

National Employment Advertising Survey

Update - May 1991



Lynn Beaton

JOB WATCH INC.

**National Employment Advertising
Survey**

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I would like to thank all Job Watch staff who helped with the monstrous task of counting all the employment ads over six days in nine daily newspapers.

Lynn Beaton, 1991.



Introduction

Job Watch undertook a national survey of the employment sections of the classified advertisements of major national daily newspapers for the week starting Monday 6th May and ending Saturday 11th May 1991. This survey was a follow-up to the survey undertaken by Job Watch in October 1989.

The original survey was done 'to provide a comparison of the situation in different states, to identify areas where particular problems exist, and to provide a bench mark against which future activity aimed at reducing such problems could be evaluated.'¹

The full results of the October 1989 survey are available from Job Watch but it is necessary to summarise them here. In this survey 32,554 advertisements were counted in ten national daily newspapers. 1,948 (6%) of these were identified as dubious. There was no noticeable difference between states, although there were marked differences between newspapers. The consistency which emerged is that the newspapers which carry the most genuine job advertisements carry a smaller proportion of dubious advertisements. The other associated factor was that on the days of the week which had the least genuine advertisements in all papers, there was a larger proportion of dubious advertisements.

Many of the offending advertisements were classified as dubious because they were placed under categories which were inappropriate for the nature of the advertisement. For example, advertisements for training courses placed in the section marked 'employment', advertisements for the sale of resumes in employment sections, jobs which offer commission only placed in sections called situations or positions vacant etc.

The October 1989 survey also established that although Job Watch is a Victorian based organisation the number of advertisements known to Job Watch to be placed by dubious employers was constant in all states, suggesting that the greater number of dubious employers or would-be employers, operate on a national basis.

The May 1991 survey has been taken in a very different economic climate. We expected this to show an increase in the number of dubious advertisements.

¹ National Employment Advertising Survey, Lynn Beaton, Job Watch, 1990

'It's when economic times are the hardest and people are most desperate for jobs that the shonky job artists come out from under their rocks in droves.

'They raise people's hopes and take their badly needed money or use them to advantage in a variety of ways.'²

The type of scams which arise in times of recession are many and varied. The NSW Commissioner for Consumer Affairs has said that he is worried about ways to prevent these operators from getting victims. He said;

'In many cases prosecutions are absolute nonsense. You are not going to achieve any result - that's if you can actually locate the person involved in the misleading conduct, or whatever it is.'³

When the last survey was done in October 1989 unemployment was at the lowest it had reached for some time 5.5%. There were 457,400 persons looking for work, 29,700 of those were aged between 15 and 19 and were looking for their first job.⁴ In April 1991 just prior to this survey unemployment had risen to 9.9%. There were 856,300 persons looking for work and 46,400 were aged between 15 & 19 and were looking for their first job.⁵ These figures show an increase of almost 400,000 persons or nearly 47%. Of these the increase in 15-19 year olds looking for their first jobs was 16,700. It is this group who are most vulnerable to dubious advertising and its increase in size is of particular concern to Job Watch.

Another group of particular concern are those who have recently been retrenched or made redundant and who have received lump sum payments. ABS statistics show that there have been 359,700 persons who have lost their jobs in the last two years, of these, 263,400 lost were retrenched or laid off⁶. Any payments which these people may have received are seen by unscrupulous operators as game for them to snare and they do so through the employment pages of the classified advertisements. Those who have recently been retrenched and who are eager to turn their funds to providing a future income can easily be snared into believing that the purchase of a product or service might secure this for them.

² Sydney Morning Herald, Saturday June 8, 1991 p71

³ Quoted by SMH, Saturday June 8, 1991 p71

⁴ ABS Cat No. 6203, The Labour Force Australia, October 1989.

⁵ ABS Cat No. 6203, The Labour Force Australia, April 1991

⁶ ABS Cat No. 6203, The Labour Force Australia, April 1991

The most common traps are trucks or vans for sale advertised as owner-driver opportunities or expensive courses which promise to provide new marketable skills.

The increase in unemployment and the associated increase in the number of persons looking for work means that there are nearly twice as many people who we assume are reading the employment advertisements. There are therefore, nearly twice as many people who may fall into the traps which await them if those advertisements are not very carefully filtered.

