

AUSTRALIA'S LABOUR MARKET & SKILLS FUTURE

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JOBS AND SKILLS AUSTRALIA





Australian Government



Jobs and Skills Australia

Labour market insights and future workforce trends

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Jobs and Skills Australia

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Acknowledgement of Country

Jobs and Skills Australia acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past and present.



Structure of the presentation

**How is the Australian
labour market
performing?**

**Current, emerging and
future jobs**

*Including AI skills in demand and Gen
AI transition*

**What do employers
want?**

**Where to find out
more**

**1. How is the Australian
labour market performing?**

Conditions remained resilient in 2025

- Employment growth softened
- Recruitment activity remains lower than the COVID period and job advertisements have largely stabilised
- The unemployment rate has only recently fallen



The labour market is still resilient, but businesses are finding it easier to recruit

Source: ABS, Labour Force Survey; Jobs and Skills Australia (JSA), Internet Vacancy Index; JSA, Recruitment Experiences and Outlook Survey; JSA, Skills Priority List.

ABC NEWS

Unemployment rate drops to 4.1 per cent ahead of RBA's next rates meeting

By business reporters Ben Butler and Emilia Terzon

Employment Statistics

Thu 22 Jan



December figures show an improvement in the unemployment rate. (AAP: Alan Porritt/File)

In short:

The latest unemployment data shows a stronger jobs market than many economists were expecting, coming in at 4.1 per cent annually for the year to December.

The Australian Bureau of Statistics says the jobless rate was pushed down in part by a rise in younger people entering the workforce.

What's next?

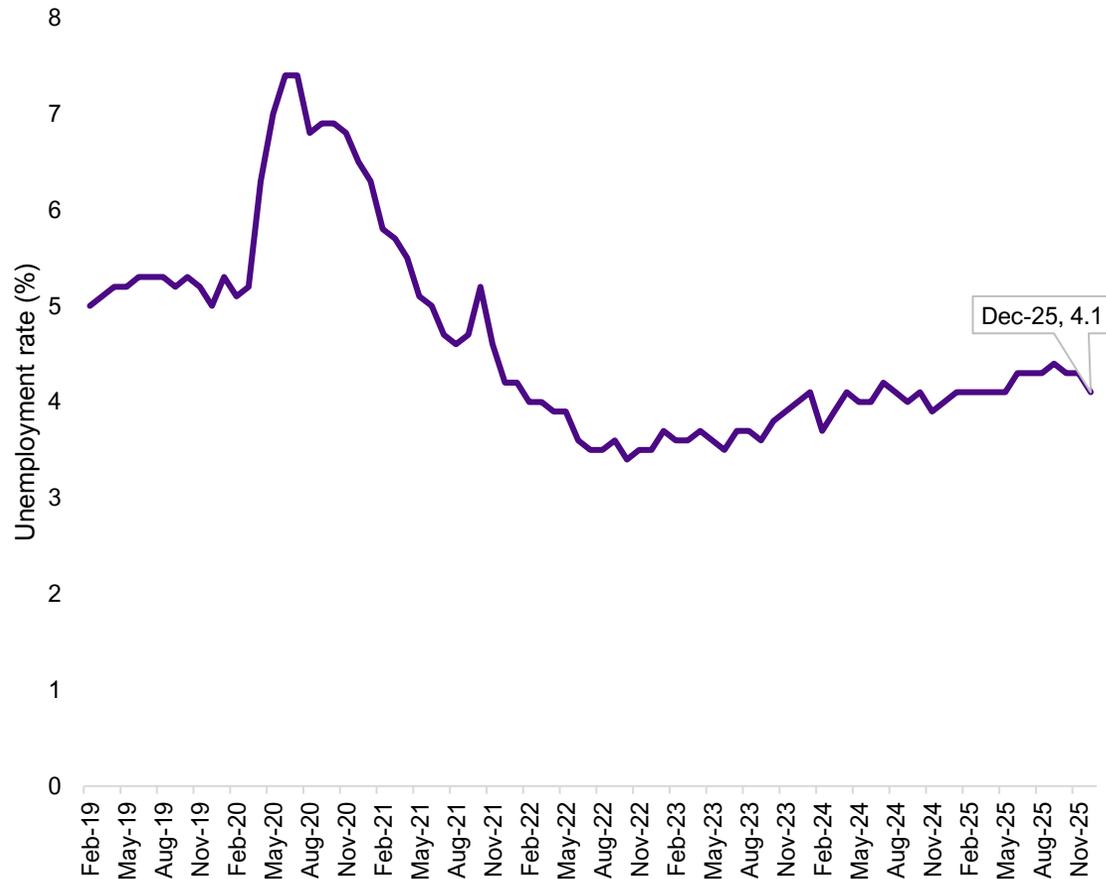
The unemployment figures are leading to higher expectations of an interest rate hike at the RBA's next meeting on February 3.

