

Family joblessness in Australia: Trends and Comparisons

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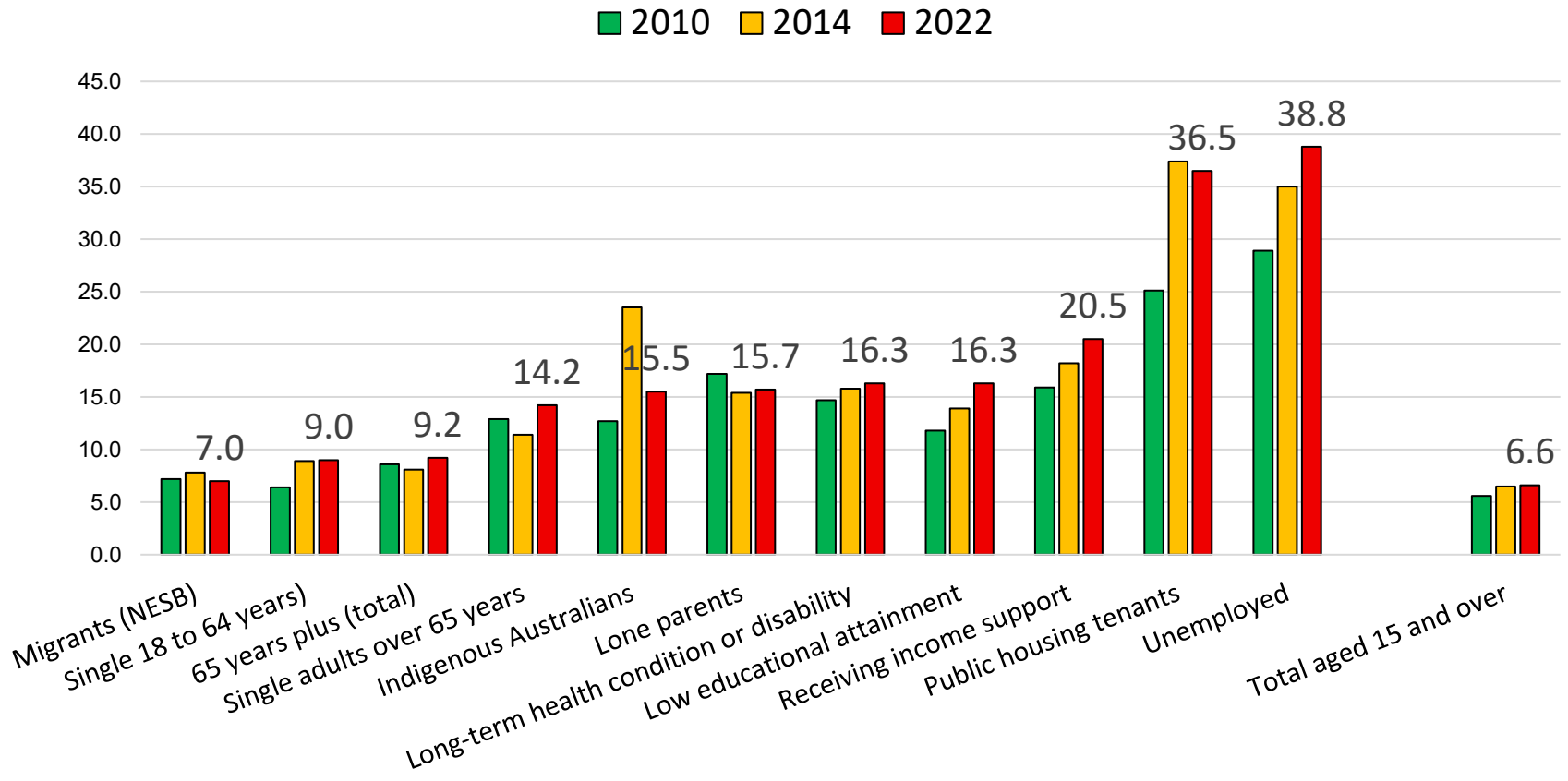
Outline

