

A young girl with her hair in a bun, wearing a pink jacket, stands on a sandy beach looking out at the ocean. The sky is overcast, and there are hills in the background. A teal banner is overlaid on the middle of the image.

Child Support Proactive Engagement Pilot

An Effective Intervention to Improve Customer Outcomes | Customer Insight & Evaluation

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Way forward

Our Mission

We contribute to the economic and social wellbeing of New Zealand by collecting and distributing money



Our strategic focus

Grow voluntary compliance by making it easier for people to get it right

Reduce customer compliance costs

Make government policy changes faster and more cost-effective

Our Vision

A world-class revenue organisation recognized for service and excellence

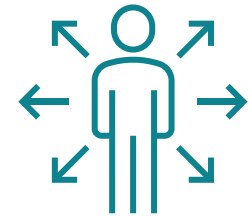
What is important to us
in how we work?



Intelligence-led



Agile



What is Child Support?



Child support is money paid by parents who do not live with their children or who share care with someone else

The money is to help with the cost of raising a child



What Does Collecting Child Support Depend on?*

Cooperation
between parents

Parents'
emotional
connection with
their children

Employment and/
or income of liable
parents

Child Support customers & performance



As of June 2019, there are:

164,189
liable parents in
NZ and overseas

135,959
receiving carers

183,356
qualifying children

1,000
new customers
entering the scheme
each month on
average

Performance (2018 Annual Report):

