



## Submission to the Commonwealth Government COVID-19 Response Inquiry

Dear Commissioners, we are pleased to provide this submission which we believe has relevance to your Inquiry, in particular the benefits of the Coronavirus Supplement that was provided to Parenting Payment Single, JobSeeker Payment and other working age payments in 2020 and into 2021.

Single Mother Families Australia (SMFA) was formed in 1973 as the National Council of Single Mothers and their Children to provide a lead voice for single mothers and their children around Australia. SMFA believes access to information and support, when and as required, is empowering and enables women to make informed decisions. This in turn, better equips and supports their parenting.

### 1. Single parent families (especially mother headed) were already the poorest family type in Australia when the Covid pandemic struck.

The 2020 [poverty report released by ACOSS and UNSW](#) found more than one in six children were living in poverty. Shockingly, nearly half (44%) of the children in single parent families lived in poverty. In releasing the [2020 Hilda Survey<sup>1</sup>](#) report on 19/11/20, co-author Prof Roger Wilkins said “*To my eye, the results for single parents are a cause for concern.*” The report found single parent families have the highest poverty rates on all measures used including:

- **50% median income after housing costs poverty measure** – “*single-parent families have, since 2010, had the highest poverty rate of all the family types.*” And “*that between 2016 and 2018 poverty among single-parent families increased from 15% to 25%.*”
- **Material deprivation measure:** “*Single-parent families have the highest rate of deprivation when comparing across family types*” (over 20.6% deprived of 3 or more items in 2018 compared with 6.3% for all households.). When looking at persistent material deprivation (materially deprived in 2014 and 2018), single parents are also highest.
- It also found single-parent families saw a **large drop in their median incomes**, from approximately \$38,000 to approximately \$34,000 between 2016 and 2018.

### 2. Impact of the pandemic

As the pandemic and lockdowns progressed in 2020, the number of people who received the Coronavirus Supplement increased significantly. By 26 June 2020 there were over 2.24 million

adults and more than 1.1 million children receiving it. This included around half a million children living in a single parent family receiving Parenting Payment Single and half a million children who had a parent receiving the JobSeeker payment, the majority of whom would have been a female single parent family with a youngest child aged over 8 years of age.<sup>2</sup> Analysis by Anti-Poverty Week found that 55% of all those in receipt of the Coronavirus Supplement at June 2020 were women.<sup>3</sup>

Analysis undertaken by ANU academics [Phillips, Gray and Biddle](#), and released in August 2020, found that “*pre-COVID poverty rates are dominated by single parents with a rate around 20.2 per cent, much higher than all other family types. In the absence of policy change and the advent of COVID-19 this rate increases to 27.9 per cent.*”

### **3. Impact of the Coronavirus Supplement on single parent families and their children**

The \$550 per fortnight increase provided for the six months March-September 2020 was extremely important for single mother families and their children who relied on the Parenting Payment Single or JobSeeker Payment at the time or who needed to apply for these payments due to the impact of the pandemic and subsequent lockdowns. Before the bushfires and COVID-19 two in five parents who relied on income support also worked part-time. Many of these, especially single parents, lost their jobs involuntarily or gave up part-time work due to the need to protect themselves or their children from exposure to the virus.

Then known as the National Council of Single Mothers and Their Children, we began receiving many messages and photos on our Facebook page from April when the \$550 per fortnight Coronavirus Supplement payment started to flow. These messages overwhelmingly showed the positive impact of the payment and we created a campaign to retain the payment: **550 Reasons to Smile**. The campaign captured the amount of the fortnightly increase, whilst simultaneously acknowledge that many for the first time could afford dental care. In fact, dental care was such a recurring theme that the National Council of Single Mothers and their Children wrote to The Australian Dental Association hoping that the association would publicly report the increase in new patients. Mothers reported that they could enter a payment plan for their children`s dental care and for women who had suffered gendered violence, their dental care could now proceed. Yes, women could smile again but minus the reminder of the abuse they had survived.

The campaign was spearheaded by a [Facebook page](#), enabling Australians to upload a picture to capture the enabled purchase. In circumstances where women were unsafe or uncomfortable in uploading their own picture, they would provide a picture for the administrators to upload on their behalf.

