

# Unemployment

The purpose of this document is to collate published research, the findings of government reports and inquiries, and academic commentary in relation to unemployment, and the effects this may have on a person's behaviour; development; physical, mental and social well-being; and links to contact with the criminal justice system.

## Introduction

- 1 Lack of access to employment and training opportunities has been shown to be associated with an individual's engagement with the criminal justice system.<sup>1</sup> The effects of unemployment and its links with the criminal justice system are compounded by the fact that there are lower employment opportunities for individuals who have been previously imprisoned.<sup>2</sup> Unemployment, particularly long-term unemployment, 'is associated with poor physical and mental health, social isolation and poverty.'<sup>3</sup>

## Terminology

- 2 Adopting international standards, the Australian Bureau of Statistics defines 'persons in unemployment' as 'all those of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity'.<sup>4</sup>
- 3 The Australian Bureau of Statistics defines 'long-term unemployment' as unemployment for 52 weeks or more.<sup>5</sup>

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<sup>1</sup> Senate Legal and Constitutional Affairs Committee, Parliament of Australia, *Inquiry into the Value of a Justice Reinvestment Approach to Criminal Justice in Australia* (Report, 20 June 2013) 3 [2.1], 13 [2.50]; David Brown et al, *Justice Reinvestment: Winding Back Imprisonment* (Palgrave Macmillan, 2016) 97, 109; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, Parliament of Australia, *Doing Time – Time for Doing: Indigenous Youth in the Criminal Justice System* (June 2011) 156 [6.4].

<sup>2</sup> Senate Select Committee on Regional and Remote Indigenous Communities, Parliament of Australia, *Indigenous Australians, Incarceration and the Criminal Justice System* (Discussion Paper, March 2010) 30 [1.98].

<sup>3</sup> Lisa Fowkes, '[Long Term Unemployment in Australia](#)' (Australian Policy Online Topic Guide, 26 October 2011) 1; Peter Saunders, [A Perennial Problem: Employment Joblessness and Poverty](#) (Social Policy Research Centre Discussion Paper No 146, January 2006).

<sup>4</sup> Australian Bureau of Statistics, [Labour Statistics: Concepts, Sources and Methods](#) (Catalogue No 6102.0.55.001, February 2018).

<sup>5</sup> Ibid.

## Causes and Effects of Unemployment

- 4 The 2019 *Closing the Gap Report* recognised that

[I]ife circumstances fundamentally affect a person's capacity for work. Capacity to gain sustainable employment is affected by broader influences, including education, access to housing and adequate healthcare. In turn, the number and types of jobs available impact on success rates.<sup>6</sup>

- 5 In October 2019, the Australian Bureau of Statistics found that 23.5% of unemployed people were long-term unemployed.<sup>7</sup> The Australian Council of Social Service has observed that a person's 'chances of securing employment in the next 12 months decline progressively from 55% within three months of unemployment to just 8% after 5 years' unemployment',<sup>8</sup> and, further, that '[l]ong-term unemployment itself reduces people's employment prospects, as employers worry about large gaps in their resumes and unemployed people lose confidence and skills'.<sup>9</sup>

### ***Locational factors***

- 6 Where a person lives may be both a reason for unemployment and an impediment to obtaining employment. White and Cunneen observe that the 'concentration of large numbers of unemployed young people in particular geographical locations increases the difficulties of gaining work for specific individuals':<sup>10</sup>

Such demographic concentration simultaneously fosters the shared identification and physical congregation of unemployed young people with each other. It thus can act both to preclude young people from attaining jobs, and to make them more visible in the public domain as an 'outsider' group. In essence, the young poor are being locked into areas characterised by concentrations of poverty, scarce educational and employment prospects and overall declining economic fortunes ... Community context is, therefore, an integral part of why some unemployed young people have a greater propensity to commit crime, and to be criminalised, than other young people in a similar social position.<sup>11</sup>

- 7 In 2012, the Department of Families, Housing, Community Services and Indigenous Affairs (Cth) observed that

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<sup>6</sup> Department of Prime Minister and Cabinet, *Closing the Gap Report 2019* (Report, 2019) 94.