In times of high unemployment job seekers are more desperate and therefore inclined to take more chances than they might otherwise take. The onus is on newspapers more than ever to prevent advertisements from appearing which either mislead or which don't advertise a job and may lead to hardship and suffering for potential applicants.

Misleading job advertisements also cause inefficiencies in the labour market processes which are costly to the whole society. At the very least a great deal of time, energy and money are wasted by people enquiring about advertisements which are not what they purport to be. In times of high unemployment job seekers need to be assured that the enquiries they make in response to advertisements in employment sections of the classified pages are for genuine jobs. Misleading advertisements create confusion among job seekers, can cause great hardship, are likely to damage the confidence of job seekers, make genuine jobs look badly paid or uninteresting by comparison. These detriments can be avoided if Job Watch recommendations to eliminate dubious advertisements are followed by newspapers.

The survey results will show the changes which have taken place in the newspapers surveyed. The last survey generated a great deal of interest. Since its publication Job Watch has been working with the Trade Practices Commission to develop a pilot program aimed at reducing numbers of dubious employment advertisements. **The long term aim of this project is to develop a code of practise which will be adopted industry wide.**

We have also had communication with some of the newspapers involved and with industry bodies and are gratified by the committment shown in all quarters to overcome this problem. But as the current results will show a great deal more needs to be done to eliminate the problem caused by publishing dubious advertisements.

Methodology

The May 1991 survey used exactly the same methodology as the earlier survey. That is, all employment advertisements which appeared in the surveyed newspapers on each day of the survey week were counted. Dubious advertisements were then marked and counted. In the last survey the data was presented according to categories of what is dubious. Whilst the same categories were used to identify advertisements in this survey the compiling of the data has been according to the sub-headings under which the advertisements appeared. This was done because the single most important and effective measure to eliminate offending advertisements involves the correct categorization or placement under appropriate sub-heading by the newspaper Advertising Managers. We felt therefore that this presentation of the data would most benefit individual newspapers to implement changes in their lay-out which would help job seekers to avoid dubious operators.

We must point out that advertisements which were correctly placed in columns which did not offer employment were not counted at all, either as employment advertisements or as dubious advertisements. Such column headings included Self Employment Opportunities, Employment Services, Business Opportunities.....

The newspapers surveyed were the:

West Australian - WA
Adelaide Advertiser -SA
Hobart Mercury - Tasmania
Herald/Sun - Victoria
Age - Victoria
Sydney Morning Herald - NSW
Daily Telegraph/Mirror - NSW
Courier Mail - Qld
Canberra Times - ACT

What is a dubious employment or training advertisement?

The fundamental criterion used in this survey for identifying an advertisement as "dubious" was that the advertisement could be considered misleading to 'a reasonable person in the street.'

"Misleading" advertisements come in a variety of forms. On a broad level, some advertisements are misleading because of the unreliable nature of the information given

within the advertisement itself. Others may mislead simply through factors such as placement under an incorrect or inappropriate column heading.

Employment is defined as work which is done by an employee in an 'employee / employer' relationship. A reasonable person in the street would expect jobs advertised in employment sections of newspapers to be those of a normal employment nature. Such positions normally provide a regular wage or salary and usually provide conditions such as sick pay, holiday pay, Workers Compensation, PAYE tax, regulated hours and overtime paid for extra time worked etc.

There are two groups of misleading advertisements:

The first is an advertisement which in itself is bona fide but which becomes misleading because it is placed in the wrong column under the wrong heading.

The second is an advertisement which is deliberately placed in order to deceive or mislead. These advertisements involve scams where an operator is deceiving in order to extract money from job seekers, or it is work which is unsatisfactory in the conditions it offers and the remuneration usually made. In this case the job description or the income statement are deliberately false.

Job Watch Survey Categories

Advertisements are counted as dubious if they meet any of the following criteria.

Selling product service or business - These are advertisements which are located in the employment section of the classified advertisements which are not advertising a job vacancy but are seeking to sell something. The products for sale most often include resumes, equipment or tools, mail order information, registration kits or demonstration materials. These advertisements are often phrased to convince that the purchase of the product will secure the purchaser a job. They are extremely pernicious in times of high unemployment and the advertisements which put most at risk those recently retrenched workers who may have received some sort of lump sum pay-out.

