



**Evidence base for State of the Family 2016:  
The lived experience of jobseekers**

# **JOBS AVAILABILITY SNAPSHOT**

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## EXECUTIVE SUMMARY

Anglicare Australia commissioned the *Jobs Availability Snapshot* as a simple test of the labour market as it affects the most disadvantaged and marginalised working age members of Australian society.

The shape of work, and the labour market, is changing rapidly in Australia, as it is across the world. Many of the people with whom Anglicare network organisations work are being left behind, or excluded from this new economy. Evidence from the Anglicare network is that ongoing support, respect and inclusion makes a real difference to the outcomes for many people living on the edges, but that paid work for people with limited education, training or reasonable work experience can be very hard to find.

At the same time there is a continuing public campaign in politics and the media to suggest that people without work are entirely responsible for their own circumstances, and that they could and should try harder and more successfully to get a job. In partnership with that populist view of unemployment, government links income support for people without work to a range of activity tests and associated penalties. This reinforces the notion that it is issues of behaviour rather than opportunity which need to be addressed.

The target group for this research is people who have extra barriers to entering the work force due to low levels of skills, experience or qualifications. That may be because they grow up with ill health, a history of trauma, poor literacy, or family dysfunction, or because the industry they have worked in all their lives has disappeared.

The Snapshot refers to these groups collectively as Disadvantaged Job Seekers. It uses Australian government data in order to throw a light on the actual availability of jobs for which these people could reasonably apply. The Snapshot looks specifically at three federal government indicators:

- The Australia and New Zealand Standard Classification of Occupations (ANZSCO)<sup>[1]</sup> which is a typology of all potential positions in the labour market
- Internet Vacancy Index (IVI)<sup>[2]</sup> which examines the distribution of currently advertised positions, by ANZSCO skill level, and
- Job Seeker Classification Index (JSCI) which classifies people using government funded employment services according to the barriers they face to entering the workforce, with Stream C being most disadvantaged

The Snapshot was undertaken in May 2016 and drew on that month's publicly available data from the Australian and New Zealand Standard Classification of Occupations (ANZSCO), the Department of Employment Internet Vacancy Index (IVI)<sup>[3]</sup>, and *Jobactive* administrative data for Stream C participants<sup>[4]</sup> as at 31 May 2016.

*“The target group for this research is people who have extra barriers to entering the work force due to low levels of skills, experience or qualifications.”*

Data analysis was undertaken in three parts. The first part uses the ANZSCO to identify the level of jobs that would be suitable for Disadvantaged Job Seekers. The second part uses the IVI to determine the proportion of jobs currently available at these lower skill levels (levels 5 and 4 at best). The final part tests if sufficient jobs were advertised for those disadvantaged job seekers required by law<sup>[5]</sup> to seek work.

In short, the Snapshot report covers the kinds of jobs there are; how many of each type there are; and whether there are enough for people with limited skills and experience.

The findings are clear. Analysis of actual job advertisement numbers show the proportion of higher skill level jobs available in the Australian labour market has grown over the past 10 years, while the proportion for people with lower level skills and experience has fallen, and the divide is growing. For May 2016, the Department's Vacancy Report showed 37% of all positions advertised were at the top skill level, and only 13% were for skill level 5.

The Department's own *Jobactive* data for unemployed jobseekers, shows there are more than six disadvantaged jobseekers for every vacancy at skill level 5 across Australia. In South Australia there are more than nine and in Tasmania ten and a half.

Interestingly, the Snapshot found a marked and growing preference for level 4 over level 5 positions. While only 13% of advertised vacancies were for people at the lowest skills level, 27% were for skill level 4 positions. This suggests disadvantaged job seekers could really benefit from high quality training and experience in paid work; both for the obvious capacity reasons and as a positive signal to employers.

It is important to note that even were all disadvantaged job seekers to reach a skill level 4 there would still be two for every advertised job. Furthermore, given the substantial growth in part-time rather than full time employment and the record number<sup>[6]</sup> of underemployed people looking for more work, people with higher level skills will also be competing for these jobs.

The key finding of the Snapshot is that in a tight and competitive jobs market, there are simply not enough job vacancies for people with limited skill, education or experience. Policies that force people into job search activities and penalise them where they fail to comply are not constructive in any sense. Rather, the Snapshot strengthens the case for rethinking the ways government agencies, support services and employers help disadvantaged job seekers find work.

In considering these findings

- There is clearly scope for investing more, and investing more widely, in building the skills and capabilities of people currently excluded from the workforce
- There is an obvious incentive to make appropriate employment creation an immediate priority in both South Australia and Tasmania
- There is every reason to ensure that those people who are excluded from the workforce can access an adequate income to improve the education, health and wellbeing of themselves and their families; and to put them in the best position to find and keep employment should the opportunity arise.

