

Why lifting income support is essential to gender equality and economic security for women

April 2022

Key points:

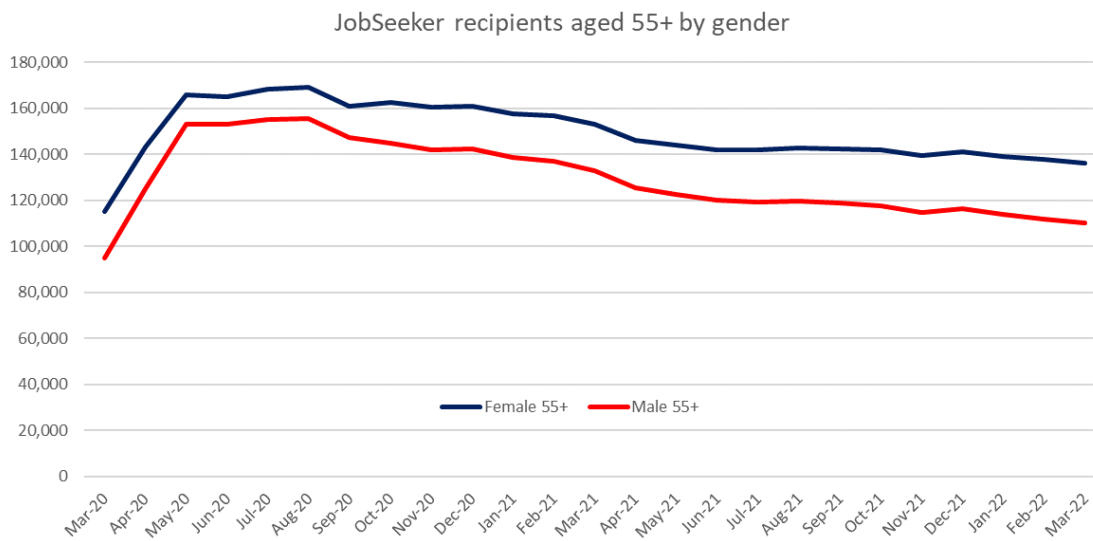
- Women make up almost two thirds (59%) of people struggling in poverty on income support payments that are insufficient to cover basic costs (including JobSeeker, Youth Allowance, Parenting Payment).
- Women comprise the vast majority (95%) of single parents in poverty on income support.
- Parents receiving JobSeeker, Parenting Payment and other income supports less than \$70 a day care for over 900,000 children. The vast majority of these parents are women.
- Lifting income support is the highest priority for delivering economic security for women and their families struggling to cover the basics.

It is mostly women receiving payments that are less than \$70 a day

The pandemic saw a large increase in the number of people needing income support, with a doubling of people receiving unemployment in the first half of 2020. While slightly more men receive unemployment payments compared with women (51%), women are still the primary recipients of working-age payments because of the large number of women receiving parenting and student payments. This is why almost two thirds of people receiving income support less than the pension (which is \$70 a day), including JobSeeker, Youth Allowance, Austudy, Parenting Payment and Special Benefit, are women (59%).

The profile of people on JobSeeker has changed. Historically, young men were the primary recipients of the payment.¹ Now people aged 35 to pension age comprise 70% of recipients² and older women are more likely to receive the payment than older men. Older women were the fastest growing group of people going onto JobSeeker Payment prior to the pandemic.³ They are now one of the slowest moving groups off JobSeeker as the unemployment rate falls, shown by figure 1.

Figure 1. Older women are not moving off JobSeeker as quickly as other groups



Source: Michael Klappdor, Parliamentary Library, 2022

Women are more likely to receive JobSeeker Payment for a longer period of time compared with men, with 71% of women receiving JobSeeker for more than one year compared with 63% of men.

¹PBO (2020)

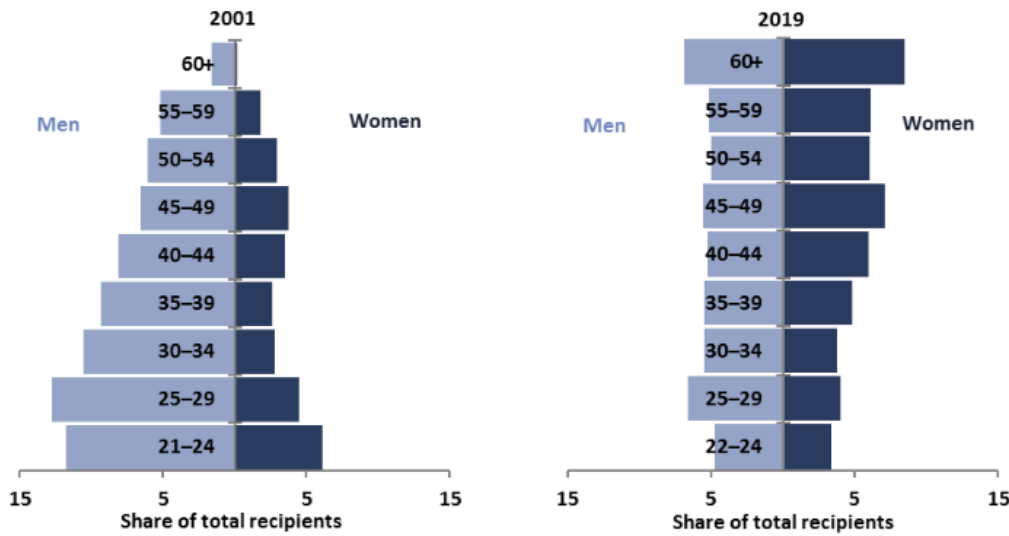
https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment

² DSS (2022) December 2021 Payment Demographics

³ Parliamentary Budget Office (2020)

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment

Figure 2. More women are receiving JobSeeker than before



Source: Parliamentary Budget Office (2019)

The longer-term receipt of JobSeeker by women compared with men may in part be because they are undertaking caring roles that limit their ability to work full time. Almost one third of women receiving JobSeeker are primary care givers (27%) compared with fewer than 5% of men on the payment.⁴

Women are more likely to live in poverty than men

The higher rates of women receiving working-age payments increases their risk of poverty. Women and girls are more likely than men to live in poverty (53% versus 47%), with households headed by a female main earner having a higher average poverty rate than households headed by a male main earner (19% versus 10%).⁵ Single mothers are at much larger risk of poverty, with their poverty rate sitting at 37% compared with 18% for single fathers (Figure 3).⁶

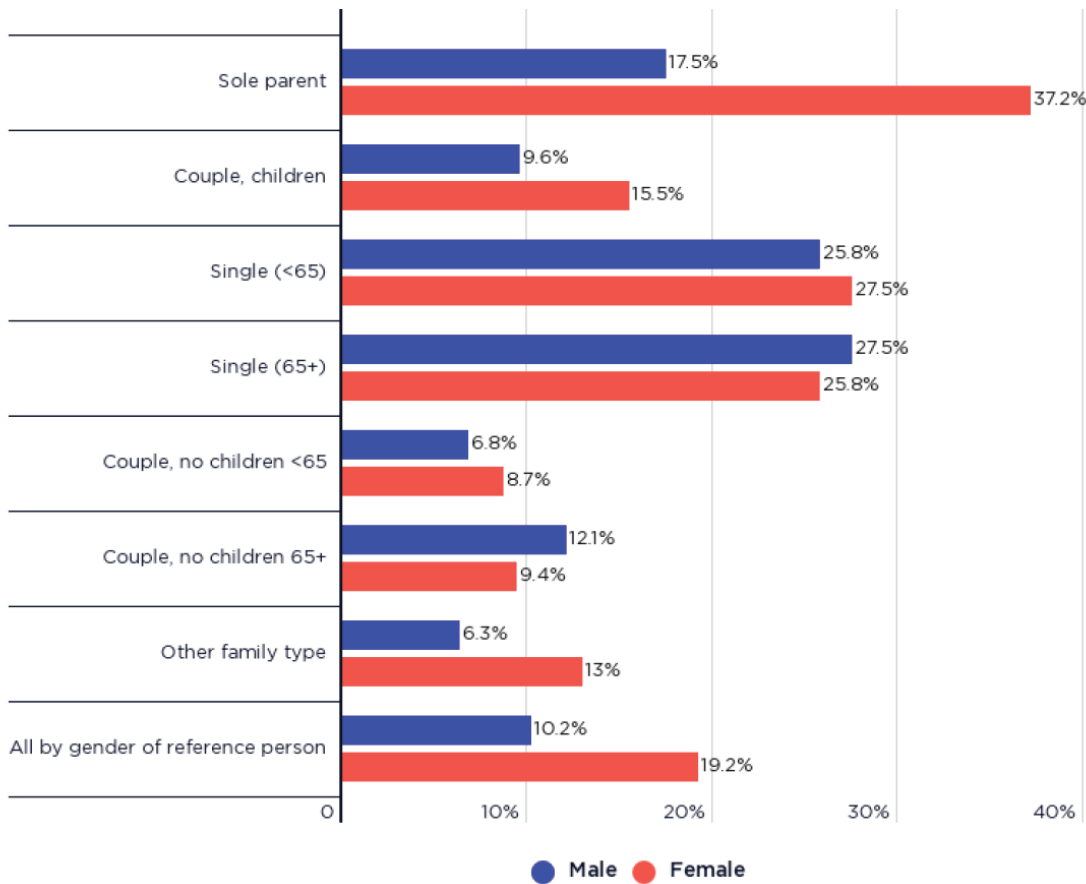
⁴ PBO (2019)