Collected
\$473 million
and distributed
\$287 million to
receiving carers

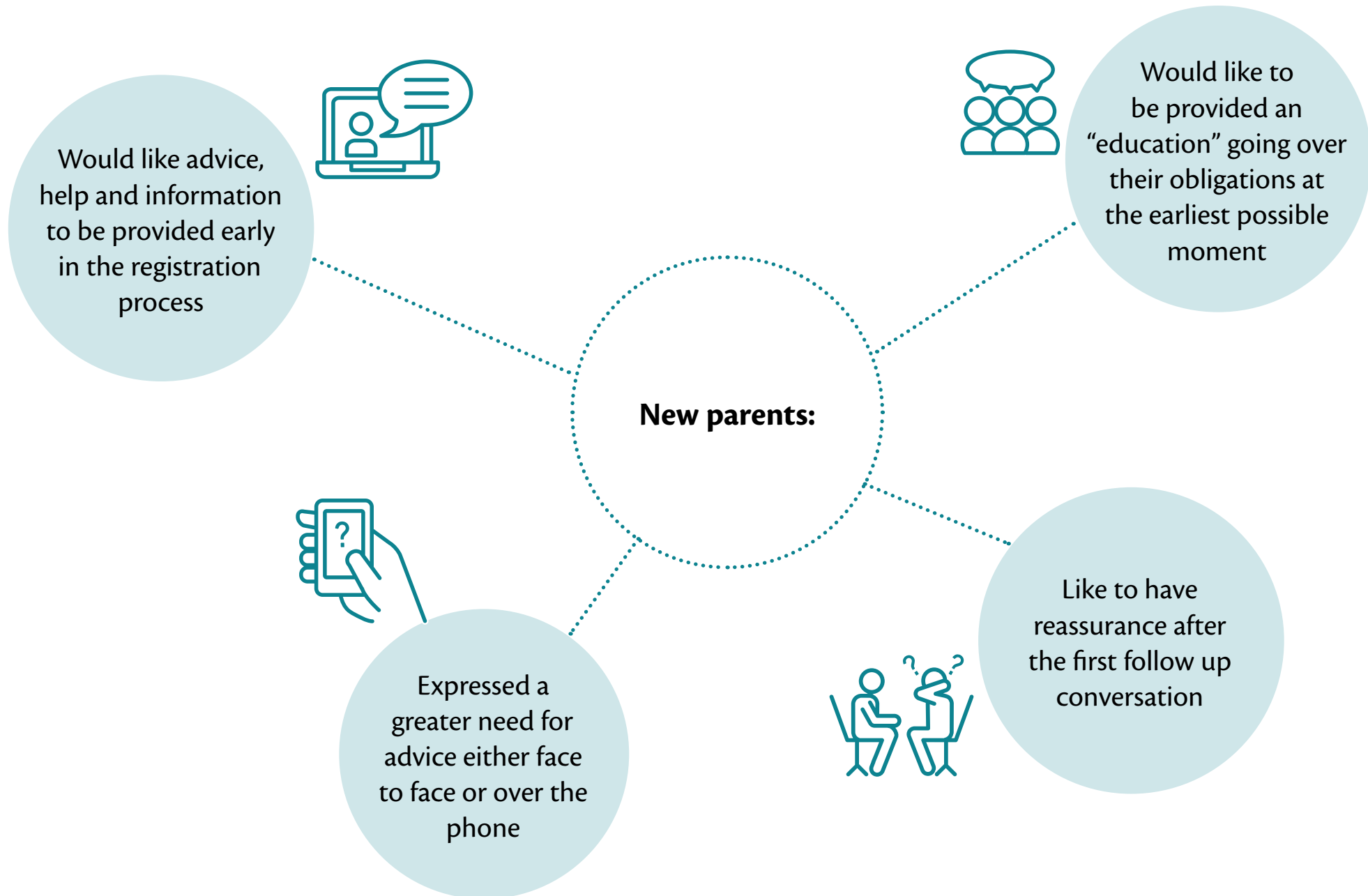
\$2.3 Billion
in debt

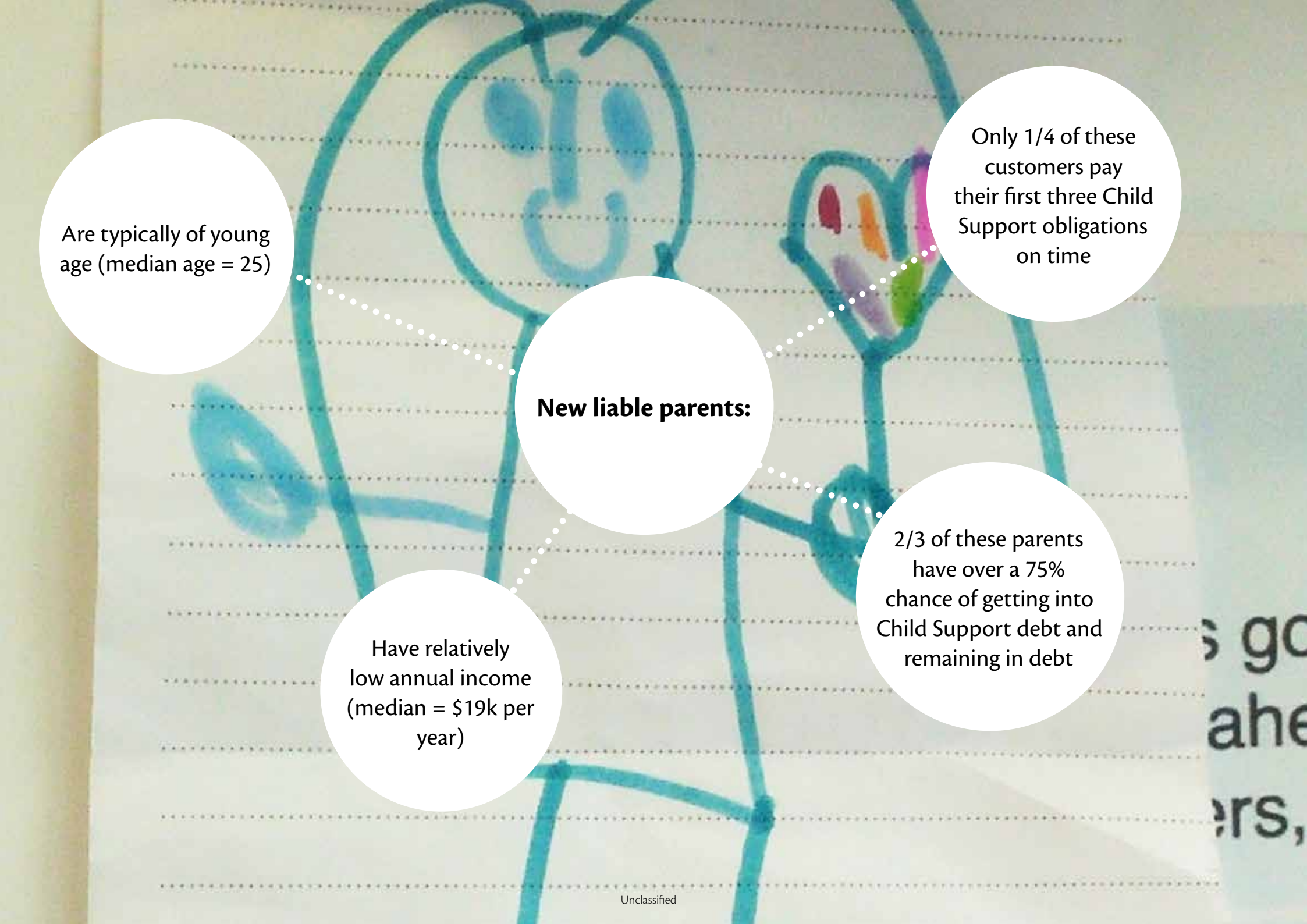
69.6%
of Child Support
assessment paid
on-time