# INTRODUCTION

Anglicare Australia commissioned the *Jobs Availability Snapshot* as a simple test of the labour market as it affects the most disadvantaged and marginalised working age members of Australian society.

The target group for this research is people who have extra barriers to entering the work force. This is usually due to low levels of skills, experience or qualifications. The reasons behind this can be varied and complex. Simply being young and finishing school without year 12; re-entering the workforce after a period of caring; living in an area with few jobs; being unemployed for a long period of time; having a mental illness or disability which is not severe enough to qualify for the Disability Support Pension; having low literacy, numeracy or English skills can all be significant barriers to employment. Similarly, many Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, and older workers where the industry utilising their skills has ceased or moved away face ongoing barriers to entering or re-entering the workforce. We note, the longer people are unemployed, the longer they are likely to remain so.<sup>[7]</sup>

In this report we will refer to these groups collectively as Disadvantaged Job Seekers.

Employment is recognised as one of the most direct routes out of poverty. More constructively it is how many people find security, build meaning in their lives, participate in the community, and contribute to society through their efforts and taxes. In short, employment is usually a good thing for individuals and their families and communities. And a healthy economy and good public policy should lead to work that is available to everyone with the capacity.

In June 2016, there were 732,000 registered unemployed people and an estimated 875,200 underemployed people across Australia.<sup>[8]</sup> On average, 168,896 jobs are advertised each month. Overall, this equates roughly to four unemployed people, or nine people looking for work, for every advertised position. It is a competitive market.

As articulated above, disadvantaged job seekers confront additional barriers to employment. They also face a strong presumption that there would be work available to them if they tried harder, and – for those on income support – have to live with a number of activity tests and financial penalties informed by that presumption.

In other words, rather than looking at the most effective mechanisms for improving participation by the unemployed, especially Disadvantaged Job Seekers, successive governments have adopted approaches aimed at shaping (read: changing) behaviour and punishing people when they do not respond as required.<sup>[9]</sup>

*“ ... disadvantaged job seekers confront additional barriers to employment. They also face a strong presumption that there would be work available to them if they tried harder ... ”*

Current policy discourse privileges a 'work-first' approach to employment,<sup>[10]</sup> which assumes that whatever the job, a person will be better off with that job than without it. This is arguable,<sup>[11]</sup> and feeds the presumption that there are sufficient opportunities for people to win a job of some sort, whatever their capacity or circumstances. That allows others to blame the unemployed person him or herself for being out of work.

As a starting point to developing effective inclusionary employment policies that deliver the personal and wider economic benefits of greater workforce participation by disadvantaged job seekers, we need to test whether the labour market has the capacity to provide a job for all people who need one. If it does not, the debate can then refocus on how to create employment options that are sufficiently responsive and adaptable to meet the particular requirements of traditionally 'hard to employ' cohorts.<sup>[8]</sup>

In order to achieve this it is necessary to explore some of the granularity, or detail, which exists behind the "one vacancy plus one unemployed person equals one employment situation".

For this reason, Anglicare Australia commissioned the *Jobs Availability Snapshot*, research into the availability of jobs across Australia suitable for people with limited skills, experience and qualifications.

## AIM

The aim of this research was to utilise available ABS and Department of Employment data to examine whether the job market is open to people with low levels of experience, skills and qualifications; whether there are enough jobs at the entry level for people to transition into the workforce; and ultimately whether the current argument and policy instruments placing full responsibility for unemployment onto the individual are warranted, or indeed defensible.

The question we are asking in this research is does an examination of levels of available jobs help us to understand the challenges for disadvantaged job seekers.

The alternative view is that there are enough jobs for all job seekers at every level if people are willing to do enough to gain one. At its simplest this market understanding of bringing one vacancy and one job seeker together assumes that all jobs are open to everyone.

*"As a starting point to developing effective employment policies we need to test whether the labour market has the capacity to provide a job for everyone who needs one."*

## METHODOLOGY

The *Jobs Availability Snapshot* examines the extent to which jobs are available for job seekers who may be disadvantaged. It seeks to build awareness of their experiences and to shed light on what is being asked of them. Its findings challenge the rhetoric that if people wanted to work they could.

The Jobs Availability Snapshot sets out to establish an evidence base that determines how well the labour market is geared to accommodate disadvantaged job seekers. It focuses on unemployed people who have limited skills, experience and qualifications because this group has the most difficulty finding a job, is likely to experience some of the longest periods of unemployment and is subject to the fiercest scrutiny in relation to seeking employment.

