



18 January 2024

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 29 November 2023. You requested the following:

I'd like to make an OIR please for the data on paying parents who are in arrears of Child Support and whom are also registered as business owners.

Can I please also have the data for the average length of time that enforcement action takes before an arrangement is reached.

I would also like the average debt owed by individuals registered as business owners. Can I please have the last 3 years statistics.

Information being released

The information you have requested is outlined in the table below. We have interpreted your use of the term 'business owner' to refer to individuals who are self-employed. Self-employed includes those who carry out business activity on their own, such as contractors, sole traders and small business owners. These individuals use their personal IRD number for their business.

Year ending 31 March	Debtors	Average debt per individual	Total debt
2023	4,958	\$10,247.79	\$50,808,538.32
2022	5,262	\$10,870.55	\$57,200,825.94
2021	5,376	\$15,842.46	\$85,169,040.61

Inland Revenue will attempt to make contact with a customer in arrears to negotiate an arrangement before enforcement action is taken. For cases where contact is successfully made with the customer or where a source of funds is easily located, an arrangement could be made with the first payment expected to be received within 1-20 working days depending on the arrangement type (e.g., lump-sum payment or instalment).

Liable parents who receive income through salary and wages will have their child support payments deducted from their income source. This includes liable parents who may be self-employed, but who also receive income in the form of salary and wages. If funds are unable to be secured via an arrangement, Inland Revenue will seek to enforce payments by placing a

deduction on any funds payable to a debtor under section 154 of the Child Support Act 1991. This includes (but is not limited to) income from contracts or from a bank account.

The time that it takes for a debt to be put under arrangement varies greatly, as each case is actioned based on the information held or obtained by Inland Revenue and any locatable funds. If an arrangement cannot be reached voluntarily and enforcement is required, or if a previously agreed arrangement is defaulted on, Inland Revenue will continue to pursue the debt until it is paid in full.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (www.ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, will be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you for your request.

Yours sincerely



Chris Thomson
Group Lead, Families