Budget 2020 – Social Services: Parenting payments

|  |
| --- |
| Parenting Payments Overview |
| Women were already over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments prior to the COVID-19 pandemic and its attendant effects on the Australian economy. The recession and the overwhelming focus on male-dominated industries for stimulus support means Australia is facing a ‘she-cession.’  The Coronavirus supplements and other short-term supports provided by the Government lifted women and children out of poverty. They should be retained, particularly as we enter a recession. |

Parenting payments

The Budget

*Note: there is no budget statement concerning Parenting Payments.*

Parenting payment is the primary income support payment for the main carer of a young child (including job seekers who are main carers of young children). The child must be under eight for single people or younger than six for a couple.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2018/19 | 2019/20 | 2020/21 | **2021/22** | **2022/23** | **2023/24** |
| Parenting Payment Partnered | | | | | |
| 833,156 | 1,113,983  (Budget estimate was 809,330) | 1,238,206 | 703,808 | 722,853 | 733,733 |
| Parenting Payment Single | | | | | |
| 4,421,759 | 5,183,559 Budget estimate was 4,503, 326) | 5,910,828 | 4,250,723 | 4,317,993 | 4,383,554 |

Source: [Department of Social Services, 2020 Budget Related Paper No. 1.12](https://www.dss.gov.au/sites/default/files/documents/10_2020/portfolio-budget-statements-2020-21-budget-related-paper-no-1-12-social-services-portfolio.pdf), table 2.1.2, p. 43.

Gender implications

Gender implications

Why is this an issue for women?

Over 90% of parenting payment recipients are women. Until this year, numbers on the payments were declining. Last year’s budget estimates, contained in brackets in the above table, show how COVID has caused a sharp increase in the number of women accessing the payment. Taking the payments together, there appears to be a likely increase of over 900,000 recipients in 2019-20.

These are women among the poorest in Australia. The Poverty in Australia 2020 report part 2 ([UNSW and ACOSS, 2020),](http://povertyandinequality.acoss.org.au/wp-content/uploads/2020/05/Poverty-in-Australia-2020-part-2-who-is-affected.pdf) shows that sole parent families have the highest poverty rate of all household types, at 35%. The planned removal of the Coronavirus Supplement in December appears unjustified. NFAW also questions the predicted drop in numbers in 2021/22.

Recommendations

1. The Coronavirus Supplement should be retained to stave off poverty for some of the poorest households in Australia.