The report looks specifically at three federal government indicators:

- The Australia and New Zealand Standard Classification of Occupations (ANZSCO) which is a typology of all potential positions in the labour market
- Internet Vacancy Index (IVI) which examines the distribution of currently advertised positions, by ANZSCO skill level
- Job Seeker Classification Index (JSCI) which classifies people using government funded employment services according to the barriers they face to entering the workforce

The Snapshot was undertaken in May 2016 and drew on that month's publicly available data from the Australian and New Zealand Standard Classification of Occupations (ANZSCO)<sup>[1]</sup>, the Department of Employment Internet Vacancy Index<sup>[2]</sup>, and Jobactive administrative data for Stream C participants<sup>[4]</sup> as at 31 May 2016.

Data analysis was undertaken in three parts. The first part uses the ANZSCO to identify the level of jobs that would be suitable for someone with limited skills, qualifications and experience from a list of all possible jobs that theoretically exist in Australia.

The second part determines the proportion of jobs currently available at these lower skill levels.

The final part examines whether the quantity of these roles – quality notwithstanding – was sufficient to accommodate the labour supply of disadvantaged job seekers who are required by law<sup>[5]</sup> to seek work.

In short, the Snapshot covers the kinds of jobs there are; how many of each type there are; and whether there are enough for people with limited skills and experience.

*“ ... the Snapshot covers the kinds of jobs there are; how many of each type there are; and whether there are enough for people with limited skills and experience.”*

## Job advertisements as a proxy for job opportunities

The Australian Bureau of Statistics (ABS) states that “Job vacancies are an indicator of unmet labour demand and complement indicators of underutilised labour supply such as unemployment and underemployment.”<sup>[12]</sup> Data on job vacancies are used by politicians, bureaucrats, advocates and academics as indicators of economic progress and to underpin forecasting models.<sup>[12]</sup> In short, job vacancies are a valid measure of future employment growth or decline, and therefore of job opportunities.

Advertisements and vacancies are not the same thing. For instance, a single job may be advertised in a number of locations; many vacancies may be advertised at once, a government bulk-round is a good example of this; or, a job might not be advertised at all.<sup>[13]</sup> However, an ABS analysis of the efficacy of the various surveys and indices shows that each of the methods returned relatively similar predictive power in terms of the relationship between the measure – vacancies or advertisements – and the outcome: a rise or fall in employment growth.<sup>[14]</sup>

The Internet Vacancy Index reports on vacancies according to their associated skill level. This was determined to be the preferred measure for this study as it allows us to use advertisements as a proxy for job opportunities and speak to the larger economic debate.

## Stream C as a proxy for Disadvantaged Job Seekers

This report draws on the *Jobseeker Classification Instrument* (JSCI) to identify people with barriers to entering the workforce including low experience, low skills or qualifications, long periods of unemployment as well as various demographic characteristics. These attributes are known to be significant barriers to employment and also underpin the ANZSCO skill levels which allows for the analysis below.

The *Job Seeker Classification Instrument* (JSCI)<sup>[3]</sup>, identifies barriers to seeking employment, correlated to levels of support. The Instrument is based on a number of variables, which are known factors likely to reduce the chances of that person getting a job. Each factor has a number of options that are weighted in terms of their impact on employment prospects. For example in the 2012 JSCI<sup>i</sup>, education is a factor where a qualification is weighted at 0 points and no education is weighted at 4 points. Similar weightings apply to experience and skills, where their absence attracts a higher weighting. A higher total score means a greater requirement for support to engage with the labour market. Other variables point directly to key factors that exacerbate exclusion from the Australian labour market. For example, if a candidate is older, a woman, if they are of a Culturally and Linguistically Diverse (CALD) or Indigenous background, or if they have a disability, they are weighted more heavily and gain more points and greater support. These are signals the Australian Government uses to determine the people who are least likely to be able to get a job on their own.

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<sup>i</sup> Based on the 2012 JSCI, as this was the most recent, publicly available version when this study was conducted. In more recent versions the same factors are used, though weightings may have been updated.

To gain an insight into the experience of these job seekers we have used *Jobactive* data on Stream C participants: job seekers with limited skills and qualifications but who, under the Social Security Act 1991, are obliged to move off benefits through engaging with employment as soon as practical. These jobseekers have been categorised by the Job Seeker Classification Instrument (JSCI) as requiring additional assistance. They experience greater disadvantage, which increases the difficulty of obtaining employment without assistance.

Not every job seeker experiencing disadvantage will qualify for Stream C, however the use of Stream C provides federal government numbers that we can then compare with federal government data on types of vacancies and the level of those vacancies; providing the Job Availability Snapshot.

