



## The cost of living is driving greater deprivation for single parent families, 31/3/25<sup>1</sup>

### A. The housing affordability crisis is having a devastating impact on single parent families and their children

#### Summary:

1. Housing makes up the largest single share of household costs and takes a greater share for renters; on average, 20% of gross household income for renters and 16% for mortgagors. ([Housing Occupancy and Costs, 2019-20 financial year | ABS](#), 22/5/22).
2. *Low-income* renters have experienced the largest increases in rents – average rents increased by 11.2% in 2021 and 2022, lower quartile rents increased by 17.8%. ([Child poverty in Australia 2024](#), Bankwest Curtin Economics Centre, August 2024).
3. Renters are more likely than mortgagors to report financial difficulties according to a new indicator derived from failed direct debit payments in bank transactions. ([e61 Institute](#), 21/3/25).
4. Single parents are most likely demographic to be in housing stress – paying more than 30% of income on housing. ([HILDA 2024 Report](#)).
5. Single parent families reliant on income support are much more likely to be renters than mortgagors - only 13% are home owners, down from 21% in 2002. ([DSS Demographics](#), December 2024 and [FACS Annual Report 2001-02](#)).
6. Despite welcome increases in Commonwealth Rent Assistance in the last 2 Budgets, the gap between rents and this assistance remains wide – in December 2024, a single parent with 2 children was paying \$390 a week in rent and receiving \$106 in rent assistance – a gap of \$274 a week. ([DSS Demographics](#), December 2024 – median figures).

Other indicators show single parent families and children living in single parent families have the highest rates of poverty, material deprivation and financial stress. Single mothers are more than twice as likely to have poor mental health than mothers in couple families. See:

- [What does the budget deliver for the poorest Australians? Terese Edwards, 27/3/25](#) and
- [How we can better support single mothers and value the unpaid care they undertake, Toni Wren 28/3/25](#)

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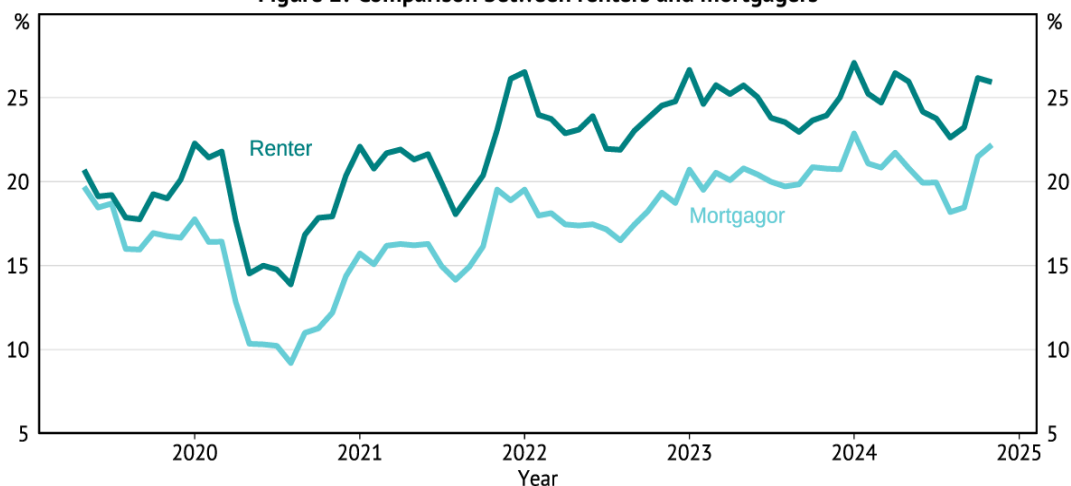
1. **Housing makes up the largest single share of household costs and takes a greater share for renters**; on average, 20% gross household income for renters and 16% for mortgagors. Note in 2019-20, 2 in 3 Australian households owned their own home with or without a mortgage and 31% rented their home. ([Housing Occupancy and Costs, 2019-20 financial year | ABS, 22/5/22](#)).