- Motivation – the work of the Economic Inclusion Advisory Committee
- Defining joblessness
- Why joblessness is a social policy challenge
- Child poverty and joblessness
- Trends in family joblessness
- Policy responses
- Conclusions and further research

The Economic Inclusion Advisory Committee

- The [Economic Inclusion Advisory Committee \(EIAC\)](#) provides advice to the government each year on '*economic inclusion including policy settings, systems and structures, and the adequacy, effectiveness and sustainability of income support payments.*'
- EIAC has recommended that official measures of poverty and targets to reduce it be developed by the government (Economic Inclusion Advisory Committee [2024](#)).
- [The 2026 EIAC report](#) provides information on the level of exclusion of Australians aged 15 years and over. To be deeply excluded, a person has to experience exclusion from at least seven of the 28 indicators for the different life domains. **The extent of deep social exclusion has increased from 5.6% of people aged 15 and over in 2010 to 6.6% in 2022.**
- The Productivity Commission ranked the groups identified as more likely to experience multiple forms or deeper disadvantage in 2010. **This ranking has not changed over the subsequent 12 years.**
- The 2027 Report will include a focus on entrenched disadvantage among young people as well as locational dimensions of disadvantage.

Prevalence of deep social exclusion for vulnerable groups, 2010, 2014 and 2022



Trends in deep and persistent social exclusion, 2001-2010 to 2015-2024 (Four

or more years in the period.)

Deep and persistent social exclusion	2001-2010	2011-2020	2015-2024
Single 18 to 64 years)	6.3%	7.7%	7.0%
Lone parents	9.8%	9.8%	9.5%
Single adults over 65 years	3.1%	7.2%	10.1%
65 years plus (total)	4.2%	7.2%	6.0%
Indigenous Australians	23.7%	18.1%	22.4%
Migrants (NESB)	7.1%	7.8%	7.9%
Unemployed	19.8%	12.6%	19.0%
Receiving income support	16.4%	18.6%	23.4%
People with a long-term health condition or disability	15.8%	16.2%	17.1%
Low educational attainment	10.1%	10.8%	14.2%
Public housing tenants	15.6%	28.7%	27.8%
Total (All aged 15 and over)	5.1%	5.5%	5.6%

What is joblessness?

- The jobless encompasses the unemployed who are looking for work and those not in the labour force (and not actively looking for work).
- Joblessness exists at the individual, family and household level (and also among communities).
- Family joblessness can be looked at from the parental perspective or from the child's perspective.
- Duration and dynamics are important.
- Joblessness refers to paid work – but parents also have caring responsibilities.

Why is family joblessness an important social issue?

- Countries with greater inequality at a point in time appear also to have greater transmission of economic status – children tend to “inherit” their parent’s economic circumstances.
- Income mobility is lower at the bottom and top of the earnings distribution (i.e. children inherit poverty and wealth).
- Childhood poverty appears to be a route through which disadvantage is transmitted between generations, so tackling it needs to be a priority.
- Childhood poverty is associated with lower educational attainment, which is one of the main predictors of poverty in later life.
- Historically there has been a strong link between family joblessness and child poverty.