If the product offered is genuine the advertisements would be inoffensive if placed in a column called *business services*

Misleading income statement - This category includes advertisements in which the income for the position is dishonestly or artificially inflated, or where ambiguous statements are used to suggest an unrealistically high income level such as *earn up to* etc. Genuine job

advertisements usually state the income or wage range which is payable, and this sets an environment where amounts stated are seen to be offers of remuneration. Advertisements which resort to making unrealistic income statements are deceiving job seekers. The high incomes stated are bait, when the job seeker takes the next step there is usually a hard sales pitch at the other end of the phone and a commission only sales job or a product to be sold. Genuine job advertisements, no matter how modest the salary range may be, state it. No genuine employer wants to snare people by stating inflated pay rates, they know that such a practice would only lead to poor working morale once workers were employed and discovered the actual rates of pay. Employers cannot afford to have the productivity of their workers effected in this way.

Misleading work description - advertisements either contain factual inaccuracies or give little factual information about the nature of the work being advertised but use words which insinuate very favourable job opportunities. These sorts of advertisements describe jobs as having 'management opportunities', 'involving travel' 'joining exciting team of executives' which give false descriptions of what are dead end jobs or jobs with little challenge. In our experience the advertisements which are most misleading in their description of the work are most likely to be placed by unscrupulous operators who either have no job to offer or have a job which will pay little or nothing. For the same reasons as mentioned above genuine employers are aware that giving misleading information about the nature of a job will only bring nuisance and hardship to the organization.

Training as employment - Advertisements for training courses or tuition which are located in the employment columns are misleading. There are three types of advertisement which falls into this category. The first disguises the fact that it is a training course which is being offered and reads as if it is offering an employment position. Such advertisements are, in our view, inherently false or misleading and knowingly carrying them involves a breach of consumer protection legislation by the papers concerned. The second type of advertisement in this category makes it clear that a training course is being offered but guarantees a job at the end of the course. In many cases these jobs do not exist, and the potential student may be signing up for a course under false pretences. A third type of advertisement unambiguously offers training and makes no claims about employment, but is located in the employment columns to enhance its attraction or visibility, this misplacement of the advertisement is itself misleading.

A large proportion of the complaints received by Job Watch involve inadequate training courses, and courses which are sold under false pretences. This is an area which to date is largely unregulated and which attracts a high proportion of unethical operators.

Problem Operator Known to Job Watch - These advertisements have been placed by operators who have been the subject of extensive complaints to Job Watch. These organisations are usually dubious operators in every level of their practice. They have dubious employment practices, they have dubious trade practices and they are financially unreliable. Organizations such as these not only mislead prospective employees they also mislead prospective clients or customers. Acceptance of employment advertisements from these organisations aid and abet their continuing practices. Although Job Watch is a Victorian based organization many of these operators work on a national basis.

Sub-contract - Jobs which are offering work through a sub-contract, agency agreement or other similar arrangement are not offering employment. They are offering the opportunity for work on a self-employed basis. The Report of the Committee of Review of the Australian Industrial Relations Law and Systems makes the following points:

‘However, we do have concern at the prospect of creating a class of so-called independent contractors who in fact work in the role of employees.....We are speaking..... of persons who make arrangements with employers to avoid a bona fide employer/employee relationship by entering into a contract or sub-contract with an employer for the service of their labour only or for the service of their labour and equipment to that employer.’⁷

Legally there is an important difference between employment (contract of service) and other means of engaging people to do work, such as sub-contracting (contract for services):

Commission only paid for sales made - These are advertisements for jobs which offer only commission as remuneration for work done. In some states award coverage for sales work requires that a retainer be paid. In these states advertisements for commission only jobs infringe the award conditions. In any case one of the criteria of employment is that wages or salary are paid.

⁷ Australian Industrial Relations Law and Systems, Report of the Committee of Review, Volume Two, Australian Government Publishing Service, Canberra, 1985, p363.