2. **Low-income renters have experienced the largest increases in rents** – average rents increased by 11.2% in 2021 and 2022, lower quartile rents increased by 17.8%. [Child Poverty in Australia in 2024: The lifelong impacts of financial deprivation and poor-quality housing on child development](#), August 2024 details the impact of the rental crisis on children:

- *“This means that the lowest income renters with children continue to endure the highest rental cost increases, despite having more limited incomes, less capacity for discretionary spending, and already being likely to spend a higher proportion of their weekly income on rent.”*
- *“... the real housing crisis is that being experienced by lower-income households in the rental market. Lower income households with children are much more likely to be living in the private rental market. ... it means that they are likely to have experienced significant rises in their weekly rental costs, as rents have risen steeply in the post COVID period... it also means that their housing tenure may be precarious – with little guarantee of continuity of tenure and few protections for tenants’ rights in Australia.*
- *“Families on lower incomes are also more likely to live in older and poorer quality housing. Over 2.5 million Australians are estimated to be living in unhealthy housing. Children and families are thus exposed to more extreme temperatures, while cold, damp and mould present major risks to child and family health. Cold and damp housing are directly linked to increased risk of asthma, allergy and respiratory conditions. Unhealthy housing in childhood increases the risk of chronic disease through the life course and undermines child development.”*

3. **Renters are more likely than mortgagors to report financial difficulties according to a new indicator derived from failed direct debit payments in bank transactions.** Analysis conducted by the [e61 Institute](#) and published on 21/3/25 shows that *“failed payments have gradually increased since the phase-out of the income support measures introduced during the COVID-19 pandemic and payment failures remain persistently higher among renters compared with mortgagors.”*

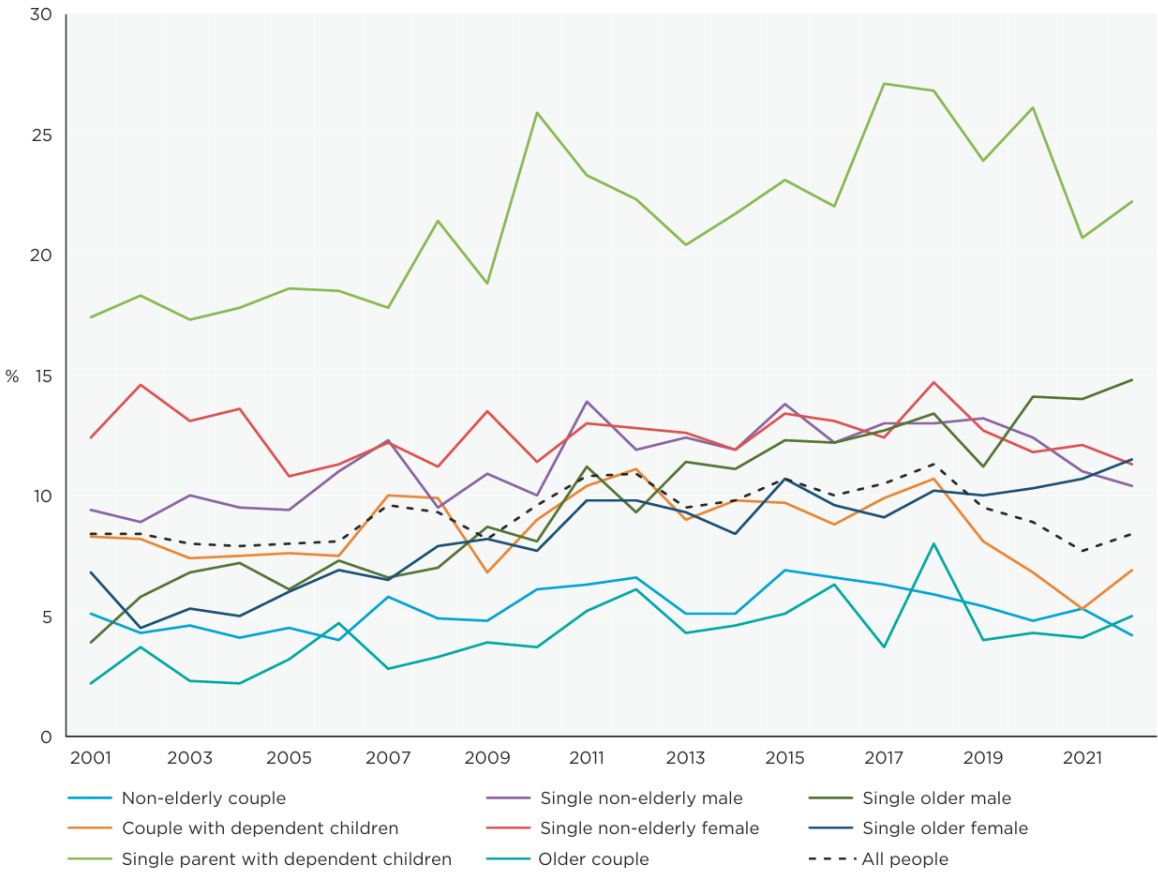
Figure 2: Comparison between renters and mortgagors