Who are new Child Support liable parents?

New liable parents who are assessed to pay Child Support for the first time, or are returning Child Support liable parents that have been newly assessed.

Insights regarding new Child Support liable parents*





Are typically of young age (median age = 25)

Only 1/4 of these customers pay their first three Child Support obligations on time

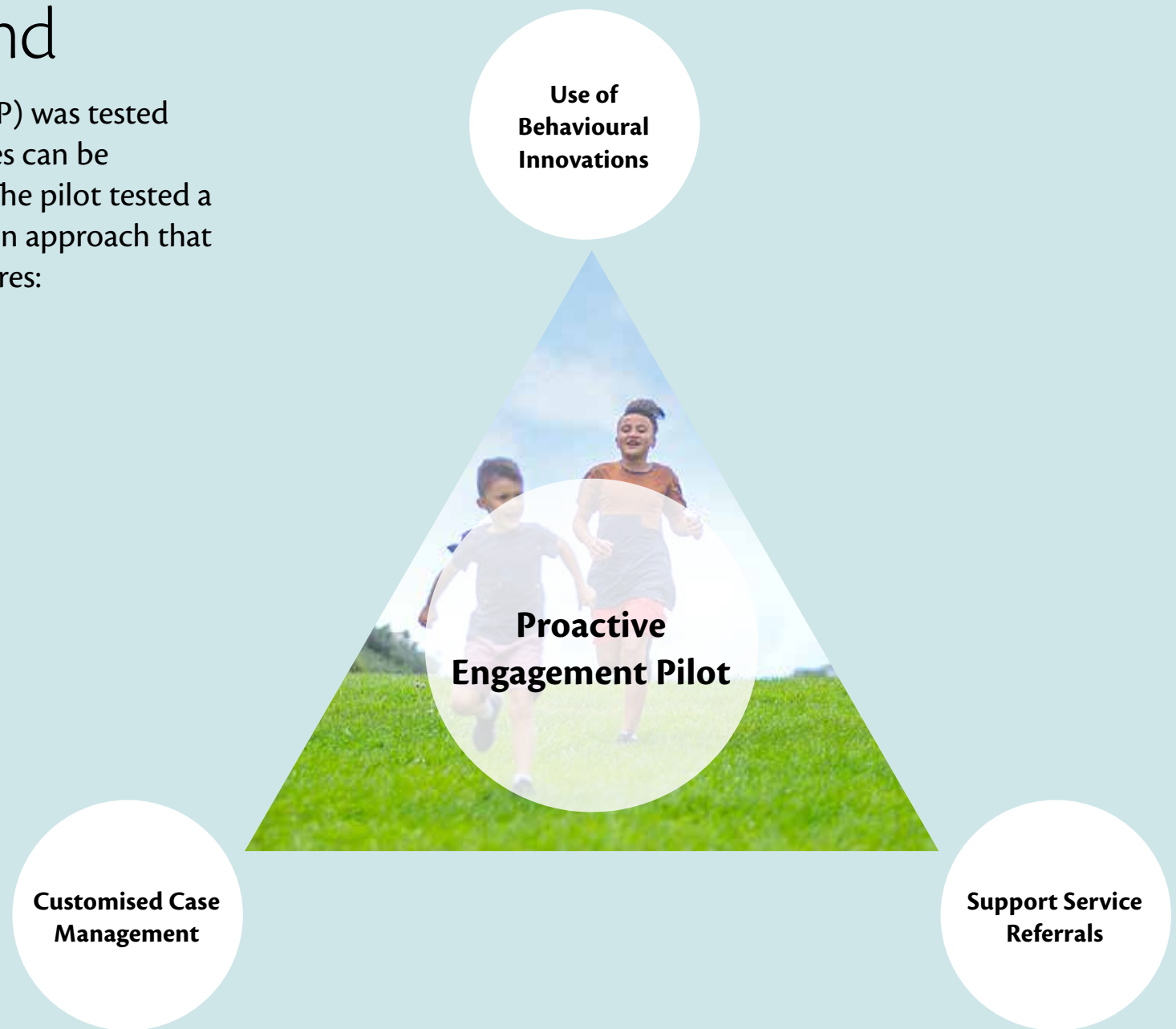
New liable parents:

Have relatively low annual income (median = \$19k per year)

2/3 of these parents have over a 75% chance of getting into Child Support debt and remaining in debt

The Task At Hand

A Proactive Engagement Pilot (PEP) was tested to see if better customer outcomes can be achieved for new liable parents. The pilot tested a customer centric early intervention approach that encompassed three primary features:



A customized case management approach provided customers with education and reassurance for the first four months of liability

Features included:

An initial education call

Received an overview of how their assessment was calculated

A follow-up customised letter going over the details of the initial call

A text reminder or follow-up call before the first payment due date

Continued engagement for the first four months of liability

All inbound and outbound calls were dedicated to a specific team of four officers

Assisted liable parents with setting up payments through internet banking

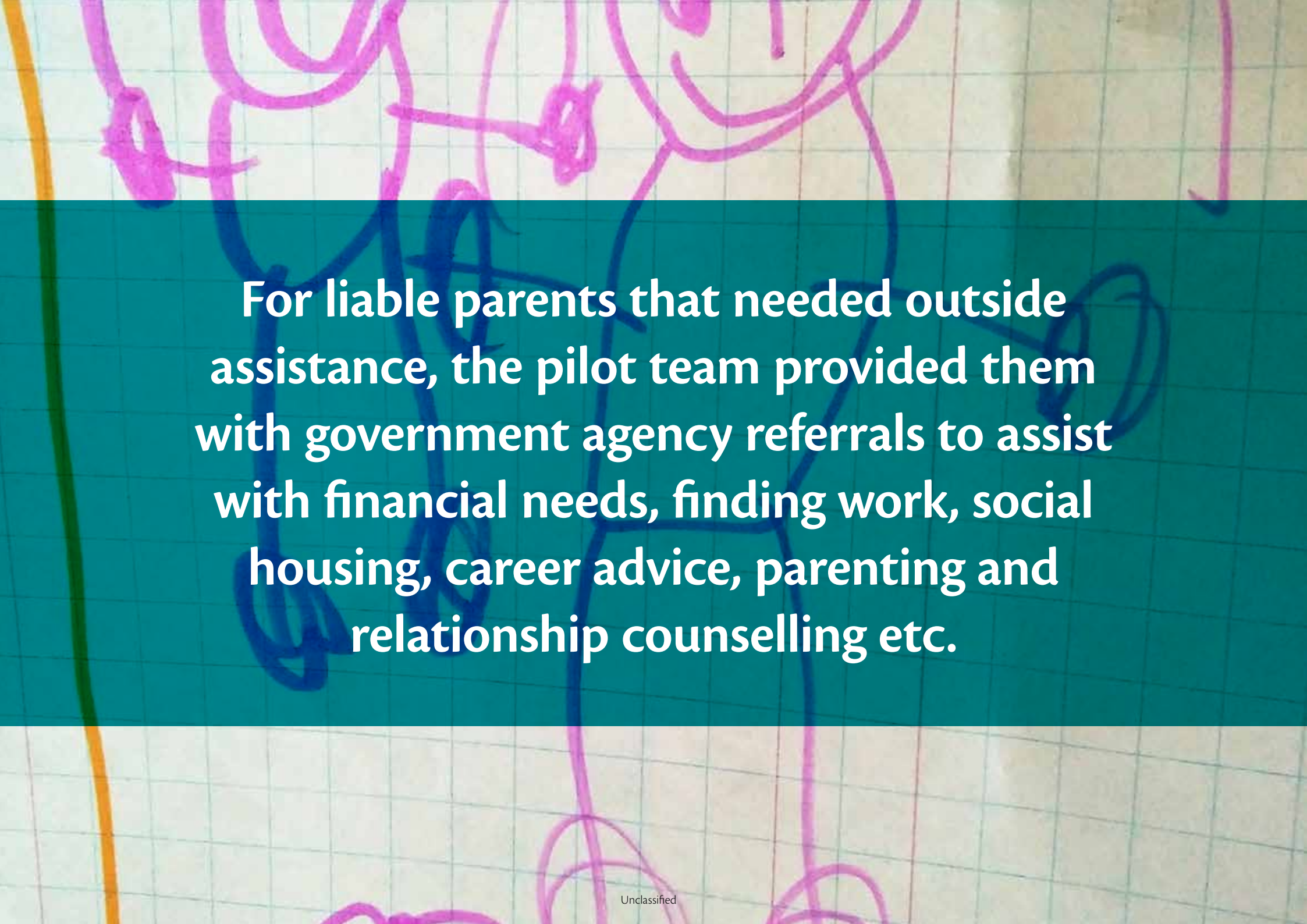
The goal was to promote and increase customer participation in the Child Support process