Complaints involving employment on a commission only basis form a large proportion of complaints made to Job Watch by members of the public. The biggest problem with this kind of employment is that very often the product is extremely hard to sell and therefore the commission made is small. The extent to which a decent livelihood can be made from selling on a commission only basis is dependent on a number of factors which include; the real demand for the product, the quality of the product, the realistic pricing of the product, the amount of promotion the product has received, the amount of office back-up provided for sales representatives, the availability of a genuine 'area' in which the sales representative has exclusive rights and the extent to which genuine leads are provided by the company.

Results of Survey

During the survey week 10% of the advertisements were identified as dubious. A total of 12,361 advertisements were counted in the employment sections of the classified advertisements of the newspapers (not including those columns accurately marked as being for self-employment opportunities, or products for sale, etc.) 1,193 of those advertisements were identified as dubious.

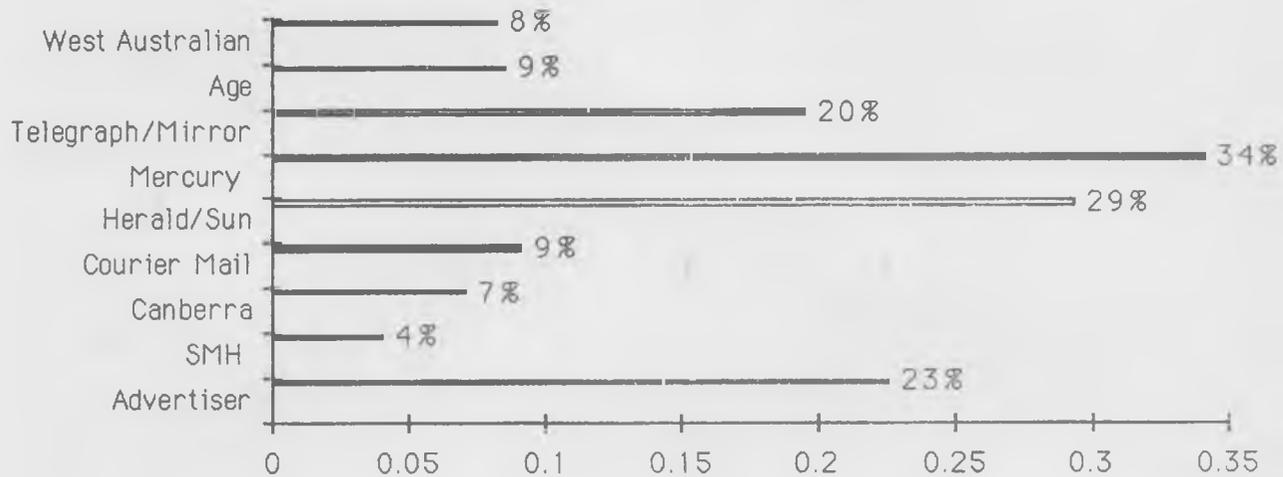
The following table shows the totals for each of the papers.

Table 1

Advertiser Total	751	170	23%
SMH Total	4736	194	4%
Canberra Times Total	337	24	7%
Courier Mail Total	1464	135	9%
Herald/Sun Total	319	94	29%
Mercury Total	222	76	34%
Daily Telegraph/Mirror Total	1023	201	20%
Age Total	2256	195	9%
West Australian Total	1253	104	8%
All Paper Total	12361	1193	10%

Table 2

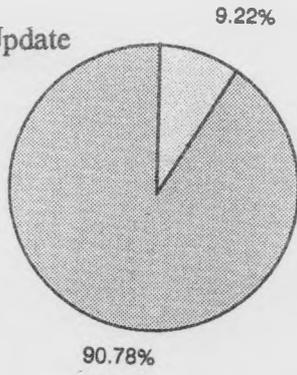
Proportion of Dubious Advertisements in Each Paper



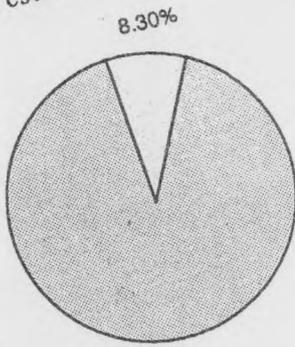
Tables one and two show that the papers with the highest number of advertisements tended to have lower proportions of dubious advertisements. The papers with the highest number of advertisements that is, in order, the Sydney Morning Herald, the Age, the Courier Mail and the West Australian, all had a proportion of dubious advertisements which was below the national average of 10%. With the exception of the Canberra Times all other papers which had a high proportion of dubious advertisements carried much lower numbers of advertisements altogether.