The Institute states survey data confirms the validity of this failed direct debit transaction indicator (automated payments that bounce due to insufficient funds meaning households cannot maintain their intended consumption patterns). Their research reveals that “*individuals experiencing payment failures are much more likely to report broader financial difficulties. The strongest associations were with experiences related to being short on funds, such as having low bank balances, being unable to raise emergency funds, and having difficulty meeting living expenses.*”

**4. Single parents are the most likely demographic to be in housing stress** –The [2024 HILDA Report](#) released 6/3/25 finds single parent families have the highest rates of housing stress of all family types including single people and couple families (22% compared to 6.9% for couples with dependent children).<sup>2</sup>

Figure 3.9: Proportion of people experiencing housing stress, by family type



<sup>2</sup> A widely accepted definition of housing stress is a situation in which housing costs are more than 30% of household income, and the household is in the bottom 40% of the income distribution.

**5. Single parent families reliant on income support are much more likely to be renters than mortgagors.** In December 2024, 87% of single parents reliant on Parenting Payment Single were renting and the percentage who owned outright or were buying their own home has nearly halved from 21% in 2002 to 13% in 2024 ([FACS Annual Report 2001-02](#) and [DSS Demographics](#) December 2024). Home ownership for Parenting Payment Single recipients is now lower than for JobSeeker recipients and Disability and Age Pensioners.

<b>Income support recipient, December 2024</b>	<b>Homeowner (owned outright or buying) as % of all recipients</b>
Parenting Payment Single	13.3%
JobSeeker Payment	18.2%
Disability Support Pension	23.1%
Age Pension	72.9%

**6. Despite welcome increases in Commonwealth Rent Assistance in the last 2 Budgets, the gap between rents and this assistance remains wide.**

- In December 2024, a single parent with 2 children was paying \$390 a week in rent and receiving \$106 in rent assistance – a gap of \$274 a week ([DSS Demographics](#), December 2024 – median figures).
- In December 2024, approximately 1.35 million households received Commonwealth Rent Assistance. Of these, nearly 1 in 3 (30% or 408,000) had children in their care. Single parent households make up the majority of Commonwealth Rent Assistance households with children – 2 in 3 or 274,000. ([DSS Demographics](#) December 2024).

**B. Other measures of poverty and deprivation confirm single parent families and their children are in severe hardship**

[HILDA 2024 report](#) finds [Life for single-parent families in Australia is harsh](#)

- In 2022, single mothers are *more than twice* as likely to have poor mental health than mothers in couple families (38% compared with 18%). Single mothers have experienced very large increases in the proportion experiencing poor mental health in the past decade – from 22% in 2011 to 31% in 2019 and 38% in 2022.
- Single parent families face the *highest rates* of poverty, material deprivation and financial stress. See Appendix for HILDA charts.

**The highest poverty rates for children are those living in single parent families**

- [HILDA 2024 report](#) states that children living in single parent families face the highest rates of poverty. See Appendix for HILDA chart.