This means that the Snapshot is necessarily conservative. In fact the experience for someone with the characteristics of a Disadvantaged Job Seeker is likely to be even more negative than our figures show.

*“To gain an insight into the experience of these job seekers we have used Jobactive data on Stream C participants: job seekers with limited skills and qualifications but who, under the Social Security Act 1991, are obliged to move off benefits through engaging with employment as soon as practical.”*

## FINDINGS

This section describes the three indicators and the instruments from which data are derived. It presents key findings for each indicator.

### **Jobs Type - Australia and New Zealand Standard Classification of Occupations (ANZSCO)**

*This typology* establishes a baseline to ascertain which jobs a disadvantaged job seeker might actually be qualified to apply for and obtain. It allows us to compare the actual experience of jobseekers to a theoretical one. The framework that has been adopted to classify occupations is an internationally comparable instrument that reports on and quantifies the different types of occupations available to Australians in a modern labour market and the skill level required to undertake them.<sup>[1]</sup> Across the board, the Australian and New Zealand Standard Classification of Occupations (ANZSCO) records data on a number of job specialisations and generalist positions, which at its highest level of detail, records data on over 2000 different types of job that exist in the Australian and international job markets.

Table 1: Summary of ANZSCO's skills levels and expected qualifications

Skill level	Description	Percentage of occupations classified at each level
1	Bachelor degree or higher qualification, or at five years relevant experience	35
2	Associate Degree, Advanced Diploma or Diploma, or least three years of relevant experience	8
3	Certificate IV or Certificate III including at least two years of on-the-job training, or at least three years of relevant experience	17
4	Certificate II or III, or at least one year of relevant experience	19
5	Certificate I, or the completion of compulsory secondary education.	21

The ANZSCO lists all the possible job types that exist in Australia and allocates each job type a skill level. It uses five levels to distinguish between the skills, experience and qualifications required to undertake a certain type of job (see **Table 1**). The greatest requirements attract a skill level of 1 or 2, whereas jobs with the least requirements attract a skill level of 4 or 5. This indicator examines the jobs that are *potentially* available in Australia rather than describing how many jobs are currently advertised.

We should also note that for some people even achieving level 5 is difficult, particularly where they have not completed Year 10. In fact, many people in Stream C (our target group) would have that difficulty.

The types of positions offered at level 1 include executive positions such as CEOs and professional roles such as doctors or lawyers. By contrast, the types of positions offered at level 5 include manual labour and routine positions such as building labourers and cleaners<sup>ii</sup>.

In terms of high-skilled (Level 1 and 2) semi-skilled (Level 3) and low-skilled (Level 4 and 5) job-types, the majority of job-types in the current Australian labour market are classified as skilled and professional positions. Over one third (35%) of jobs monitored by the ANZSCO fall into the highest skill level (1) and around one fifth (21%) of job categories fall into the lowest skill level (5). The two lowest skill levels, level 4 and 5 together, comprise 40% of the job categories that exist in the Australian labour market today.

<sup>ii</sup> For ANZSCO categories that only have a small number of positions advertised in each skill level the levels are banded. For the purposes of the Snapshot the bands have been conservatively aggregated. Skill level/band 4 and 3,4 aggregated as level 4. Skill level band 5 and 4,5 have been aggregated at skill level 5.

## Vacant Positions - Internet Vacancy Indicator

The following indicator examines how many jobs are actually advertised at each ANZSCO level.

The *Position by skill level* indicator considers the **actual** composition of the demand for labour in the current labour market. *Position by skill level* demonstrates the actual distribution of advertised positions in a given period based on skill level. Skill levels are determined by the complexity of the occupation and the qualifications required to operate successfully in that role. The distribution shows the extent to which low-skilled positions are in demand in the Australian labour market.

The Internet Vacancy Index (IVI) quantifies the number of jobs advertised in each ANZSCO job category across Australia. From this index we can also determine the change over time in the number of jobs ads for particular skill levels.

On the face of it, positions at the highest skill level seem to be the most frequently advertised over the period. Based on calculations made from the Internet Vacancy Index and over the 12 months prior to May 2016, on average, there were over 60,000 positions advertised each month compared to the lowest skill level where on average there were just over 25,000 positions advertised across Australia. Over the 12 months to May 31, job advertisements remained relatively stable with a to-be-expected decrease around December/January. The Department of Employment states that within the period, all categories of occupations experienced some growth; the strongest being among higher skill level occupations.<sup>[2]</sup>

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Table 2: Job Vacancy Indicator – Trend Series, June 2015 - May 2016