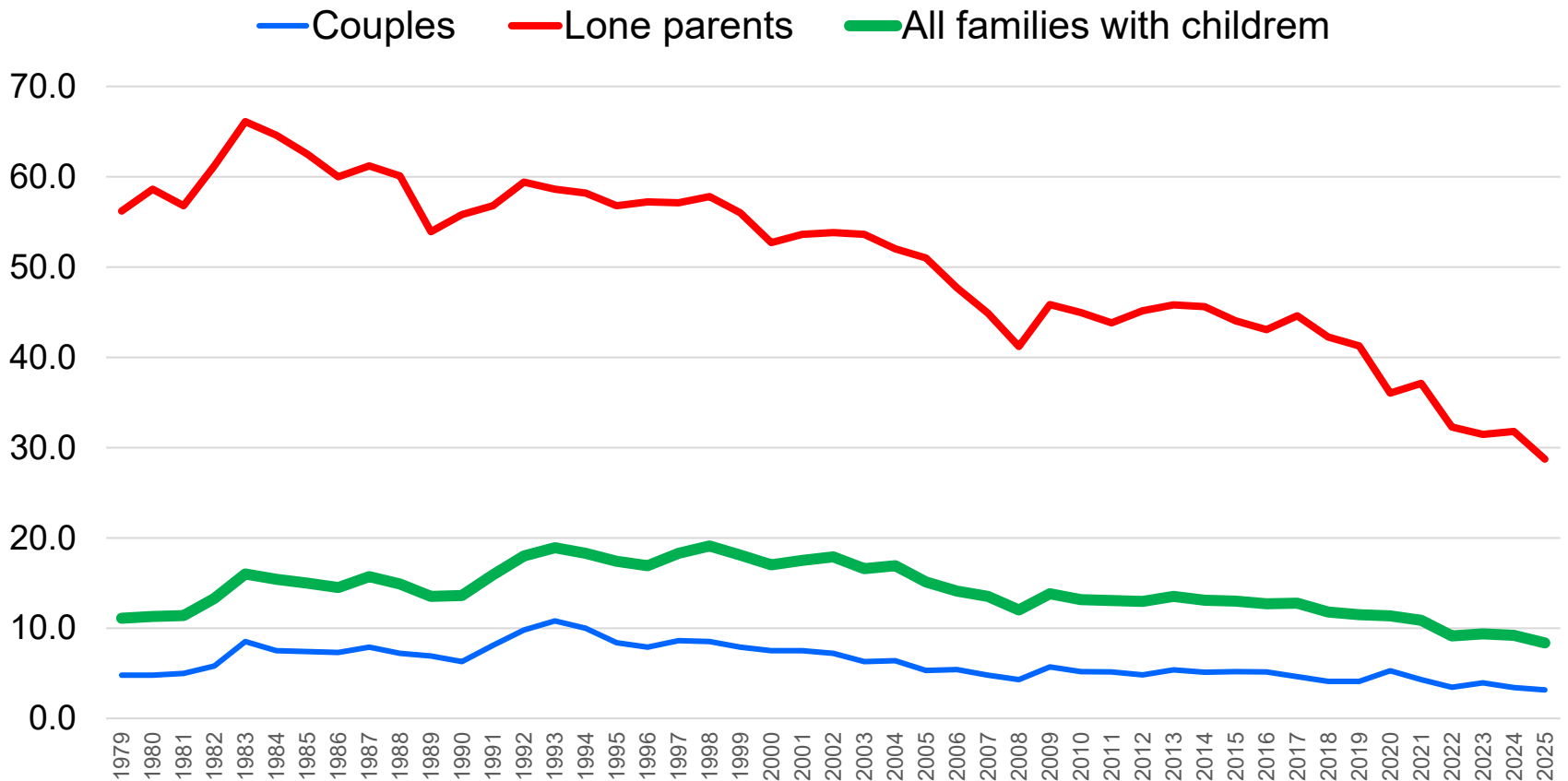
How does Australia's employment performance compare?

- The labour force participation rate for 15–64-year-olds in Australia has consistently been in top 10 OECD countries since 1990. (From 24 to 38 Members).
- Australia has the 11th lowest unemployment rate in the OECD (2026) – 4.5% compared to OECD average of 5% and 7% and over in Denmark, Sweden and Finland
- For employment for youth (15 to 24 years), Australia is ranked 3rd highest among OECD countries.
- NEET rates for 15–24-year-olds are better than the OECD average.
- **BUT**
- In 2021, employment rates among lone parents remained the lowest in the OECD.
- Total joblessness among families with children is still among the highest in the OECD.