[Child poverty in Australia 2024](#), Bankwest Curtin Economics Centre, August 2024 confirms that

- Children living in single parent households are much more likely to be living in poverty than children in couple households. 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.
- 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. The study also uses 2022 data from the Household Income and Labour Dynamics in Australia (HILDA) survey.

	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%)

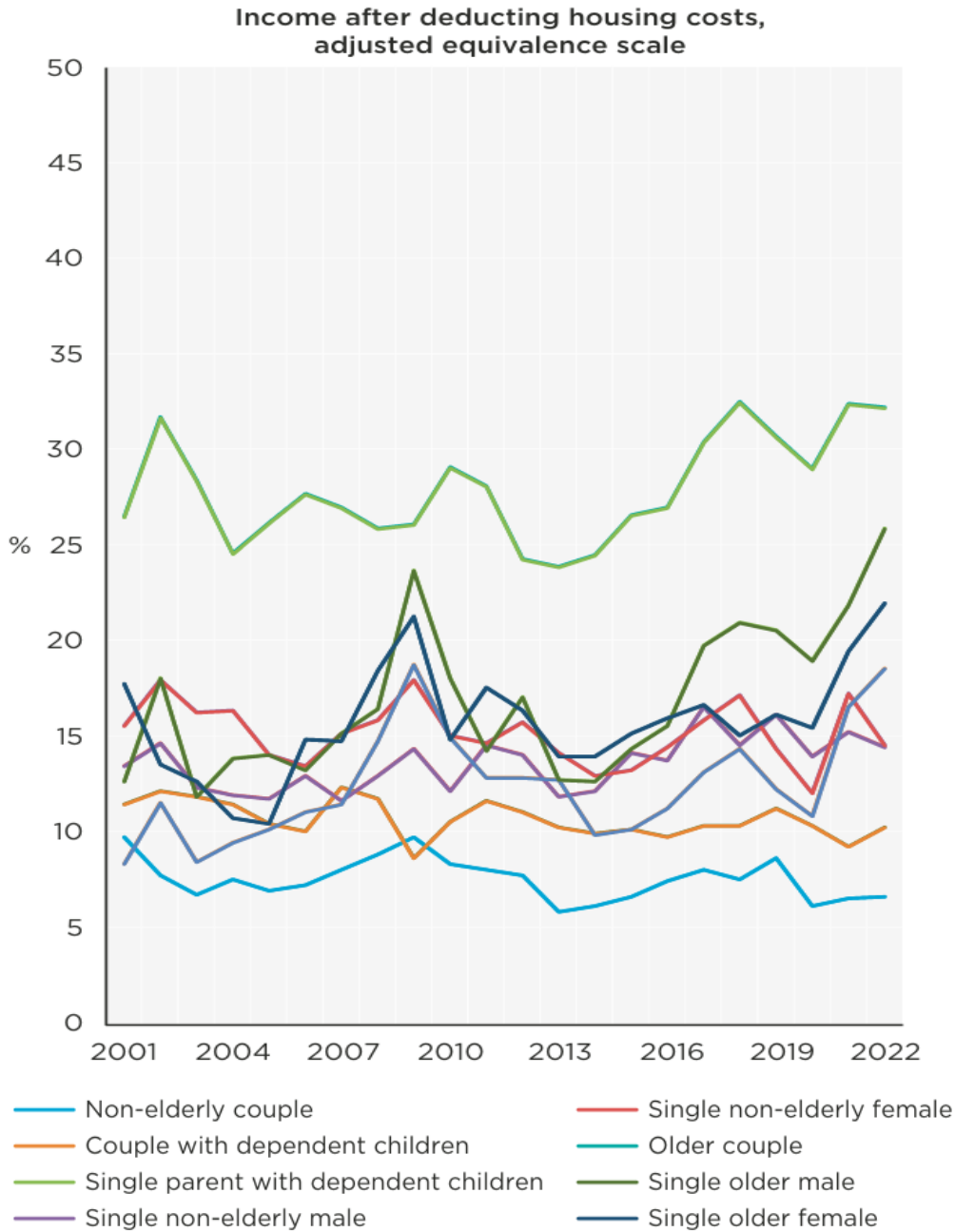
The report states “*policy measures that increase incomes and provide targeted support to single parent households will hence have a greater impact on child poverty and wellbeing outcomes.*”