Facebook analytics indicated that 89% of people who choose to upload pictures were women and aged between 35 to 44 years of age. Echoing pictures of nutritional food, with a focus upon fruit and vegetables, child sport and school uniforms. Health care, haircuts, optometrist appointment, household items, work ready license and clothing whilst creating a safer life, escaping gendered abuse were all represented through pictures.

More than 630 mothers responded to our survey which was live from late May to 7 September 2020. The results were collated and then analysed by Anti-Poverty Week and can be found in this report: [550 Reasons to Smile Survey](#), 7/9/20.

As we said at the time: “*the supplement is helping women get the bond together to leave a situation of domestic violence, buy a family computer so kids can home school, put healthy food*

*on the table three times a day and make it possible to repair cars and pay for other essentials like regular medication.”*

The survey found the families were overwhelmingly spending the extra money on groceries, heating and cooling their home, keeping their car on the road, clothing, and health related purchases.

- ✓ More than three quarters of respondents (79%) said they spent the Supplement on groceries;
- ✓ More than half (56%) used it for heating and cooling their home and paying energy bills.
- ✓ More than half (51%) said it helped them keep their car on the road
- ✓ Nearly half (49%) used it for health-related purchases such as attending appointments, getting scripts filled and for prescriptions glasses.
- ✓ More than 2 in 5 (45%) said they bought clothing.

The survey also found the Supplement provided hope, health, and improved mental health.

- ✓ Ninety-four percent of respondents said it was either critical (76.5%) or very important (17.5%) to keep the Coronavirus Supplement of \$550 per fortnight.
- ✓ Nearly 9 in 10 (88%) said it reduced stress and anxiety as we can pay our household bills.
- ✓ Nearly 7 in 10 (69%) said our family is healthier due to having enough food to eat and healthier options.
- ✓ Nearly 2 in 3 (64%) said they are sleeping better, not waking up due to money stress.
- ✓ Over half (53%) said they can stay healthier as can stay warm in winter and cool in summer.

In addition to answering questions on the impact of the Supplement, the survey included space for mothers to add comments:

*“I would just like to say Thank you. This money means more to people like me than you’ll ever know!! If this extra money keeps going it will help us single parents on Newstart to raise happy, healthy, well- adjusted children that turn into happy, healthy, well-adjusted adults and we need more of those in the world these days”.*

*“When the \$550 ends I dread living like before again. I dread the kids going without. I dread the hunger, and fear of homelessness.”*

*“I think the \$550 supplement should stay on because it removes the stress of living fortnight to fortnight wondering if you’re going to have enough money to pay your bills or put food on the table there has been times that I myself have gone days without a meal so my child could eat and I could afford the utility bills.”*

*“I lost my job through no fault of my own through covid lockdown and will not get be getting it back unfortunately... without the CVS I would not be able to afford everyday living expenses and I am concerned about what will happen when it finishes...”*

*“I was able to buy a new laptop which meant I could access better ways to build my business...My microwave had become rusty on the inside. I worried about using it. I have been*

able to buy a new one. I have been able to purchase a desk so my son can complete his studies. He used to sit on the floor.”

See more from our joint media release with Anti-Poverty Week: [Parents receiving the Coronavirus Supplement "dreading" cuts at the end of September](#), 9/9/20 and the Appendix to this submission.

**Note also**

- National Council for Single Mothers and Their Children [Submission #27 to the Senate Inquiry into the Social Services and Other Legislation Amendment \(Extension of Coronavirus Support\) Bill 2020](#), November 2021.
- Stephen Lunn, The Australian [Risk of one in five kids living in poverty, 12/7/20](#)
- Belinda Jepsen, Mamamia, [Coronavirus Supplement impact: what \\$550 really means, 17/7/20](#).
- Stephen Lunn, The Australian, [Disbelief at single mum cuts, 22/7/20](#).

**4. Confirmation of spending and positive impacts of the Coronavirus Supplement**

a) **Australian Bureau of Statistics surveys**, for example [Household Impacts of COVID-19 Survey November 2020](#): Proportion of people receiving the Coronavirus Supplement who reported using the payment for each item in the last four weeks:

Household bills (%)	Household supplies/Groceries (%)	Mortgage /rent (%)	Saving it (%)	Medical services or supplies (%)	Credit card/personal debt (%)	Recreation/leisure activities (%)	Clothing/footwear (%)	Furnishings/household equipment (%)
67.4	63.3	38.9	26.3	26.1	19.1	17.5	14.9	7.7

b) **Consumer spending tracked by Alpha Beta**, for example and outlined in by Dr Andrew Chalton in his [National Press Club Speech, 17/11/21](#) and [Let’s Learn from the pandemic and choose to reduce child poverty in Australia](#), article for CEDA by Toni Wren & Dr Andrew Charlton, 6/12/21. As reported by ACOSS, [Taking the Temperature report 3, 6/7/2020](#): “Essential spending increased from 87% of normal levels on 20 April 2020 to 99% on 27 April 2020 (the date the Coronavirus Supplement started to be paid) and it has bounced between 95-99% until increasing to 100% on 21 June 2020. The Coronavirus Supplement has also dragged total spending up from 80% on 20 April to 93% on 27 April and it has bounced between 93-97% and was at 101% on 21 June. The spend by those earning less than \$65,000 was 18% greater than normal once the CVS started to flow and has stayed between +14% and +19% since then. The lift in purchases by lower-income earners has been on both essentials, like groceries and utility bills, and discretionary items such as food delivery, cafes, and homewares. Weekly spending by higher-income earners was still 15% below normal in mid-June even though lockdown restrictions had eased.” (Reported in SMH, [Coronavirus Australia: As the wealthy cut back, the less well off keep spending, 26/6/20](#) and Alpha Beta tracking now not accessible).

c) **Australian Council on Social Service surveys**, for example, [I Can Finally Eat Fresh Fruit And Vegetables. Results Of The Coronavirus Survey](#), 20/6/20.

- d) Davidson, P., (2022) A tale of two pandemics: COVID, inequality and poverty in 2020 and 2021, **ACOSS/UNSW Sydney Poverty and Inequality Partnership**, [Build Back Fairer Series, Report No. 3](#), Sydney, March 2022.

Many thanks for your consideration, please do not hesitate to contact us if you require any clarification on matters raised in this submission or to provide evidence at a future hearing.

Yours sincerely

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<sup>1</sup> The Household, Income and Labour Dynamics in Australia Survey, or Hilda, tracks 17,500 people about various aspects of their lives, from employment and income, to wellbeing and lifestyle. The study is funded by the Australian Government Department of Social Services and is managed by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. From Hilda 2020 report p35: “Consistent with the approach of the Organisation for Economic Co-operation and Development (OECD) and other international bodies, we define relative income poverty as having a household income below 50% of median income.” Note this is also the measure used by the ACOSS/UNSW Poverty in Australia series. From Hilda 2020 report p 51: the ‘material deprivation’ measure means when people do not have and cannot afford to buy items or undertake activities that are widely regarded in society as things that everyone should have (Townsend, 1979; Mack and Lansley, 1985) as ‘necessary or essential for all Australians—something that no-one in Australia should have to go without today’ (examples are medical treatment when needed; medicines when prescribed by a doctor; warm clothes and bedding, if it’s cold; a decent and secure home; a substantial meal at least once a day).

<sup>2</sup> Data provided to the [Senate Committee on COVID-19 Answers to Questions on Notice #174 and #269](#).

<sup>3</sup> [DSS Demographics June 2020](#).

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## **Appendix: Select quotes received in September 2020 from single parents receiving the \$550 Coronavirus Supplement**

### **Thank you and why it needs to stay above the poverty line**

*Thank you for the supplement, I'd be lost without it.*

*I can't fully express the full impact of this money, as I don't know where we would be without. It's allowing me to keep my three children safe from violence. It's allowing me to get us all the professional mental health care we need.*

*This money means that when one of my children says they need new shoes I don't sit and cry because I have to choose between shoes, the small amount I have for food or rent.*

*Please keep the higher, livable rate of jobseeker so vulnerable people are more likely to aspire to and achieve a better life.*

### **Mental and physical health**

*Having the extra money has definitely improved my mental health.*

*I suffer from anxiety and depression which has been helped by having some financial stability. One of the things that attribute to my stress is never having the money to cover the basics and the constant juggling act to find the money to make sure my kids are fed and have their basic needs met.*

*I am really worried about how my son is going to deal with things going back to poverty after tasting another life. The pressure is going to be massive if the payment goes back to what it was. I am already really stressed thinking about the Sept 25 cut.*