Use of behavioural interventions increased understanding and importance of paying Child Support and increased the willingness to pay

Features included:

- Soft skills training to initially build rapport
- Showing empathy towards the customers
- Use of active listening skills
- Use of appeals: “I am sure you want to do the right things for your children”
- Reframing conversation techniques to make communication smoother and establish rapport
- Use of negotiation techniques
- Emphasized the importance of paying Child Support for the benefit of his/her child



For liable parents that needed outside assistance, the pilot team provided them with government agency referrals to assist with financial needs, finding work, social housing, career advice, parenting and relationship counselling etc.



The groups tested include:

All new liable parents assessed on June 2017

- 248 new liable parents from the pilot group
- 511 from the control group 1 = applications received over the phone /in writing and educated (called “Registration Initiative”)
- 311 from the control group 2 = all other remaining customers and educated (called “Standard Group”)

Pilot ran from July through December 2017

Performance and survey results were assessed 17 months after first liability

What we found: survey results

The pilot group witnessed improved customer experience. Compared to the control groups:

Emotional stress was reduced
Pilot customers found it less emotionally difficult in dealing with Child Support matters

Financial Stress was reduced
Pilot customers found it less stressful to work out what you need to pay

Digital literacy improved
Pilot customers were more confident in using the internet vs. the control groups

Attitudes toward paying Child Support improved
Pilot customers were more likely to believe their support payments make a positive difference to their children.

Effort was reduced
Pilot customers found it easier to understand Child Support obligations



What we found: survey results

Compared to the control groups, pilot customers found that speaking to someone from IR