<sup>7</sup> Australian Bureau of Statistics, *Labour Force, Detailed – Electronic Delivery* (Catalogue No 6291.0.55.001, May 2020) Table 14a.

<sup>8</sup> Australian Council of Social Service, *Submission on Future Employment Services* to Department of Jobs and Small Business (Cth), *Consultation on Future Employment Services* (August 2018) 5.

<sup>9</sup> Ibid 73.

<sup>10</sup> Rob White and Chris Cunneen, 'Social Class, Youth Crime and Justice' in Barry Goldson and John Muncie (eds), *Youth, Crime and Justice* (Sage, 2<sup>nd</sup> ed, 2015) 17, 20.

<sup>11</sup> Ibid, 20–1, citing Don Weatherburn and Bronwyn Lind, *Delinquent-Prone Communities* (Cambridge University Press, 2001).

jobless families are more likely to live in lower socioeconomic neighbourhoods – as there are concentrations of joblessness in particular areas. There is evidence to suggest that the nature of the area in which families live can have flow-on effects on their wellbeing.<sup>12</sup>

- 8 In a 2011 report, the Australian Social Inclusion Board cited a national study of 300 Australian postcodes which similarly concluded that

the concentration of unemployment and joblessness in particular areas exacerbates levels of neighbourhood disadvantage, which, in turn, is associated with poorer outcomes for children and poorer health in adults, as well as reduced educational opportunities and job prospects.<sup>13</sup>

### ***Poverty and disadvantage***

- 9 In 2012, the Department of Families, Housing & Community Services mapped a strong relationship between parental employment and socioeconomic wellbeing, finding that parental employment enhanced income, mental health indicators, social capital and child developmental outcomes:

Taken as a whole, the analyses in this report suggest that joblessness and, to some extent, short part-time hours of employment are associated with lower levels of wellbeing for parents and children, compared to families working full-time/long part-time hours. Lack of parental employment affects children by having consequences for their parents' finances and mental health.<sup>14</sup>

- 10 Unemployed people are twice as likely not to have completed high school\* as the broader labour force.<sup>15</sup> The Australian Homelessness Monitor 2018 found that failure by young people to engage with employment, education or training could have long term disadvantages for future economic prospects.<sup>16</sup>

### ***Identity***

- 11 Unemployment has social and emotional ramifications which may impact upon an individual's sense of identity:

Having strong social connections, participating in community activities and being able to get support and help (social capital) are increasingly recognised as important indicators of wellbeing in the context of socioeconomic advantage or disadvantage. In general, jobless families had the lowest levels of social capital, while families working full-time/long part-time hours had the

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<sup>12</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), [Parental Joblessness, Financial Disadvantage and Wellbeing of Parents and Children](#) (Occasional Paper No 48, 2012) 3.

<sup>13</sup> Australian Social Inclusion Board, Department of Prime Minister Cabinet, [Addressing Barriers for Jobless Families](#) (Report 2011) 16, citing Benjamin Edwards and Leah M Bromfield (2009) 'Neighbourhood Influences on Young Children's Conduct Problems and Pro-social Behaviour: Evidence from an Australian National Sample' (2009) 31 *Children and Youth Services Review* 317.

<sup>14</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), [Parental Joblessness, Financial Disadvantage and Wellbeing of Parents and Children](#) (n 12) viii.

\* See also Bugmy Bar Book chapter '[Interrupted School Attendance and Suspension](#)'.

<sup>15</sup> Australian Council of Social Service and Jobs Australia, [Faces of Unemployment 2020](#) (Report, March 2020).