*I've had chronic illness for 20+ years, I now have enough to see specialists.*

*The biggest relief was being able to buy myself and my kids glasses. They were struggling with reading and starting to slip behind at school and I was feeling very anxious about the longterm impacts, and I have a neurological condition that has required me to get new glasses every 6 months as my eyesight is deteriorating.*

*I think the \$550 supplement should stay on because it removes the stress of living fortnight to fortnight wondering if you're going to have enough money to pay your bills or put food on the table there has been times that I myself have gone days without a meal so my child could eat and I could afford the utility bills.*

*Dignity. Self respect. Feeding my kids healthy meals. Petrol to take kids on a day out. Filling a script before my medication runs out, instead of going without. The stress lifting while we all sleep better knowing that we have food and bills being paid.*

*I no longer run out of essentials, and haven't had to use afterpay for presents for birthdays etc, as I can put a bit aside for them...also I am less stressed, knowing I can afford more fruit, and healthier options for my children."*

### **Housing**

*I live in Tasmania. This supplement means rentals are now more affordable for me and I can find a rental I can afford. Unfortunately once this ends I will struggle again. And most likely have to give my rental up. (We were all couch surfing with friends and family until this supplement.)*

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*With rents so high how do people rent a house as getting a government house is so hard being homeless with kids is a real worry. And you can't just move, that costs a lot of money.*

### **Dread when the \$550 is reduced**

*The stress of never having enough money to cover the bills, unable to refinance and no super after a separation, being a solo mum unable to cover rent/mortgage and get heating, clothes and food is debilitating. The extra money has helped me level out the bills, buy heating and splurge on new clothes and home school equipment. I can also buy better foods and mental health has improved.*

*When the \$550 ends I dread living like before again. I dread the kids going without. I dread the hunger, and fear of homelessness.*

*In recent weeks I have been dreading September approving in pure fear of my finances changing significantly & being left short or not able to afford my rent, to keep my car on the road & my fridge completely full, the thought that this money will drop it be removed has me in a constant state of anxiety, triggering my depression & worry in regards to how I will get by & provide the basic needs for my son.*

*Even the reduction to \$250 per fortnight will have a drastic effect and bring back budget stress on families.*

### **Work-related**

*I have spent the extra money on everything I needed to get employed. I spent it on important checks, such as Working with Children check. I have spent it on my vehicle so I can travel to job interviews. I have spent it on food so that I am healthy and can maintain employment when achieved. I've spent it on internet to help with being connected for job interviews over communication avenues such as Zoom. I've also spent it on clothing so that I look more professional when I'm attending a job interview, whether it is online or face-to-face.*

*I was able to buy a new laptop which meant I could access better ways to build my business...My microwave had become rusty on the inside. I worried about using it. I have been able to buy a new one. I have been able to purchase a desk so my son can complete his studies. He used to sit on the floor.*

*Being a single parent, having sole care, working is tricky for me having to juggle child care with being available to accept last minute, casual work. As a casual relief teacher and swimming instructor, my work opportunities stopped due to COVID, and have been slowly coming back the past month. The \$550 has been a god send, given that my work completely stopped. I still have had to withdraw from Super, to help with debts and my mortgage, yet having a consistent fortnightly income provides security and reduces stress. My mental health has improved during this time, regardless of the impact of COVID. The financial security has lessened the additional stress that we would have otherwise been experiencing as a result of this pandemic.*

*I lost my job through no fault of my own through COVID lockdown and will not get be getting it back unfortunately... without the CVS I would not be able to afford everyday living expenses and I am concerned about what will happen when it finishes...*

### **Importance of Supplement as single parent mum receives no support from the child's father**

*As a single mum (with no financial help from the father) I was able to afford my son's multiple specialist appointments. I have also been able to afford a full service on my car recently and I*

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*am ahead on all my utilities bills. Our rented home is very cold without the heat on in winter and I've been able to afford to have it on more when needed.*

*The supplement has been life-giving. I left family violence 6 years ago and rebuilding after this has been a long struggle. This supplement has sped that up. And it's meant seeing my kids have the things they need (very little support from their father). The result - a brighter future of continuing health... and more possibilities in regard to work and creating long term self-sufficient security.*

*If I received any child support at all for my children, maybe the supplement wouldn't be so critical.*

*We receive no child support, and even though I work, I lost one of jobs due to not being able to work at multiple sites. This supplement has been life changing. I fear without it we will again be suffering without enough money for decent food, heating and being able to run the car. To be honest, I am quite scared.*