### **Earlier evidence confirms high poverty rates for Parenting Payment Single recipients**

- The important increase in eligibility for Parenting Payment Single from September 2023 has meant around an additional 100,000 families can now access this improved support. The payment is particularly important for many First Nations families who make up over 17% of Parenting Payment Single (PPS) recipients. While a significant improvement on JobSeeker Payment, the PPS still leaves far too many single parent families and their children living in poverty. In 2019-20, [ACOSS/UNSW](#) found 72% of Parenting Payment Single recipients lived in poverty, the highest rate of all income support recipients, including those receiving JobSeeker payments. See Appendix for chart.

## Appendix

**Poverty:** Single parent families continue to have the highest poverty rates of any family type, as has been the case for the past 22 years. ([HILDA 2024 Report](#) )

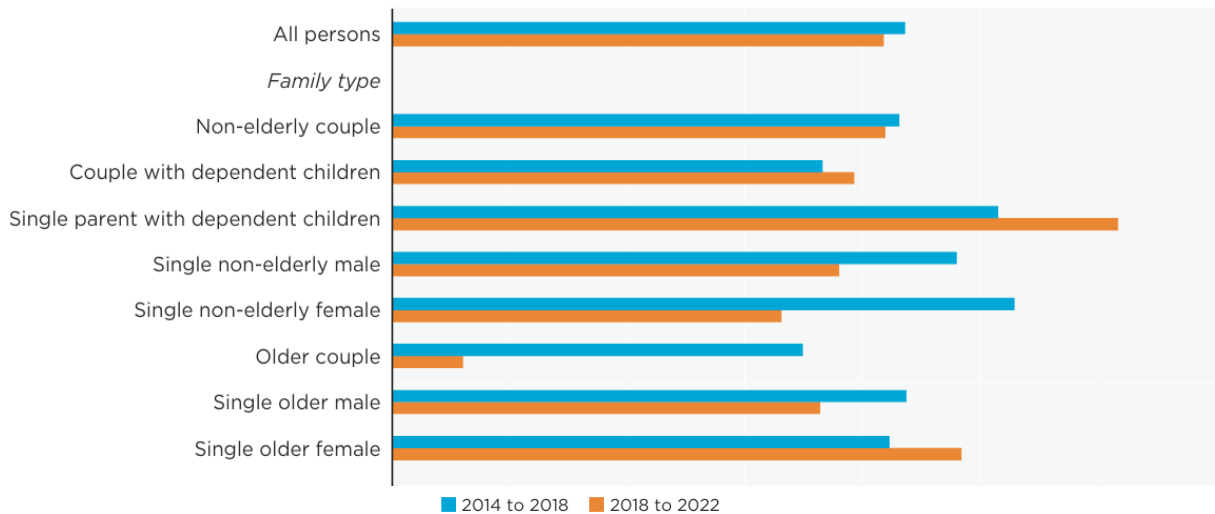


**Material deprivation** exists when people do not have and cannot afford to buy items or undertake activities that are widely regarded in society as things that everyone should have. Single-parent families have the highest mean deprivation score of material deprivation and the highest rate of persistent material deprivation. ([HILDA 2024 Report](#) )

Table 3.10: Material deprivation in Australia by family type, 2014, 2018 and 2022

