

Relationship between job vacancies and the number of jobs that might be available at any one period

Job vacancies are commonly used as an indicator of potential job opportunities in the economy. They are, however, an imperfect measure for a number of reasons:

- each of the two major job vacancy series are believed to underestimate the total number of vacancies, given the design and coverage of the statistics and employer practices in filling jobs informally; and
- employers may have a latent demand for workers. However, if they don't think that there are good prospects of the job being filled (due to skill shortages or other factors) they may decide not to create a vacancy. In such cases, employers may fill a demand for additional hours to be worked through having their existing employees work longer hours.

ANZ Vacancy series

The ANZ Bank series has historically measured the number of newspaper job advertisements, averaged over the Saturdays in a month. More recently, the ANZ has also included internet advertising in its release. These counts of the numbers of jobs advertised represent an underestimate of the number of job opportunities for a variety of reasons, the most important of which are specified below.

Many job vacancies are not advertised but filled by informal means. According to the ABS publication *Successful and Unsuccessful Job Search Experience*, only 15 per cent of successful jobseekers became aware that the job was available through newspaper advertisements. Many more vacancies are filled as a result of job seekers:

- approaching employers for work (18 per cent);
- finding out about vacancies from friends, relatives or company contacts (20 per cent); and
- employers approaching job seekers (23 per cent).

Both internet and newspaper counts are not exhaustive. Advertisements in one to three newspapers in each State or Territory are counted for the newspaper series, while only six internet sites are counted for the internet series. The counts are of the numbers of advertisements, not the number of positions. For example on the Australian Job Search internet site, there are approximately two positions per advertisement. On the other hand, this is likely to be offset to some extent by the same vacancy being advertised simultaneously in several outlets.

ABS Vacancy series

The ABS estimate is based on a survey of employers and is broader than the ANZ measure as it includes vacancies that have not been advertised in the press. Nevertheless, the ABS estimate excludes some categories of vacancies and therefore is also likely to underestimate the total number of vacancies.

The ABS survey relates to job vacancies for wage and salary earners and excludes vacancies for persons not regarded as employees for the purposes of the survey (eg, self-employed persons such as subcontractors and consultants). Vacancies in the following **sectors** are not included in the ABS survey:

- the Australian permanent defence forces;

- businesses primarily engaged in agriculture, forestry and fishing;
- private households employing staff;
- overseas embassies, consulates, etc; and
- job vacancies located outside Australia.

Vacancies relating to the following **employment situations** are also excluded from the ABS estimate:

- jobs of less than one day's duration;
- to be filled by persons already hired, or by promotion or transfer of existing employees;
- to be filled by employees returning from paid or unpaid leave or after industrial disputes;
- not available for immediate filling on the survey reference date;
- not available within the particular State or Territory to which the return relates;
- for work to be carried out under contract;
- to be filled by staff from contract labour agencies; and
- those for which no effort is being made to fill the position.