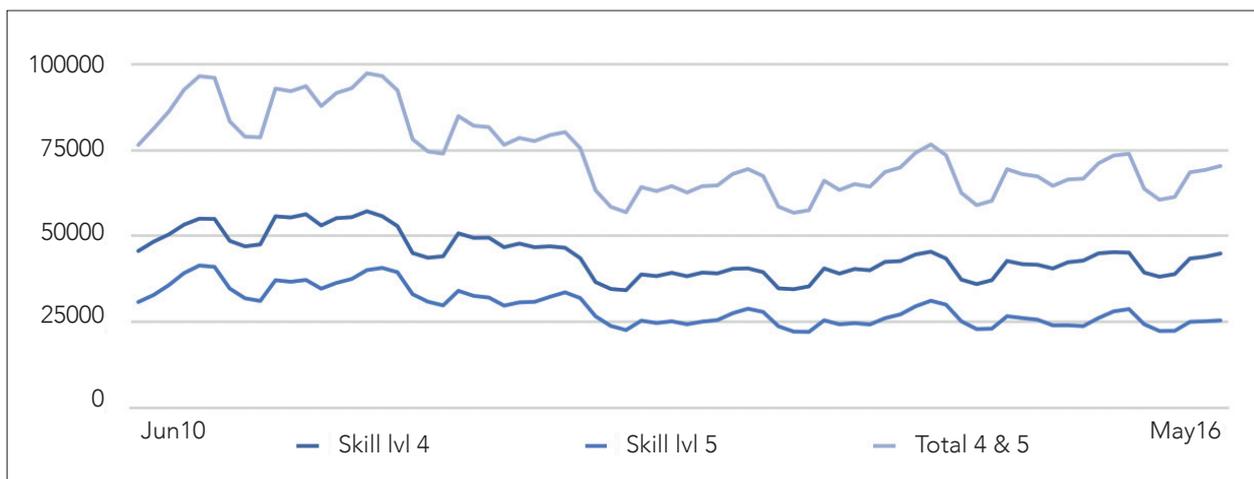
Skill Level IVI – Trend	Index (Jan '06 = 100)	Monthly % change	Yearly % change	May 2016 Number of job advertisements	May 2016 % job advertisements
Skill Level 1 - Bachelor degree or higher	97.4	0.9	8.9	62,232	37.3
Skill Level 2 - Advanced Diploma or Diploma	115.7	1.1	11.1	17,861	10.7
Skill Level 3 - Certificate IV or III* (Skilled VET)	81.1	0.8	7.7	20,120	12.1
Skill Level 4 - Certificate II or III	72.9	0.9	7.1	45,438	27.3
Skill Level 5 - Certificate I or secondary education	47.2	1.1	7.8	21,812	13.1
Australia	78.2	1.0	8.4	167,031	100.5

Source: Department of Employment, Vacancy Report, May 2016

**Table 2**, from the Department of Employment’s Vacancy Report, provides more specific information. It shows the strongest growth over the past year was for skill level 2 occupations, with an increase of 11.1%, followed by Skill level 1 occupations (8.9%). Occupations at skill levels 4 and 5 also experienced growth over the year, of 7.1% and 7.8% respectively. This suggests that availability of high-skilled occupations is growing at a faster rate than low-skilled occupations.

The Internet Vacancy Index commenced in 2006 with a baseline index of 100. Changes in the index indicate the growth and decline of the labour market in relation to that baseline and show quite clearly how significantly skill level 5 job advertisements have declined in the last 10 years. **Table 2** shows that in May 2016, only 13.1% of jobs were advertised for skill level 5, whereas the figure for 2006 would have been 21.7%.

**Chart 3: Trends in vacancies of level 4 and 5 positions, June 2010-May 2016**



Trend data for positions advertised at the 4 and 5 level, in Chart 3, show that the relationship between the two levels is fairly consistent. Regional data, available for six years to May 2016, show there have been roughly 1.5 level 4 jobs advertised for every level 5 job. However, that difference has increased, and there has been a divergence between the number of positions advertised at the two levels over the last 12 to 18 months, with 1.8 level 4 jobs to every level 5 job in August 2015 and 1.76 in May 2016. It will be of particular interest to note over the next 12 to 18 months whether that divergence continues or whether it will return to trend.

Further evidence of the growing complexity of work can be seen in the overall downward trend for lower skilled positions. As noted previously, this is perhaps an indicator that for low skilled positions, the labour market (via employers) is shifting away from jobs with no minimum skill set or experience threshold towards requiring evidence of better education, training and/or the ability to operate in a work environment.