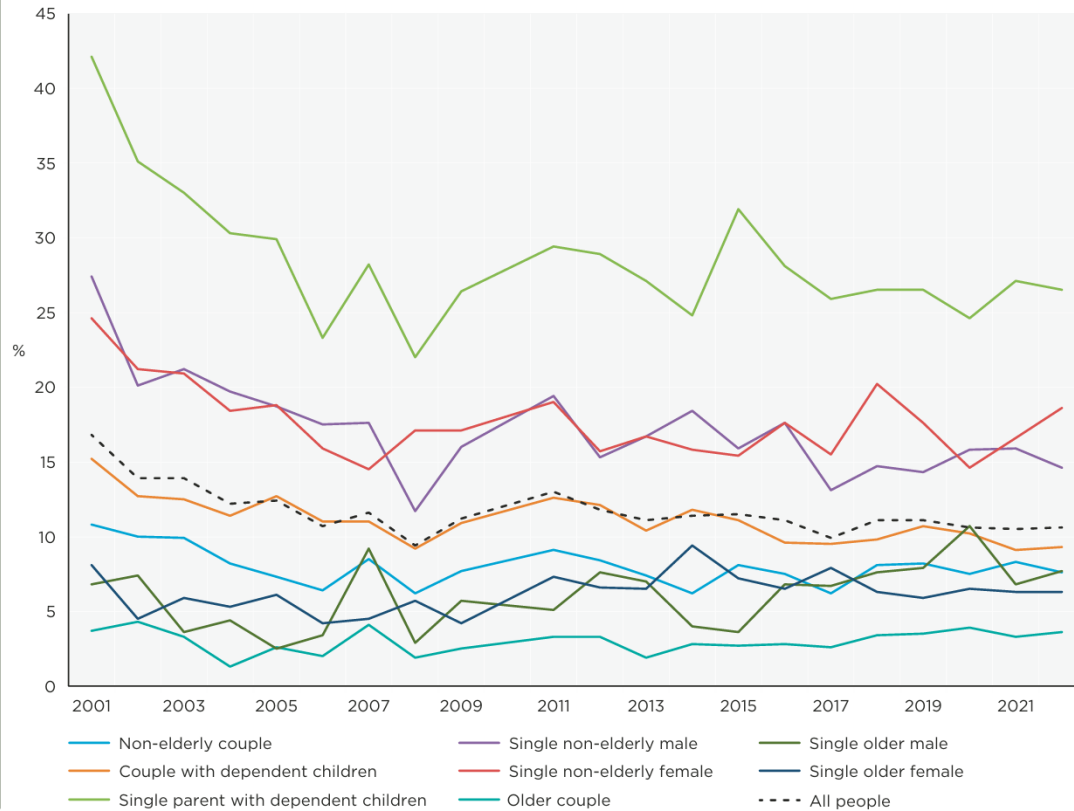
	Mean deprivation score			Percentage deprived of 2 or more items		
	2014	2018	2022	2014	2018	2022
Non-elderly couple	0.28	0.26	0.19	7.1	6.4	4.4
Couple with dependent children	0.45	0.38	0.26	10.9	8.3	6.0
Single parent with dependent children	1.27	1.27	1.23	30.0	29.3	28.5
Single non-elderly male	0.65	0.58	0.49	15.8	14.7	11.8
Single non-elderly female	0.64	0.66	0.51	15.6	17.4	13.3
Older couple	0.13	0.18	0.11	2.7	5.3	2.2
Single older male	0.31	0.47	0.42	7.4	10.6	9.2
Single older female	0.39	0.33	0.32	9.4	8.9	8.4
All people	0.49	0.45	0.35	11.8	10.7	8.2

Figure 3.10: Persistence of material deprivation over four years—Proportion of those deprived of two or more items who were also deprived of two or more items four years later



**Financial Stress:** Experience of financial stress refers to an inability to meet basic financial commitments because of a shortage of money. A higher proportion of single parent families experience at least two indicators of financial stress compared with all other family types. ([HILDA 2024 Report](#) )