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment

⁵ ACOSS (2020) https://povertyandinequality.acoss.org.au/wp-content/uploads/2020/05/Poverty-in-Australia-2020-Part-2-%E2%80%93-Who-is-affected_Final.pdf p.55

⁶ ACOSS (2020)

Figure 3: Poverty by household type and gender of household reference person



Source: ACOSS UNSW (2020), [Poverty in Australia 2020 – Who is affected?](#)

Lift Rent Assistance to support very low-income women

Lifting CRA would alleviate housing stress experienced by women on the lowest incomes. Women comprise the majority of people receiving CRA (56%),⁷ and generally, people receiving CRA find it difficult to afford private rents. Older single women are at particular risk of not being able to afford housing, comprising 60% of single age pensioners⁸ and 52% of people aged 45 and over on JobSeeker receiving CRA.⁹ It's likely that inadequate income support has contributed to older women (aged 45 and over) becoming the fastest growing

⁷ KPMG (2019) Delivering equity: A new deal for pensioners who rent: A report on women and disadvantage <https://assets.kpmg/content/dam/kpmg/au/pdf/2019/delivering-equity-new-deal-women-pensioners-who-rent.pdf> p.3

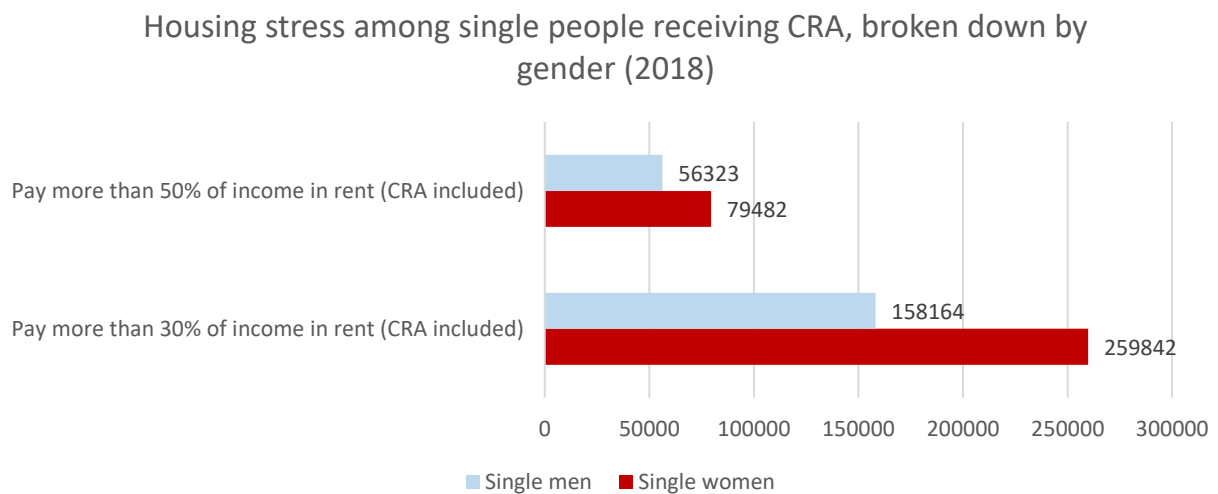
⁸ Treasury (2020) Retirement Income Review, <https://treasury.gov.au/sites/default/files/2021-02/p2020-100554-udcomplete-report.pdf> p.71.

⁹ Senate Estimates (2021) Answer to Question on Notice, DSSSQ21-000153, 7 May 2021

group of people becoming homeless, increasing by 31% between 2011 and 2016.¹⁰

Single women receiving CRA are much more likely to be in housing stress (defined as paying more than 30% of their income on rent) than their male counterparts, as shown in figure 3. Women make up almost two thirds of single people receiving CRA in housing stress.¹¹

Figure 4: Single women more at risk than single men of housing stress



Source: DSS data (2018)

¹⁰ Australian Human Rights Commission (2019) 'Risk of homelessness in older women' <https://humanrights.gov.au/our-work/age-discrimination/projects/risk-homelessness-older-women>

¹¹ Senate estimates (2019) Answer to Question on Notice SQ19-000134, 29 March 2019

What needs to happen

- Lift base rates of income support to at least \$70 a day to ensure everyone can cover the basics, including single parents, students and people looking for paid work. This would benefit 2.4 million people, including 900,000 children.
- Increase Commonwealth Rent Assistance by 50% to better help people on the lowest incomes cover private rent.
- Establish a Single Parent Supplement and Disability Supplement to recognise the additional costs single parents and people with disability face.
- Index income support payments to wages as well as prices so that payments maintain pace with community living standards.
- Set up a Social Security Commission to advise the parliament on the adequacy of income support and other social security settings.