Source: ABC News, www.abc.net.au/news/2026-01-22/abs-jobs-unemployment-december-2025-figures/106256288, accessed 27/01/2026

Jobs and Skills Australia, February 2026

The Australian labour market today

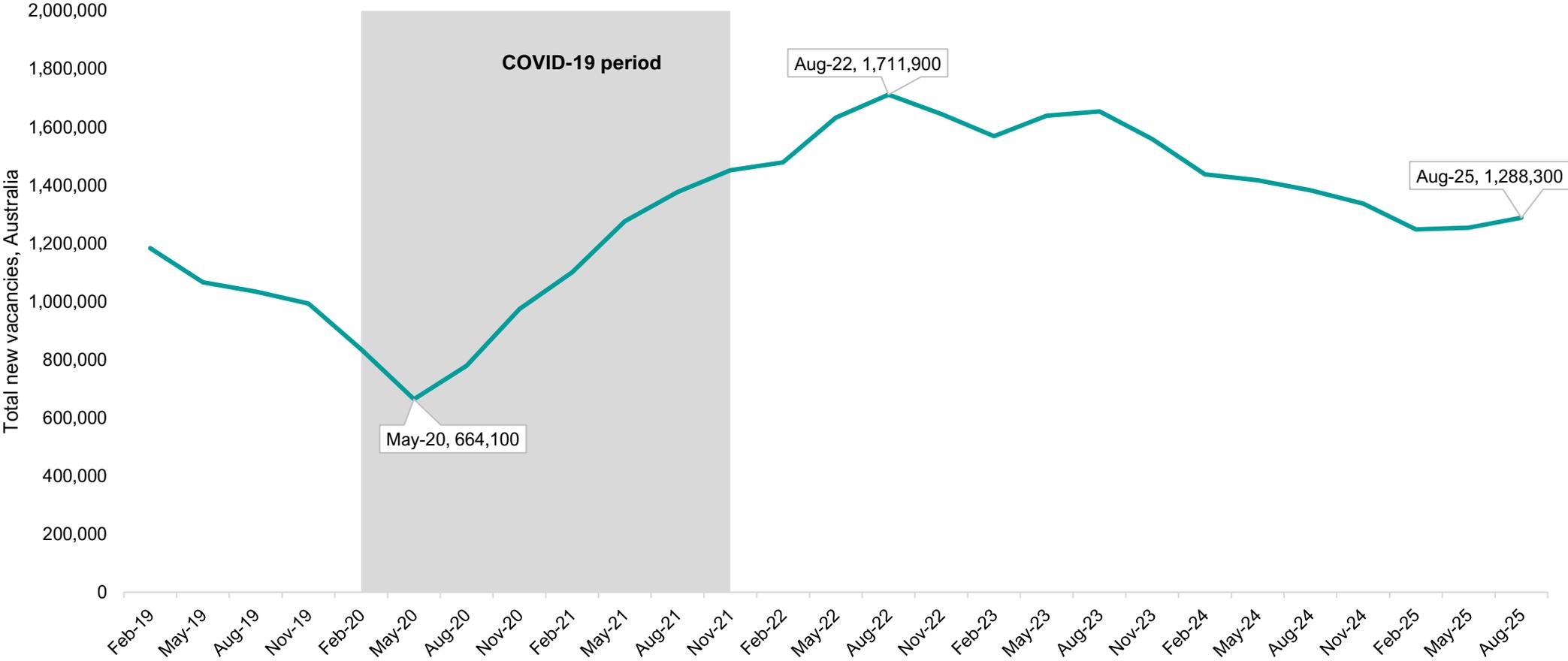
Unemployment rate, seasonally adjusted



	Australia Dec-2025	Change from 12 months prior	
Employment	14,684,100	165,400 (+1.1%)	↑
Unemployment	628,600	25,400 (+4.2%)	↑
Unemployment rate	4.1%	0.1% pts	↑
Participation rate	66.7%	-0.4% pts	↓
Youth unemployment rate	9.1%	-0.1% pts	↓
Income support (%), 16-64y, (June 2025)	13.9%	0.6% pts	↑