<sup>16</sup> Launch Housing, [Australian Homeless Monitor 2018](#) (Report, 2018) 25.

highest. There was some variation in the level of social capital among those with short part-time hours of employment, although it was usually somewhere between the two other groups.<sup>17</sup>

12 Unemployment is associated with marginalisation and lack of self-esteem:

Being employed has many benefits aside from financial ones, such as providing the opportunity to build networks and have social interaction. It can also assist with building confidence, developing a sense of pride and achievement and motivating people. People who are unemployed or not in the labour force may be more vulnerable to missing out on these opportunities.<sup>18</sup>

13 The House of Representatives Standing Committee on Employment, Education and Workplace Relations reported that '[w]ork provides a sense of identity and a feeling of self-esteem',<sup>19</sup> and that '[l]oss of self-esteem and confidence resulting from job loss can operate as barriers to re-employment.'<sup>20</sup>

### ***Mental and physical health***

14 The [Australian Institute of Health and Welfare](#) recognises that '[u]nemployment is a social determinant of health and is linked with a number of poor psychosocial outcomes including mental health issues, alcohol and other drug use disorders, and crime'.<sup>21</sup> The House of Representatives Standing Committee on Employment, Education and Workplace Relations has also recognised that unemployment 'can indirectly affect health because of reduced participation in society or from the stress of financial strain'.<sup>22</sup>

15 The Australian Institute of Health and Welfare has found that 'employment status, and unemployment in particular, is strongly related to health status. Unemployed people have higher mortality and more illness and disability than those who are employed'.<sup>23</sup>

16 A 2013 Australian Government report analysed data from the Longitudinal Study of Australian Children (LSAC) and found links between parental employment and the wellbeing of families indicating that 'children living in a jobless family had poorer

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<sup>17</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), [Parental Joblessness, Financial Disadvantage and Wellbeing of Parents and Children](#) (n 12) viii.

<sup>18</sup> Australian Bureau of Statistics, [Australian Social Trends, March Quarter 2012](#) (Catalogue No 4102.0, 28 March 2012).

<sup>19</sup> House of Representatives Standing Committee on Employment, Education and Workplace Relations, Parliament of Australia, [Inquiry into Issues Specific to Older Workers Seeking Employment, or Establishing a Business, Following Unemployment](#), (June 2000) ch 2, 56 [2.23].

<sup>20</sup> Ibid [2.25].

<sup>21</sup> Australian Institute of Health and Welfare, [The Health of Australia's Prisoners 2018](#) (Report, 2018) 17, citing D M Fergusson et al, 'Alcohol Misuse and Psychosocial Outcomes in Young Adulthood: Results from a Longitudinal Birth Cohort Studied to Age 30' (2013) 133 *Drug and Alcohol Dependence* 513; R J Winter et al, 'Injecting Drug Use is An Independent Risk Factor for Reincarceration after Release from Prison: A Prospective Cohort Study' (2019) 38 *Drug and Alcohol Review* 254.

<sup>22</sup> House of Representatives Standing Committee on Employment, Education and Workplace Relations (n 19) ch 2, 61 [2.40].

<sup>23</sup> Australian Institute of Health and Welfare, [National Drug Strategy Household Survey Detailed Report: 2013](#) (Report, 25 November 2014) 91.

cognitive and social-emotional outcomes compared to children in families working full-time/long part-time hours'.<sup>24</sup>

- 17 The same report noted associations between parental joblessness and mental health:

Significantly lower levels of mental health were observed among mothers and fathers in jobless families compared to mothers and fathers in families with full-time/long part-time hours of employment. This was also seen in the longitudinal analyses, where declines in mental health were associated with families becoming jobless.<sup>25</sup>

### ***Homelessness\****

- 18 Poverty and long-term unemployment are causes of homelessness.<sup>26</sup> The Australian Government has found that people who are long-term unemployed are vulnerable to homelessness, and that '[m]aintaining a connection with employment will help people who are homeless return to stable housing'.<sup>27</sup> People who are experiencing or have experienced homelessness can be disconnected from employment and educational institutions, be socially excluded from support networks,<sup>\*</sup> and are more likely to experience poorer physical and mental health.<sup>28</sup>
- 19 The *Australian Homelessness Monitor 2018* analysed the systemic socio-economic drivers of housing insecurity, and identified that 'in an economic downturn jobs become scarcer, unemployment and under-employment rise and more people face financial pressures that can increase their risk of homelessness'.<sup>29</sup>