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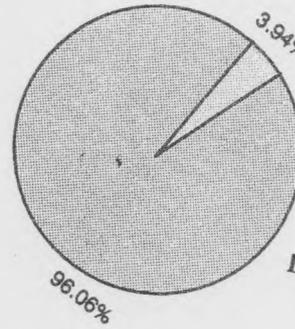
Courier Mail



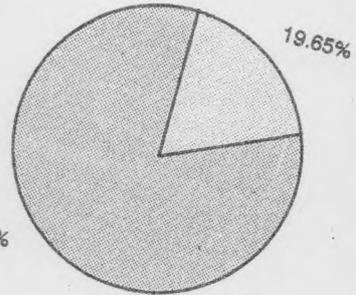
Western Australian



Sydney Morning Herald



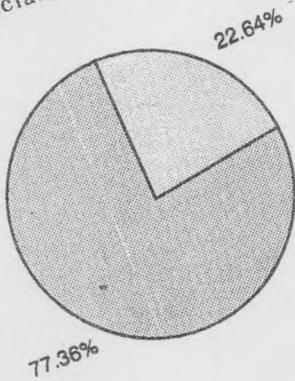
Daily Telegraph Mirror



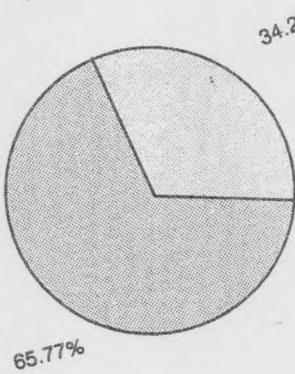
Purportion of Dubious Ads for each Paper.



