

Wednesday 27 November 2024

Jobs and Skills Australia
JSA-Nowcasting@jobsandskills.gov.au

Dear Sir / Madam

Total New Vacancies series feedback

The Financial Advice Association of Australia¹ (FAAA) welcomes the opportunity to provide feedback to Jobs and Skills Australia (JSA) on its 'experimental release' of its new JSA Total New Vacancies (TNV) series.

Effectively capturing job vacancy information is critical to informing government and business on labour market matters.

As discussed in a meeting with JSA in September 2024, the number of financial advisers and financial planners has declined rapidly since 2018, while the demand for financial advice has continued to grow. With the introduction of legislated education and training requirements in 2019, there is now a shortage of advisers, with many businesses unable to find qualified candidates to fill financial adviser roles resulting in firms turning away new clients.

We understand the new experimental JSA TNV dataset seeks to account for changes in the use of online recruitment methods over time, as well as differences in use between occupations by combining the existing JSA datasets - the Internet Vacancy Index (IVI) data and the Recruitment Experiences and Outlook Survey (REOS) data.

We believe the new TNV will assist JSA in estimating more accurate figures in vacancy trends and provide the following feedback to help with ongoing improvements in this area.

JSA Recruitment Experiences and Outlook Survey (REOS)

The methodology for the REOS appears to be based on a 'continuous survey of at least 1,000 employers each month'. It is unclear whether this JSA survey targets the same 1,000 employers each month or whether the selection of employer participants is rotated to capture data from different industries and occupations. As the financial advice profession, and many other professions, are largely made up of small businesses, we question if this approach would adequately capture the state of the financial adviser professional employment market.

We note the REOS 2022 findings referenced in the JSA methodology paper stated that 66% of vacancies for professionals were listed on Internet Vacancy Index job boards (such as with Seek, CareerOne and/or Workforce Australia), from an average annual REOS sample size of 1,200. A sample size of this number

¹ The Financial Advice Association of Australia (FAAA) is the largest association representing the financial advice profession in Australia, with over 10,000 members. It was formed in 2023 following the merger of the two leading financial planning/advice bodies in Australia – the Financial Planning Association (FPA) and the Association of Financial Advisers (AFA). With this merger, a united professional association that advocates for the interests of financial advisers and their clients across the country was created.

may not provide an adequate representation of the market, particularly given the high number of small businesses operating in the professional services space in Australia.

In contrast to the REOS 2022 findings, given the strict legislated standards to enter the financial advice profession² and the relatively small size of the financial advice market³, our members indicate that financial advice businesses rely heavily on the following channels when recruiting financial advisers:

- Existing networks
- Word of mouth
- Profession specific online forums
- FAAA careers board
- Education providers (graduates)

It is increasingly less common for financial advice businesses to rely on more generic job vacancy advertising and recruitment services.

We support the intent of the new JSA TNV dataset to assist in adjustments for differences between occupations in the use of online advertising.

JSA TNV occupation data

The methodology paper indicates the initial experimental release of the JSA TNV series will be based on 2-digit ANZSCO occupation data. This is the ANZSCO sub-major group, the second highest level of the ANZSCO, and captures a very large and broad occupation base. For example, the current classification of Financial Investment Advisers and Managers (2223) are members of sub-major group 22 – Business, Human Resource and Marketing Professionals. This sub-major group includes approximately 56 distinct professions. Given the distinct differences across professions, will the JSA TNV series be expanded to capture data at the unit group or occupation level of the ANZSCO?

We also note the commencement of the new Occupation Standard Classification for Australia (OSCA) on 6 December 2024. The new OSCA will include new and modified classifications following the comprehensive review of the ANZSCO conducted by the ABS. We anticipate that the new JSA TNV series will be based on the new OSCA occupations, rather than the ANZSCO, however request that this is clarified.

We would welcome the opportunity to discuss the information in our submission with you in greater detail. Please contact me on phil.anderson@faaa.au or 02 9220 4500.

Yours sincerely



Phil Anderson

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² Section 921B of the Corporations Act

³ 15,509 financial advisers, Wealth Data, 21 November 2024