The *Position by skill level* indicator has established that vacancies for the highest skill level positions outnumber the least skilled positions by almost 3 to 1. However, the issue is not whether there are a disproportionate number of level 1 jobs over level 5 jobs as such. After all, there are hundreds of thousands of people in Australia looking for a job that suits their skill set; some of whom are unemployed and others not. There is a great deal of churn in the labour market and we would like it to be flexible and adaptable enough to accommodate the needs of all those who are seeking a new position. The issue in question is whether or not the shift away from low-skilled positions means that the labour market can still accommodate the labour supply of people who seek low-skilled positions in order to enter the market and maintain a meaningful attachment with work. In other words, we want to determine that even if employers are moving away from low skilled jobs overall, whether there are still enough available for all of those that need one.

*“In theory people can always do jobs in lesser skilled categories. However, people are not usually able to access a job in a category above their current capability level.”*

It is also worth noting that in theory people can always do jobs in lesser skilled categories, however people are not usually able to access a job in a category above their current capability level. For example in theory a doctor could sell clothes in a shop, but a retail assistant would require extensive extra training to diagnose illness. This again has implications for the number of positions available for disadvantaged job seekers and the competition they face for those vacancies.

## Job Seekers per position

This study focuses only on Disadvantaged Job Seekers, but this group needs to be first placed within the broader context of all people who are looking for work. In June 2016, there were 732,000 unemployed people<sup>[8]</sup> and an estimated 875,200 underemployed people across Australia.<sup>[8]</sup> On average, 168,896 jobs are advertised each month. For every advertised position this equates roughly to four people who are unemployed or nine people looking for work.

The Department of Employment's *Jobactive* data show there were 138,044 registered Stream C participants in May 2016. Assuming that someone in Stream C could gain a level 5 position there were 6.33 job seekers for every position. Even if we broaden this to assume vacancies in level 4 as well as level 5 were suitable there were 2 people classified as Stream C for every vacancy. This very simple ratio only takes into account people actually classified as Stream C on the JSCI and doesn't take account of anyone else applying for those jobs.

At the very best this means that roughly 50% of those who must attempt to find work are destined to fail. They are structurally excluded from the labour market.

## State and Territory break down

The core analysis of the national data can also be applied to the states and territories. **Table 4** details the skill composition of the national labour market as determined by the ANZSCO, compared with the breakdown of actual advertised vacancies by state and territory.

**Table 4: Proportion of total jobs, theoretical and actual, States and Territories, June 2015-May 2016**

Skill level	Theoretical proportion % ANZSCO	Actual proportion % IVI							
	All states and territories	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
1	35	50	41	33	34	30	28	38	32
2	8	10	9	12	10	11	12	9	10
3	17	10	10	15	12	11	10	10	15
4	19	19	27	24	27	26	24	27	28
5	21	11	14	16	18	22	26	16	15

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The theoretical proportion describes the types of jobs that are currently undertaken in the labour market by each skill level. The actual proportion is the number of vacancies advertised for each type of job and the associated skill level.

While vacancies at skill level 4 are relatively high across the board, vacancies for positions at skill level 5 are appreciably higher in South Australia and Tasmania than in the other states and territories.

**Table 5: Ratios of low-skilled vacancies (Level 4 & 5) and JSCI Stream C Job Seekers, States and Territories, May 2016**

	People per job Level 5	People per job Level 4 and 5
ACT	5.42	1.0
NSW	4.57	1.54
NT	2.63	1.01
QLD	6.43	2.55
SA	9.39	4.17
TAS	10.62	5.28
VIC	4.48	1.59
WA	7.02	2.49

**Table 5** shows the number of advertised level 4 and 5 positions compared to the number of Stream C job seekers by state and territory.

In May 2016, all the states had more people in Stream C requiring work than there were vacancies in level 4 and 5 jobs. The situation for people seeking or only suitable for level 5 jobs was more extreme.

In some jurisdictions the disparity between available positions and people requiring work was alarming. For example, despite the appreciably higher proportion of vacancies advertised at this level, in SA there were more than nine people for every level 5 vacancy and Tasmania there were more than ten.

When vacancies for skill level 4 and 5 are combined, it is a somewhat different story in the territories. There were few advertised low-skilled positions in May 2016 in the ACT and similarly few people who need to find work at those levels. In the Northern Territory the proportion of people to vacancies is similar. For people seeking a position at level 5, however, that difference is not sustained.

The national figures make it clear that this is a national issue. There are more than five Stream C job seekers for every level 5 position advertised, and almost two for levels 4 and 5 combined. And it must be born in mind that in addition to the people identified in this table, people in all other skill categories could also be competing in level 4 and 5 jobs, further exacerbating the poor outcomes for those classified as Stream C.

## DISCUSSION

These findings have a number policy implications and point to further areas of inquiry and research.

