



Single Mother Payments and Poverty: SMFA Briefing Note, 16 September 2024

Winning, and then Losing, the Sole Parent Pension

- The Whitlam Government introduced the Sole Parent Pension in 1974. The payment has played a vital role in helping many women to escape from difficult or violent relationships and in reducing poverty among children.
- In 1998 the Sole Parent Pension was abolished by the Howard government and was replaced by Parenting Payment Single (PPS) which continued to be paid until the youngest child turned 16. The rate of payment and income tests also remained the same as for the age pension.
- In 2006 the Howard government made substantial changes to the PPS as part of a [welfare to work](#) program. Single parents claiming the payment after 1 July would lose it when their youngest child turns eight. Those parents could then claim the much lower Newstart unemployment benefit and be expected to look for work from when their youngest child turned 6. Parents receiving Parenting Payment Single before 1 July 2006 were “grandfathered” meaning they could continue to receive it until their youngest child turned 16.
- In 2009 the Rudd government [lowered the wages benchmark](#) so that Parenting Payment Single was set at 25% of male total average weekly earnings instead of 27.7%, effectively breaking the link between the PPS and pension payments. Parenting payments were also excluded from the Harmer Review into the adequacy of payments. The one-off \$32 a week increase granted to age, disability and carer pension recipients in September 2009 did not go to Parenting Payment Single recipients, further widening the gap.
- On 1 July 2013, approximately 80,000 sole parent families with children 8 years and older who had previously been “grandfathered” from the Coalition 2006 measures, were transferred from Parenting Payment Single to the lower Newstart Allowance by the Gillard government. The Albanese Government increased the eligibility from 8 to 14 in its 2023-24 Budget. Approximately 80,000 families transferred to the higher Parenting Payment Single in September 2024, increasing their payments by ~\$100 a week and providing a less harsh income test so they kept more of their part-time earnings.

Poverty of single mother families and their children

Single Mother Families Australia worked hard for, and strongly welcomed, the 2023-24 Federal Budget decision to increase the eligibility for Parenting Payment Single (PPS) from the youngest child turning 8 to 14. However, this payment remains wholly inadequate to ensure single parents, and their children, do not live in poverty. It should be restored to pension rates and income tests.

In 2019-20, ACOSS/UNSW found 72% of Parenting Payment Single recipients were at risk of living in poverty.^v The payment is important for many First Nations families who face higher rates of violence and make up over 17% of PPS recipients.^{vi}

As outlined above, for many decades, the rate of payment for most single parents was the same as the age pension. Changes since 2006 have widened the gap between Parenting Payment Single and age and other pensions. According to the [Parliamentary Budget Office](#), more than \$5 billion was taken from single parent families between 2006-7 and 2018-19 alone (not including changes to family payments). Recently, PPS was effectively treated the same as JobSeeker and other non-pension working age payments and received the Coronavirus Supplement. While the 2023-24 Budget increased the age of child eligibility for PPS it did not extend the \$40 a fortnight increase paid to other working age payments to PPS. The PPS is now neither linked to pensions nor payments such as JobSeeker, so any increases above inflation do not automatically flow to them. (See Appendix A for more).

Poverty in single parent families is gendered

In Australia, more than 540,000 (85%) of all single parent families with children aged 0-14 are headed by mothers. ([Labour Force Status of Families, June 2023 | Australian Bureau of Statistics \(abs.gov.au\), 24/10/23](#)). However, 94% of the poorest single parent families (those reliant on Parenting Payment Single), are headed by women. In single-parent families in which the primary earner is a woman, the rate of poverty (37%) is twice that in which the main earner is a man (18%).^{ix}

The [2023 HILDA report](#) found that *women who are partnered and then become single mothers have a 20% reduction in their income* (measured over 3 time periods between 2001 and 2021 and single parenthood is the factor most associated with persistently low income. Single parents have the highest poverty rate of all family types, after deductions for housing and then adjusted for size and composition of household.

In 2022, the [Life Course Centre](#) analysed HILDA data for [Anti-Poverty Week's 20th anniversary](#) and found the risk of financial hardship for single mothers is *at least double* that of partnered mothers and that this has been the case for the past 20 years. The proportion of single mothers in financial hardship has not dropped below approximately 30% in the past 10 years, (2010-2020), except for a brief period when the Coronavirus Supplement was paid.

Reliance on income support by women leaving violence

Only 50% of mothers were working at the time the violence takes place and only 40% post-separation according to analysis undertaken by Dr Anne Summers for her 2022 report [The choice: violence or poverty](#). She found that post-separation, although 60% were employed, 50% relied on government benefits as their main source of income and 82% received government payments for at least part of their weekly income.

“There are so many opportunities to introduce accountability and consequences across the systems weaponised by perpetrators, from child support to Centrelink and the family courts. ... Structural improvements to gender equality, such as the single parenting payment, is prevention.”ⁱⁱ

The [National Plan to End Violence against Women and Children 2022-2032](#), correctly states “*women and children should not face poverty and exclusion when leaving violence*” but beyond reviewing JobSeeker in each Budget there is no commitment in the Plan to increase income support for women leaving violence. We acknowledge women leaving violence *without* children in their care will be reliant on JobSeeker Payment (JSP).