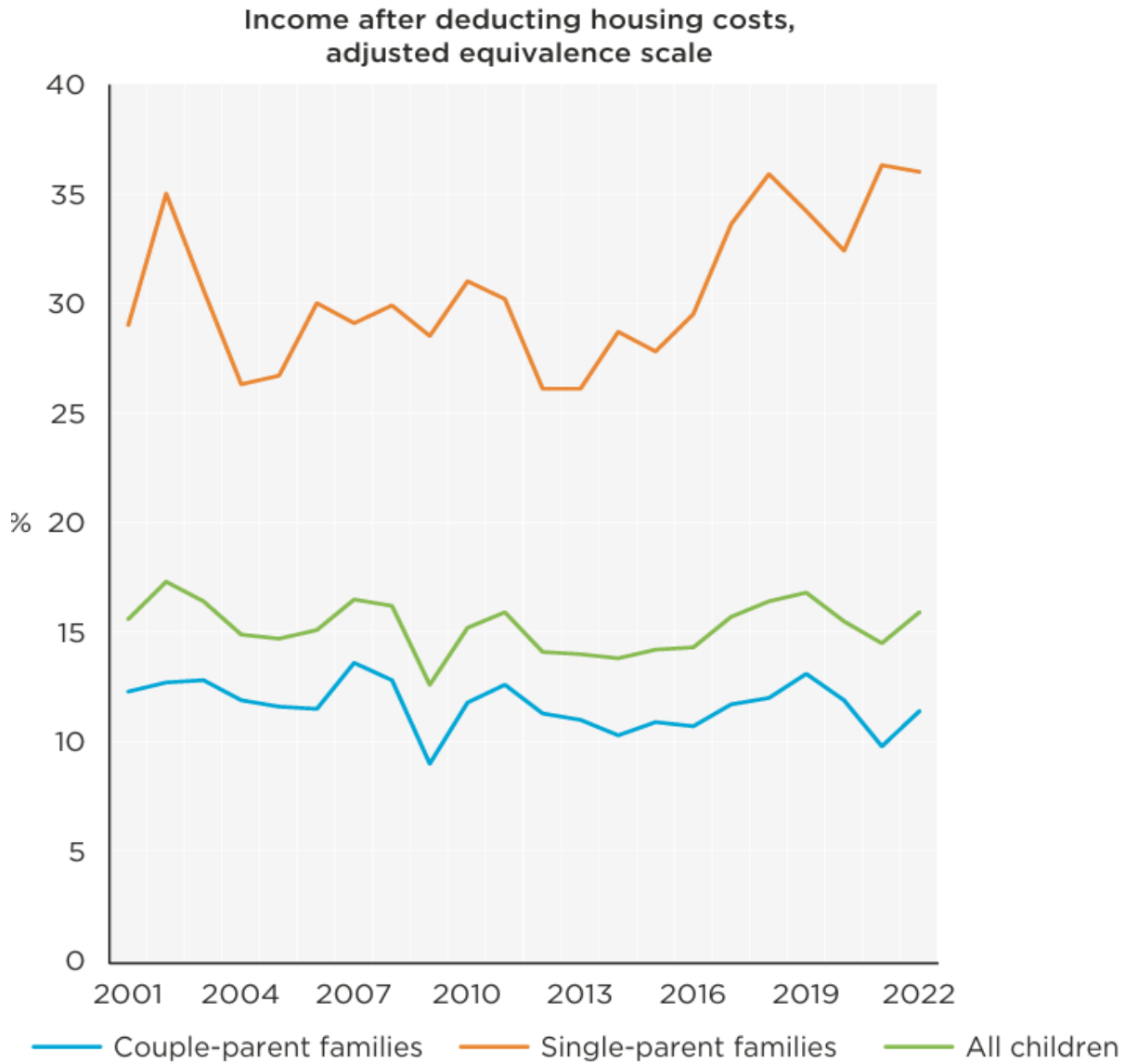
Figure 3.8: Proportion of people experiencing two or more indicators of financial stress, by family type





**Child poverty:** children living in single parent families face far greater poverty rates than children living in couple families. ([HILDA 2024 Report](#) )

**Child poverty rates by family type—Dependent children aged under 18**  
(from Figure 3.6, p45)



**Children face the highest poverty rates of all age groups (17%) and 72% of Parenting Payment Single recipients live in poverty, higher than all other income support recipients including JobSeeker.**

Source: 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.

## 1 in 8 people (13%) live in poverty, but the risk is greater for many

% of people in poverty (2019-20)