The link between child poverty and family joblessness

- In 2005, 70% of children in poverty in Australia lived in jobless families, the highest share in the OECD. [Whiteford, Family Joblessness in Australia \(2009\)](#)
- “The most significant factor in determining child poverty at the household level is the employment status of the parents. To illustrate, on average across the OECD, less than a quarter of children with a single parent in employment were income poor in 2014, while this proportion is almost two-thirds for children living in jobless single-parent families.” [\(Thevenon et al., 2018\)](#)
- Around 2022, the rate of child poverty among working families in Australia was 5.9%; the rate for jobless families was 72.6% [\(OECD Family Database\)](#)

Trends in joblessness (%) among families with children 0-15 years, Australia, 1979 to 2025



Child poverty rates by family type, dependent children aged under 18, Australia 2001 to 2023

Source: I Laß, F Botha, K Peyton and R Wilkins, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 23*. Melbourne Institute of Applied Economic and Social Research, The University of Melbourne, 2025.



If joblessness has fallen, why is child poverty still high? The effect of policy changes (1)

- The 1970s saw extension of Commonwealth assistance to unmarried mothers and significant increases in payment levels. The main thrust of reforms in the 1980s and 1990s was to make assistance for single parents uniform, treating parents equally irrespective of the causes of lone parenthood and the gender of the parent.
- Until July 2006, Parenting Payment was available to the principal carer of a child under 16 years. Subsequently, new recipients needed to have a child under six (if partnered) or eight (if single). New recipients must look for at least fifteen hours of work per week when their youngest child turns six, and existing recipients were required to do so on 1 July 2007 or when their youngest turned seven (whichever was later).
- This provision did not apply to those parents already receiving payments who were 'grandfathered', but only to new claimants, many of whom claimed Newstart.

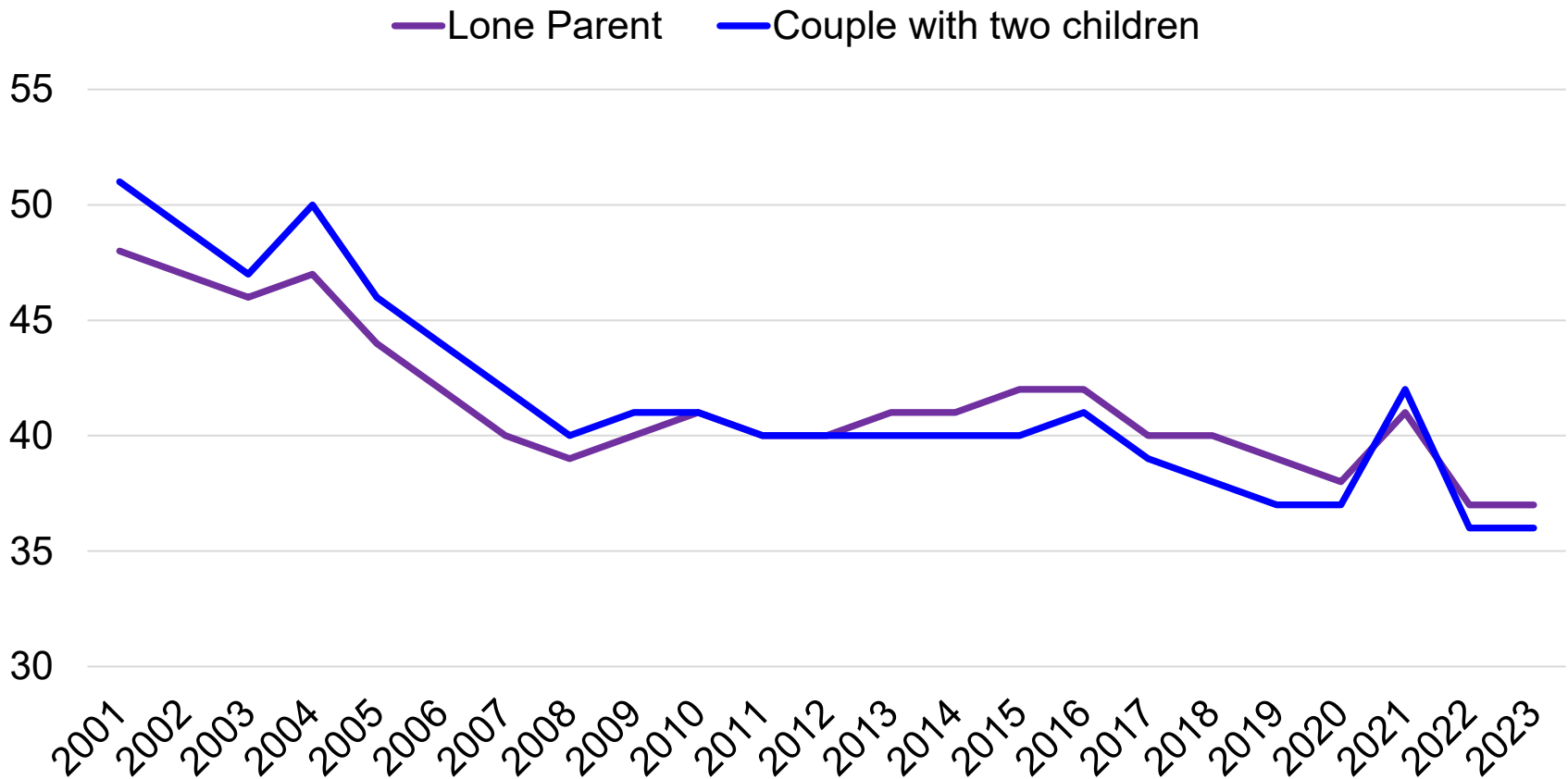
If joblessness has fallen, why is child poverty still high? The effect of policy changes (2)