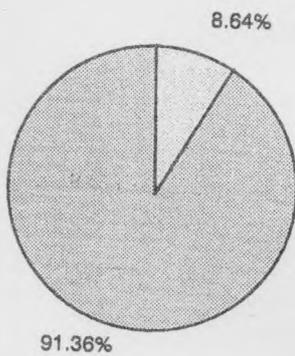
Adelaide Advertiser



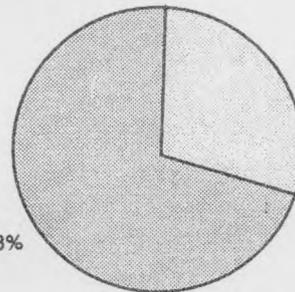
Mercury



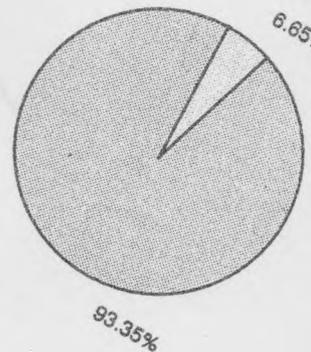
Age



Herald/Sun



Canberra Times



All Papers

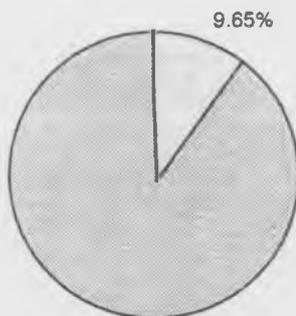


Table 3

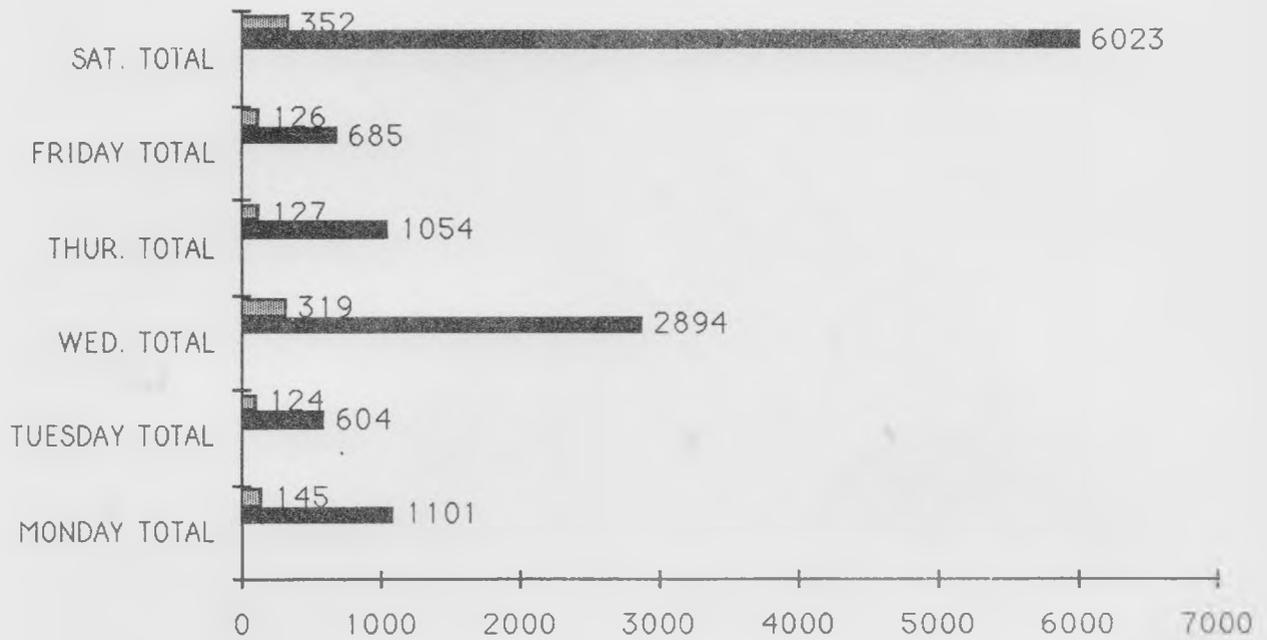


Table 4

PERCENTAGE OF DUBIOUS ADVERTISEMENTS BY DAY

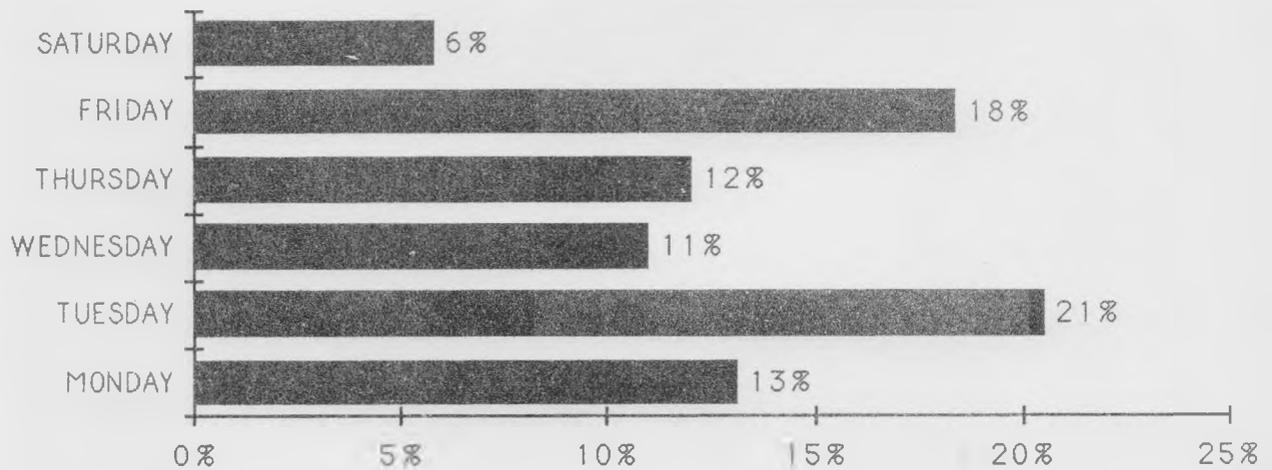


Table 3 and 4 show the extent to which the proportion of dubious advertisements increases as the total number of advertisements decreases on each day of the week. Saturday which has by far the most advertisements has by far the lowest rate of dubious advertisements. On

the other hand Friday and Tuesday had the greatest proportion of dubious advertisements and the least number of advertisements overall. On Tuesdays a massive 21% of the advertisements were dubious.