A small number of women with children 14 and over will also rely on this payment if they are escaping a violent situation and need to rely on income support. However, since the welcome increase in eligibility for PPS from children turning 8 to 14 years, the number of single JobSeeker recipients with children has reduced to 21,245 in March 2024. Parenting Payment Single (309,000 recipients in March 2024) is the most important income support payment for women and children leaving violence. Lack of money is also a powerful factor in perpetuating violence –around 1 in 5 women return to violent partners because they had no financial support, or nowhere else to go.^{vii}

We welcome the decision [announced by the Prime Minister](#) following the meeting of the National Cabinet on 6/9/24: *“To stamp out opportunities for systems abuse, the Government will immediately commence an audit of key Commonwealth government systems to identify areas where they are being weaponised by perpetrators of family and domestic violence. The audit will include the child support, social security and tax systems and will leverage existing reviews underway that seek to strengthen these systems.”* This audit was a key recommendation of the [Report of the Rapid Review of Prevention Approaches to End Gender-Based Violence](#), 23/8/24.

Prevalence of child poverty in single parent families

Child poverty is unacceptably high in Australia, with more than one in six children growing up in poverty, diminishing their lives now and in the future. ACOSS/UNSW research published in 2023 found that children living in single parent families have a poverty rate of 39%, more than three times that of couple families (12%).^{viii} [Child Poverty in Australia in 2024: The lifelong impacts of financial deprivation and poor-quality housing on child development](#), undertaken by Bankwest Curtin Economics Centre for the [End Child Poverty campaign](#) confirmed this prevalence. Their analysis shows that the rate of poverty in single parent households with children (33%) is more than three times that for couple family households (10%), when poverty is defined as living below 50% of median household income. Rates for severe and extreme poverty were also much higher.

	Single parent households with children	Couple households with children
Below 50% poverty line	>1 in 3 (33.4%)	<1 in 10 (9.3%)
Below 40% of poverty line	>1 in 5 (20.6%)	>1 in 20 (5.4%)
Below 30% of poverty line	>1 in 10 (11.2%)	<1 in 40 (2.7%)

The report states *“policy measures that increase incomes and provide targeted support to single parent households will hence have a greater impact on child poverty and wellbeing outcomes.”*

The [Centre for Community Child Health](#) stated in its submission to the [Senate Inquiry into the Nature and Extent of Poverty](#) that *“increased household income benefits children directly through better food, stable housing, and healthcare (the ‘investment’ model), and indirectly through improved parent mental health and*

capacity (the ‘family stress’ model). If early disadvantage including poverty is redressed, half of child health and developmental problems in middle childhood can be reduced.”

Prevalence of disability in single parent families

Analysis of the Household, Income and Labour Dynamics in Australia Survey by Professor Roger Wilkins ([The declining wellbeing of Single Parents in Australia in the 21st century](#) UNSW Seminar 10 May 2022) found that single parents, not just those relying on income support:

- Are twice as likely to be caring for a child with disability – 16% compared with 8% of partnered parents. Bringing up a child with disability can be incredibly rewarding but also incredibly challenging – it can lead to relationship breakdown.
- Had poorer health and increased prevalence of disability themselves.

Endnotes

ⁱ [New report reveals how Australia’s child support system facilitates economic abuse of women – Women’s Legal Services Australia](#), 3/5/24. ⁱⁱ Quote from [Guardian Op Ed 26/4/24](#). See also [Rethinking Primary Prevention](#), Jess Hill and Professor Michael Salter.

ⁱⁱⁱ PM Media Releases, [Leaving Violence Program](#), 1/5/24. ^{iv} The number of successful applicants is contested: the PM said 45,000 on 1/5/24; Uniting the provider said nearly 60,000 on [3/5/24](#). The rate of rejections is also contested: an answer to a Question on Notice 2825 asked on 21/11/23 states that between October 2021 and September 2023 the program received 57,041 applications; 29,437 (52%) of these were found to be eligible and of these, 83% received a payment. The number who received a payment (24,471) was therefore only 43% of all applicants. [Uniting on 3/5/24](#) said “approximately 12 per cent of applicants have been found to be ineligible for the program as they don’t meet the criteria.” ^v Davidson, P; Bradbury, B; and Wong, M (2023), [Poverty in Australia 2023: Who is affected?](#) Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney. ^{vi} [DSS Quarterly Demographics](#), December 2023.

^{vii} Australian Bureau of Statistics (ABS) Personal Safety Survey (2017) cited by Australia’s National Research Organisation for Women’s Safety (ANROWS) in evidence to House of Representatives Standing Committee on Social Policy and Legal Affairs, Inquiry into family, domestic and sexual violence. See APW [Fast Facts, Women, Violence and Poverty](#) for more.

^{viii} Davidson, P; Bradbury, B; and Wong, M (2023), [Poverty in Australia 2023: Who is affected?](#) Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney ^{ix} Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), [Poverty in Australia 2020: Who is affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS. See also Anti-Poverty Week, [Fast Facts Child and Family Poverty in Australia](#), 2023 and Melbourne Institute, [From Partnered to Single, Financial Security Over a Lifetime](#), 9/6/22 which found on average, men lose 5% of their income while women lose 29% after separation.

^x [DSS, Child Support Program Information, December 2023](#) ^{xi} See *Dads choice to withhold child support is preventable poverty*, [Joint Media Release Single Mother Families and Anti-Poverty Week, 26/10/23](#).

^{xii} [Overstretched and overwhelmed: the strain on homelessness services report](#), released by Homelessness Australia in August 2023.

^{xiii} Anti-Poverty Week [20 years on – Still Too Much Child Poverty in the ‘Lucky’ Country](#).