

JOBS AVAILABILITY SNAPSHOT

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
- » The **Internet Vacancy Index** (IVI) which examines the distribution of currently advertised positions, by ANZSCO skill level
- » The **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 is undertaken in May of each year and draws on that month's publicly available data from these indicators.

Data analysis is 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 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.

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." Data on job vacancies are used by politicians, bureaucrats, advocates and academics as indicators of economic progress and to underpin forecasting models. 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. 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.

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

The Snapshot 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), 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, 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 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.

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 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.