## **Links to Contact with the Criminal Justice System**

- 20 Justice Health NSW's 2015 *Network Patient Health Survey* found that 'a history of unemployment or underemployment has been found to increase likelihood of engaging in criminal behaviour',<sup>30</sup> and that '[t]his trend strengthens as the duration of unemployment increases beyond six months'.<sup>,31</sup>

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<sup>24</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), *Parental Joblessness, Financial Disadvantage and Wellbeing of Parents and Children* (n 12) viii.

<sup>25</sup> Ibid 35.

\* See also Bugmy Bar Book chapter 'Homelessness'.

<sup>26</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), *The Road Home: A National Approach to Reducing Homelessness* (White Paper, 2008) 8 ('The Road Home'); Department of Human Services (Vic), *A Better Place: Victorian Homelessness 2020 Strategy* (2002) 9.

<sup>27</sup> Department of Families, Housing, Community Services and Indigenous Affairs (Cth), *The Road Home* (n 26) 8.

\* See also Bugmy Bar Book chapter 'Social Exclusion'

<sup>28</sup> *The Road Home* 8.

<sup>29</sup> Launch Housing, *Australian Homeless Monitor 2018* (Full Report, 2018) 22.

<sup>30</sup> Justice Health & Forensic Mental Health Network, *2015 Network Patient Health Survey Report* (Report, May 2017) 27, citing Mikko Aaltonen et al, 'Examining the Generality of the Unemployment-Crime Association' (2013) 51 *Criminology* 561.

<sup>31</sup> Justice Health & Forensic Mental Health Network, *2015 Network Patient Health Survey Report* (n 30), citing Anke Ramakers et al, 'Imprisonment Length and Post-Prison Employment Prospects' (2014) 52 *Criminology* 52, 399.

- 21 This survey found that in the 30 days prior to their incarceration, 37.8% of men and 52.0% of women were unemployed.<sup>32</sup> The 2016 Productivity Commission report, *Overcoming Disadvantage – Key Indicators 2016 report*, also notes the link between unemployment and interaction with the criminal justice system, stating that ‘[p]overty, unemployment, low levels of education and lack of access to social services are all associated with high crime rates and high levels of imprisonment’.<sup>33</sup>
- 22 In 2018, the percentage of Aboriginal and Torres Strait Islander prisoners who were unemployed in the month prior to their imprisonment was 67%, compared with 50% for non-Indigenous prisoners.<sup>34</sup>
- 23 The *Discussion Paper* for the Australian Law Reform Commission *Inquiry into Incarceration Rates of Aboriginal and Torres Strait Islander Peoples* acknowledged the cyclical nature of unemployment and criminality:

Having a criminal record—particularly as a juvenile or as a young adult—in turn increases the likelihood of unemployment, poverty and substance abuse, which again increases the likelihood of future incarceration.<sup>35</sup>

## Impact of Incarceration on Re-employment

- 24 A report by Eileen Baldry et al describing and analysing offender employment initiatives across Australian correctional systems observes that ‘[t]he stigma of a criminal record for an ex-prisoner job seeker is among the most intractable barriers to employment’.<sup>36</sup> The same report found:

Approximately two-thirds of re-incarcerated people are unemployed at the time they commit an offence and employment has been identified as a factor in an individual remaining crime free. Despite this, ex-prisoners have the highest rates of unemployment of any group in Australia – an irony given the established links between employment and desistance.<sup>37</sup>

- 25 A 2003 Australian Institute of Criminology paper noted that unemployment is particularly common among ex-prisoners:

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<sup>32</sup> Justice Health & Forensic Mental Health Network, *2015 Network Patient Health Survey Report* (n 30) table 1.5.1.

<sup>33</sup> Productivity Commission for the Steering Committee for the Review of Government Service Provision (Cth), *Overcoming Indigenous Disadvantage: Key Indicators 2016* (Report, November 2016) 4.3.