Placement of Advertisements

Since the original survey a number of the surveyed papers have taken measures to prevent dubious advertisements from appearing. This has improved the situation somewhat but in all cases advertisements were included in sections where they did not belong and operators known to Job Watch advertised freely.

Some subheadings showed no dubious advertisements. These were associated with specific industries or employers. Government or local government vacancies, hospital and medical, and to a lesser extent trades or hospitality and catering. This shows that columns headed with an industry identification draw fewer dubious advertisements. In the Adelaide Advertiser for example, which had an overall very high proportion of dubious advertisements (23%). None of the dubious advertisements showed under the headings of 'Hospital Medical', 'Teaching Appointments', 'Senior Appointments', 'Child Care' or 'University & Higher Education'.

General columns tended to have a large proportion of dubious advertisements. In the Adelaide Advertiser all the dubious advertisements were found in the columns headed 'Positions Vacant'. The Hobart Mercury which on most days had all its advertisements in a 'Positions Vacant' column the overall number of dubious advertisements was very high 34%. On Saturday it had a separate heading for Government positions which showed no dubious advertisements.

On the other hand some columns drew very high proportions of dubious advertisements. For example in the West Australian a column heading of 'Distributors' drew an advertisement each day from a selling company known to Job Watch and to Consumer Affairs offices for its unscrupulous employment and trading practices.

The greatest number of problems are caused because of misplacement of advertisements. For example the Courier Mail has re-arranged its column headings and placed warning about commission only selling since our last survey. This has led to the paper showing less dubious advertisements in proportion to other papers than they did in the last survey. Nevertheless advertisements are still misplaced. A column called 'Marketing, Sales', is new since the last survey, at the top of this column is a warning that work may be for

commission only. This is very appropriate and advertisements which would have been marked dubious under other headings were not so identified. However the column still carried a numbers of dubious advertisements, these were not offering marketing or sales work but were selling products or services, most frequently resumes and training courses.

Recommendations

Repeating the words of the NSW Commissioner for Consumer Affairs we become aware of the small chance of recovering whatever loss or compensating whatever suffering has taken place by those caught by the job traps found in the advertising section of the paper.

'In many cases prosecutions are absolute nonsense. You are not going to achieve any result - that's if you can actually locate the person involved in the misleading conduct, or whatever it is.'⁸

This clearly makes the matter of identifying and eliminating the offensive advertisements or the more vital.

'Newspapers are generally very conscious of the problem and will consult the agency about prospective ads they deem suspicious, Mr. Holloway says, pointing out the impossibility of every ad being vetted.'

Our survey has shown that to date a great number of advertisements which are dubious are appearing in newspapers despite the committment of publishers to omit them. Nevertheless Job Watch recommendations which would improve the situation greatly can be implemented with a minimum cost and with very little loss of revenue. Most advertisements lose their dubiousness and if they are shams loose their allure if they are placed in an appropriate category.

The vast majority of advertisements which have been identified as dubious in this survey would not be considered misleading if they were placed in the paper under an appropriate heading.

⁸ Quoted by SMH, Saturday June 8, 1991 p71

As mentioned earlier there are two types of advertisement which are identified as dubious, that is the genuine advertisement which is misleading because of its inappropriate placement and the advertisements of dubious operators.

Incorrect Placement

In the first instance the matter could very easily and without any cost to the newspaper be rectified by correct placement of the advertisements under a system of appropriate headings. We proposed in our last report that a national 'Code of Practice' be adopted industry wide. Since the publication of the first report we have had discussions with the Trade Practices Commission in Canberra and have begun to develop a list of appropriate headings.