The key finding from this first *Jobs Availability Snapshot* is that there doesn't appear to be enough jobs available in the Australian labour market open to disadvantaged job seekers.

It is fair to say that this situation cannot be changed in a few months, let alone overnight. The first responsibility then for public policy in this area is to ensure that an adequate income for people who are excluded from the workforce. Recent research commissioned by Anglicare Australia shows that people relying on income support such as the Newstart and Youth allowances have inadequate income on a day to day basis<sup>[15]</sup>; are likely to be in housing stress<sup>[16]</sup>; live with food insecurity<sup>[17]</sup>; and face a further fall in living standards<sup>[18]</sup>.

*“The key finding from this first Jobs Availability Snapshot is that there doesn't appear to be enough jobs available in the Australian labour market open to Disadvantaged Job Seekers.”*

The campaign by peak bodies such as ACOSS for the Newstart Allowance to be lifted above the poverty line has been criticised by government as unimaginative<sup>[19]</sup>. It requires only a little imagination however to see how destructive and unhelpful it is – socially and economically – for government to ignore the consequences of such endemic poverty and to refuse to accept any responsibility for it and the structural exclusion it reflects.

Other questions that arise from the finding that there are not enough jobs available, and winnable, for disadvantaged job seekers are about the jobs mix itself.

The changing face of industry sees increasing complexity in the work place and, as a consequence, the proportion of jobs classified at the higher skill and experience levels is growing. Australia is also experiencing the highest level of underemployment on record<sup>[6]</sup>. This is creating increased competition for the remaining low skill and entry-level positions. As the Snapshot has shown, if the goal is to provide real pathways to participation in the workforce for all people with the capacity, it is fruitless to simply expect this imbalance to resolve itself.

An imaginative response might be to look to targeting public and private investment at the creation of such entry level or low skill positions. There is no shortage of situations where community development work has been the bridge between community well being and improved educational and employment outcomes<sup>[20]</sup>. The now restructured Community Development Employment Projects in remote Aboriginal communities and the work of Infoxchange with young public housing tenants in metropolitan Melbourne<sup>[21]</sup> are at two ends of that spectrum.

The creation of sustainable entry-level job opportunities could be one of the key outcomes for governments when they commission and contract public services. Anglicare Australia's 2016 position statement on secure work looks further into the links between the changing shape of work and the impact that has on people, families and communities<sup>[22]</sup>.

One other key finding of the Snapshot is in the growing availability of jobs at skill level 4, which is for people with some additional work experience and/or post secondary education, as opposed to those at level 5. One of the key strategies then is to deliver the targeted support that will provide the scaffold for Disadvantaged Job Seekers to move from level 5 at best to a skill level 4.

In 2014 Anglicare Australia commissioned a study of experience in employment support across its network, *Beyond Supply and Demand*<sup>[10]</sup> which found that a "person first" approach built on acknowledging the background, circumstances and ambitions of the job seeker delivers more positive training and employment outcomes than the populist "jobs first" approach which relies on activities test and financial penalties to change the behaviour of job seekers, rather than build capacity or opportunities.

*"Australia is also experiencing the highest level of underemployment on record. This is creating increased competition for the remaining low skill and entry-level positions."*

*Positions Vacant? When there aren't enough jobs*, Anglicare Australia's State of the Family report for 2016, published with this study, includes a number of case studies of Anglicare network programs with ex-prisoners, people living with mental illness, young people exiting care and young people more generally, which all show that kind of engagement and support. Every person's situation is different, and there is no assurance, as this study has shown, that there is work available, but changes in approach by employers as well as agencies and support services clearly need to be a feature of more inclusive employment policies.

This may be one of the more complex challenges. Labour market research<sup>[23]</sup> suggests that with greater competition (where, for example, candidates significantly outnumber available jobs) greater discrimination or exclusion occurs. Often, this is in the form of statistical discrimination, where employers make generalisations about cohorts that share a trait, for example, race, gender, or education.<sup>[24]</sup> In the case of the long-term unemployed, the grounds for exclusion could be the absence of a recent work history, discernible skills or the sensibilities (soft skills/emotional intelligence) that are presumed to accompany educational qualifications.

In short, employers make assumptions about a person based on the signals of a person's education, experience and skills. Just as extensive education signals to employers that a candidate is likely to have ambition, drive, a tendency to succeed and not to quit; conversely a lack of education and experience can operate as a signal to suggest just the opposite.<sup>[25]</sup>

This process of screening, or '*signalling divide*', gives no value to a person's willingness to learn, nor to the loyalty that comes from being given an opportunity, nor the benefits that come from on the job training. Whether the screening process is done consciously or not, Disadvantaged Job Seekers have little opportunity to signal to potential employers the attributes they do possess that could benefit the employer in the long-run.