<sup>34</sup> Australian Institute of Health and Welfare, *The Health of Australia's Prisoners 2018* (Report, 30 May 2019) 18.

<sup>35</sup> Australian Law Reform Commission, *Incarceration Rates of Aboriginal and Torres Strait Islander Peoples: Discussion Paper*, (Discussion Paper No 84, July 2017) 23 [1.17], citing Don Weatherburn, *Arresting Incarceration – Pathways out of Indigenous Imprisonment* (Aboriginal Studies Press, 2014) 86–87.

<sup>36</sup> Eileen Baldry et al, *A Future Beyond the Wall: Improving Post-release Employment Outcomes for People Leaving Prison* (Final Report, February 2018) 5.

<sup>37</sup> Ibid 3.

Social disadvantage can be further exacerbated by the prison experience. Prisoners tend to possess low levels of workplace skill and education, and the addition of a custodial term to an ex-offender's personal history further diminishes employability.<sup>38</sup>

26 The Australian Institute of Health and Welfare recognises that '[l]ower levels of educational attainment are associated with poorer employment opportunities and outcomes, and unemployment is a risk factor for incarceration and for reoffending post-release'.<sup>39</sup> In 2018, Baldry et al found that:

- less than one-quarter (22%) of prison dischargees reported having paid employment organised that would begin within 2 weeks of release from prison;
- about 3 in 5 (62%) prison dischargees said they did not have paid employment organised; and
- 1 in 6 (16%) said they were unsure.<sup>40</sup>

27 The same study identified some barriers to employment for ex-prisoners, including:

personal characteristics such as disability, attitudes, mental and physical health, level of education, skills and substance use; structural and subsistence conditions such as poverty, discrimination, finance and housing; and support conditions, which include the presence or absence of both formal services and informal supports.<sup>41</sup>

28 The 2016 Council of Australian Governments (COAG) *Prison to Work Report* states:

Employment provides rich opportunities to break the cycle of offending and reduce recidivism rates nationally. A supported transition from incarceration to a meaningful job with ongoing support is a powerful vehicle for integration back into a community.<sup>42</sup>

29 Furthermore, '[t]he importance of stable employment has been widely acknowledged as one of the key protective factors against recidivism'.<sup>43</sup> Criminologist, Andrew Coyle, considers that 'finding a way of earning a living is the most important part of a prisoner's ability to reintegrate into society on release from prison.'<sup>44</sup>

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<sup>38</sup> Maria Borzycki and Eileen Baldry, '[Promoting Integration: The Provision of Prisoner Post-release Services](#)' (Australian Institute of Criminology Trends & Issues in Crime and Criminal Justice No 262, September 2003) 2, citing Social Exclusion Unit, *Reducing Re-Offending by Ex-Prisoners* (Social Exclusion Unit, London, 2002).

<sup>39</sup> Australian Institute of Health and Welfare, [The Health of Australia's Prisoners 2018](#) (Report, 2018) 16.

<sup>40</sup> Ibid 19.

<sup>41</sup> Eileen Baldry et al, [A Future Beyond the Wall: Improving Post-release Employment Outcomes for People Leaving Prison](#) (Final Report, February 2018) 3.

<sup>42</sup> Council of Australian Governments, [Prison to Work Report](#) (Report, 2016) 4.

<sup>43</sup> Simone Rowe et al, 'Addressing Education, Training, and Employment Supports for Prisoners With Cognitive Disability: Insights from an Australian Programme' (2019) 17 *Journal of Policy and Practice in Intellectual Disabilities* 43, 44.

<sup>44</sup> Andrew Coyle, [A Human Rights Approach to Prison Management: Handbook for Prison Staff](#) (International Centre for Prison Studies, 2<sup>nd</sup> ed, 2009) 89, cited in Jesse Cale et al, 'Australian Prison Vocational Education and Training and Returns to Custody among Male and Female Ex-Prisoners: A Cross-Jurisdictional Study' (2019) 52 *Australian and New Zealand Journal of Criminology* 129, 130.