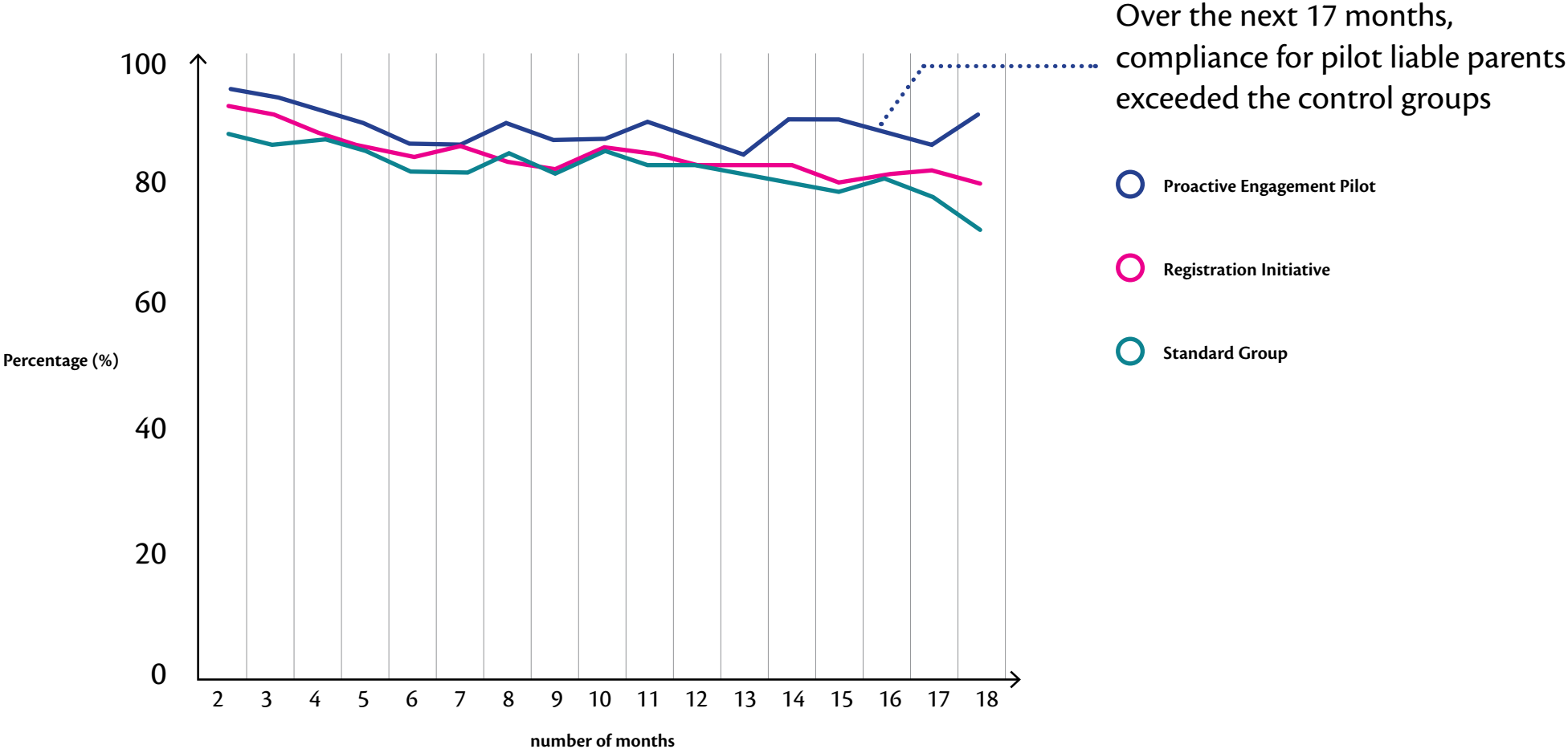


What we found: performance results for liable parents new to child support*

Compliance measures	Intervention (First 5 months)			Post Intervention (Next 12 months)		
	PEP	Reg	Standard Group	PEP	Reg	Standard Group
% of assessment paid	91.8%	88.7%	86.0%	88.5%	83.3%	81.4%
% of customer paying full & on time (overall average)	58.9%	50.5%	49.9%	62.6%	61.6%	61.2%
% of customers who paid 3 obligations on time	36.0%	26.0%	26.0%			
Cost effectiveness	\$23	\$38	\$28	\$90	\$68	\$60

*New liable parents include 72% brand new to Child Support and 28% returning to Child Support. The Pilot had no impact on returning liable parents

Compliance for Liable Parents New To Child Support – Percent of Assessment Paid



A young boy with short brown hair, wearing a dark purple t-shirt with colorful splatters and pink shorts, stands on a rocky, volcanic landscape. He is looking down and to his left with a slight smile. The background shows jagged, dark volcanic rock formations under a bright sky.

Bringing it all together...

The results of this pilot has demonstrated a cost effective approach towards improving outcomes for families and children.

These results were used to launch a BAU initiative called “This is Us” implemented July 2019

This is Us...

To truly have our customers at the “heart” of our every interaction, the Families segment have pioneered a new way of customer engagement. “**This is Us**” aims to help embrace the shift in the way we service customers. The activities aim to support Families officers to have better conversations with new and existing customers and understand the customer journey in every interaction for the following products:



Child Support

Paid parental leave

Best start

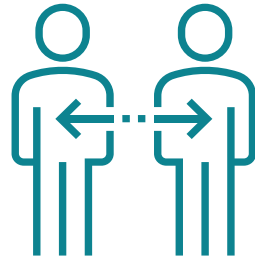
Working for Families

This is Us...

All Families IR staff have received Behavioural training designed to:



Build rapport – especially during first point of contact



Seek to understand the unique situation of each customer



Use empathy and other relationship management skills to meet the needs of each customer



Work with customers to find solutions

This is Us is designed to improve customer certainty and assurance