Employers seeking to employ people for low-paying, low-skilled positions are unlikely to follow the same processes. Where recruitment costs are high and the expected productivity return is low a significant investment in recruitment is not warranted. There is seldom an opportunity for candidates who may be well suited to the positions they are seeking to demonstrate positive attributes that fall outside the general screen.

Research on engaging people with a disability, for example, showed productivity increases and broader benefits for the whole organisation: including higher staff retention (reducing recruitment costs) and higher levels of safety (reducing costs related to absenteeism and other safety costs).<sup>[26]</sup>

*"This process of screening, or "signalling divide" gives no value to a person's willingness to learn, nor loyalty that comes from being given an opportunity, nor the benefits of on the job training."*

And while this study focuses on a broader group, the example is indicative of what can be achieved when prejudices are broken down and people who want to work are given the opportunity to do so.

Such an analysis reinforces the view, above, that the greatest ground for people with limited skills can be gained through supported employment programs. In that way, promoting the strengths and attributes of candidates could counteract some of the adverse effects of the *signalling divide*, and allow employers to consider them from a position of strength rather than deficit.

Anglicare network research<sup>[10]</sup> points to the importance of explicit pathways to real jobs for people who are, or believe they are, excluded from the workforce, and that requires a commitment from employers and from potential employees.

The Snapshot also highlights how much the situation varies in different parts of Australia. This study suggests it is time for a major investment in job creation and skill development in both Tasmania and South Australia, as Disadvantaged Job Seekers in those states face the greatest competition for relevant jobs, largely due to the changed industrial landscape. However, the Anglicare network research suggests that in every case it is long-term investment and local solutions that are needed.

This study doesn't look at the cause of Indigenous disadvantage, the prejudice faced by people living with mental ill health, the demoralisation that comes with the isolation and vulnerability of too many young people leaving state care, the overwhelming impact of the loss of an industry or employment when it's all you and your family have known all your life.

The most effective way to improve employment outcomes for Disadvantaged Job Seekers is to end the disadvantage.

*“ ... this report debunks the assumption that people who remain unemployed do so because they are not prepared to work: while there are some appropriate jobs in the labour market, there are simply not enough to cater for the number of people in with limited skills and experience who are looking for work.”*

## CONCLUSION

It is clear that gaining employment for people with limited skills and experience is not straight forward. The evidence presented in this report debunks the assumption that people who remain unemployed do so because they are not prepared to work: while there are some appropriate jobs in the labour market, there are simply not enough to cater for the number of people in with limited skills and experience who are looking for work.

While on average, 168,896 jobs are advertised each month across Australia, figures for June 2016 showed 732,000 unemployed people and roughly 875,200 who are underemployed. That is one possible position for every four people unemployed, and every nine people looking for work.

Importantly the proportion of higher skill level jobs available in the Australian labour market has grown over the past 10 years, while the proportion for people with lower level skills and experience has fallen. Analysis of actual job advertisement numbers show how that divide is growing. In 2016, Departmental Vacancy report shows 37% of positions advertised were at the top skill, and only 13% were for skill level 5, which is a seven per cent increase over the past 10 years at the top, and an eight and a half per cent decrease at the bottom.

As we narrow our gaze to the Department's own *Jobactive* data for unemployed Job Seekers, there are more than six Disadvantaged Job Seekers for every vacancy at skill level 5 across Australia, more than nine in South Australia and ten and a half and in Tasmania.

There is an interesting distinction among low-skilled positions, with the study finding a marked and growing preference for level 4 over level 5 positions. In the year to May 2016, only 13% of advertised vacancies were for people at the lowest skills level, while 27% were for skill level 4 positions. This points to tangible benefits for disadvantaged job seekers of real training and experience in paid work.

Even so, there are two Stream C job seekers for every advertised job at level 4 and 5 combined. Furthermore, given the substantial growth in part-time employment and in the number of people known to be looking for more work, we can expect that people with high level skills will also be competing for employment at level 4 and 5.

The *Jobs Affordability Snapshot* finds that in a tight and competitive jobs market, there are simply not enough job vacancies for people with low skill, education or experience – Disadvantaged Job Seekers – who are looking for work. Policies that force people into job search activities therefore are unlikely to be a key factor in increasing workforce participation, as so many of the people targeted by them are structurally excluded from employment. There are many more constructive priorities that governments could pursue.

*“The Jobs Affordability Snapshot finds that in a tight and competitive jobs market, there are simply not enough job vacancies for people with low skill, education or experience – Disadvantaged Job Seekers – who are looking for work.”*

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