- From 2009, PPS was no longer the same as the single rate of Age Pension and no longer benchmarked to MTAW.
- In 2013, the Gillard government moved the 'grandfathered' recipients of Parenting Payment Single (PPS) onto Newstart, with the result that the share of the working age population receiving PPS fell from 2.4 per cent to 1.6 per cent.
- The Australian Government changed Parenting Payment (Single) by raising the age cut-off from 8 to 14 from September 2023. This means eligible carers are able to stay on PPS and no longer have to transfer to the lower JobSeeker payment until their youngest dependent child turns 14.

If joblessness has fallen, why is child poverty still high? The effect of policy changes (3)

- From 1987 payments for children in income support and low-paid families were increased significantly as part of the Hawke Government child poverty pledge. Further substantial increases were made by the Howard Government.
- Spending on family payments rose from 0.5% of GDP in 1988 to over 2% of GDP post 2003, the second highest in the OECD.
- In 2009, FTB indexation changed from the pensioner and beneficiary living cost index / pension rate to general CPI increases.
- The indexation of the FTB Part A and Part B end-of-year supplements was paused between 2010 and 2017, with eligibility for the supplement later restricted in 2016 to families earning \$80,000 or less.
- There were repeated pauses of indexation on FTB Part A and Part B standard rates and higher income free areas across various periods, including 2016 to 2019.

Trends in income support payments as % of median household disposable income, Australia, 2001 to 2023



Conclusions and issues

- All countries with low child poverty combine low joblessness with effective redistribution policies – Australia had effective redistribution, but high joblessness.
- Joblessness has reduced significantly, but the social security and family assistance systems have become less effective in reducing poverty.
- Policy choices in this area should not focus on either employment or social protection but require a balanced approach that encourages increased employment among parents and also increases the rewards of paid work and creates carer-friendly employment arrangements.
- Paid parental leave and expanded support for child-care has moved Australia more towards a social investment approach.
- Australia may also need more services to support families in making the transition to work, including intensive case management (e.g. building motivation, referrals to well-targeted jobs), and basic remedial or vocational training in relevant cases.
- Better understanding of the dynamics of social exclusion and the transmission of disadvantage is particularly important.