Programme Recoveries	-	0.291	0.306	0.321	0.321
<b>Total Operating</b>	-	<b>(0.291)</b>	<b>(0.306)</b>	<b>(0.321)</b>	<b>(0.321)</b>

### ***Legislative implications***

20. **agree** that amendments to the Child Support Act 1991, Social Security Act 2018, Public and Community Housing Management Act 1992 and associated Acts and regulations required to implement the policy changes agreed above will commence from 1 July 2023.

Authorised for lodgement

Hon Carmel Sepuloni  
Minister for Social Development and Employment

Hon David Parker  
Minister of Revenue