The headings are:

1. **employment** - Involves work as an employee for a regular paid salary or wage, and other conditions such as holiday pay, sick leave etc. There may be several subheadings here along industry or employer lines for easy identification such as 'government positions', 'hospitals, medical etc'. Several papers also choose to break the 'general' vacancies into white collar/blue collar categories such as 'Professional' and 'Situations Vacant' in the Melbourne Age. For consistency and ease of reading any sub-headings should come under the general 'Employment' main heading.
2. **sub-contracting** - Involves asking for work to be done by people with their own tools of trade, eg, courier vans or building tools. If a heading for this sort of work were available those seeking it could avoid the inconvenience of searching through pages of advertisements for employees.
3. **commission only sales** - Involves selling goods or services and being paid only a percentage of what is sold eg, selling of encyclopedias, telephone canvassing, insurance sales etc.
4. **business opportunities** - This column is appropriate where people are asked to buy goods or entrance into a scheme such as registration kits eg, party-plan (herbal products, pots and pans, clothes, mail order schemes), franchises etc.

Goods or services offered for sale and linked to employment prospects should appear in the following categories:

1. **employment services** - This would include modelling portfolios, employment agencies, resumes etc.
2. **training & tuition** - Includes all courses eg TAFE courses, hairdressing, cosmeticians, computing. There is also a problem with the fact that courses offered are not always bonafide and can be scams which do no more than relieve the prospective student of the fees they have to pay. To ensure that readers are not duped into signing up for courses which are not adequate in their stated field, papers should provide a warning at the top of the training section suggesting that prospective applicants check with major employers, professional associations etc before signing up for courses. In Victoria, the recently passed, though not yet fully operational, Vocational Education and Training Act, may make it easier to identify bona fide courses by allowing them to seek State accreditation.⁹ This legislation also makes it an offence to claim to be 'government recognised' unless the institution concerned has obtained formal registration. The identification of legitimate courses (at least in Victoria) may be assisted if accredited courses can be located in a separate column, or provided with some form of identifying logo.

If these headings were adopted job seekers would be saved from the confusion and disadvantage of many misleading advertisements. If someone wants to buy a resume, or attend a training course, they should look under appropriate headings.

Correct placement would eliminate all of the advertisements marked as dubious for being 'training as employment', 'selling a product, service or business', 'commission only for sales made' and 'sub-contracting'

The Advertisements of Dubious Operators

These operators cause the greatest problems and they are probably the most difficult to stop from being misleading because the operators in most cases make their own money from the very fact that the advertisements mislead. However a number of measures can be taken.

Firstly if the above recommendation of adequately labelling columns and correct placement of advertisements is adopted this will help to identify and to isolate the advertisements of

⁹ Vocational Education and Training Act, 1990 (Vic)

dubious operators. But there are further measures which can be taken to try and eliminate the advertisements.

Misleading income statements would be eliminated if the following formular were adopted.

When accepting an advertisement the person making the placement must be asked to give an income disclosure which fits into one of the following categories.

- Actual income to be paid (eg \$35,000 p.a., \$400.00 p.w plus overtime, award wages)
- Income/salary to be negotiated
- Payment on commission only basis
- Payment on piece rate basis stated (\$28.00 per 1,000 leaflets)

Liaison with Job Watch

Job Watch has substantial information about the operators who frequently come to its attention. This information is collected from people who have applied for jobs and subsequently made complaints to Job Watch and from the daily monitoring of the employment advertisements in Melbourne and Sydney papers and the follow-up on advertisements which appear regularly that Job Watch does.

This information could be used by newspapers as a guide to the correct placement of advertisements from known operators. For example, an operator known by Job Watch to offer sub-contract sales work, but who attempts to disguise this, could be required to re-locate their advertisement in the Self Employment section.

Some of the companies known to Job Watch regularly breach state and federal consumer protection and employment legislation. We believe that direct communication and liaison between Job Watch and the newspaper editors, establishing a standard procedure to enable the removal of such advertising, would be extremely beneficial.

Conclusions

Since the October 1989 survey we have received some comment from newspapers and the organizations which are involved with publishing advertisements. These include state and federal government departments as well as self-regulatory bodies and publishers organizations.

It is clear that all newspapers show an awareness and a concern that dubious employers create problems for job seekers and difficulties with regard to the misleading nature of their

advertisements. At the same time though some of the newspapers seemed to be of the opinion that they had taken all the necessary steps to eliminate the advertisements from their pages.

The results of this survey show that there is still a great number of misleading advertisements in the employment pages of the papers. The suggested recommendations will help to eliminate more advertisements.