Job vacancies have eased but are still high

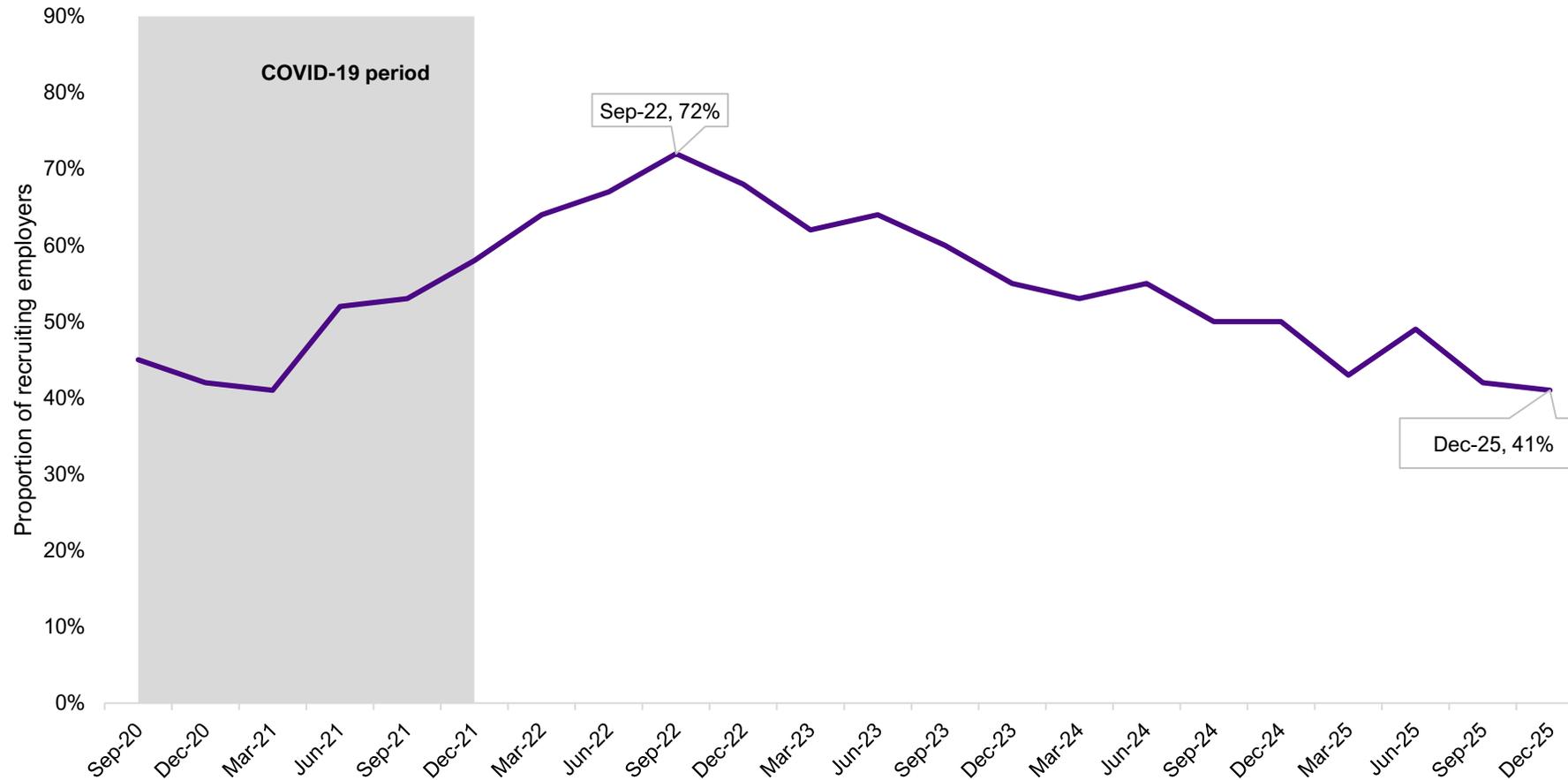
Total New Vacancies



Source: Jobs and Skills Australia, Total New Vacancies, August 2025

Recruitment difficulty down since 2022

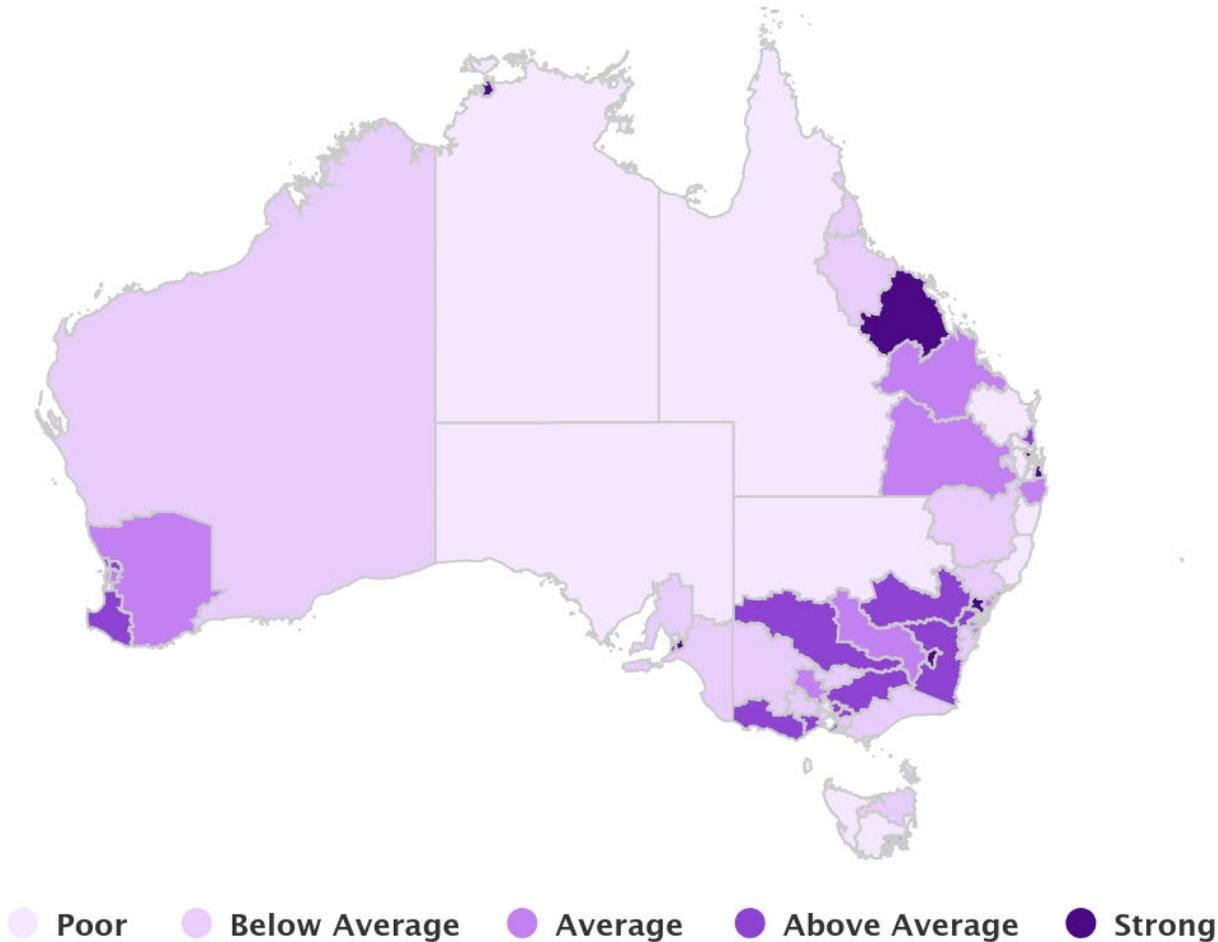
Recruitment difficulty rate



As the unemployment rate increased from 2022, alongside declining job vacancies, recruitment became easier.

Labour market challenges are more pronounced in many regional areas

RLMI ratings of relative labour market strength, September 2025

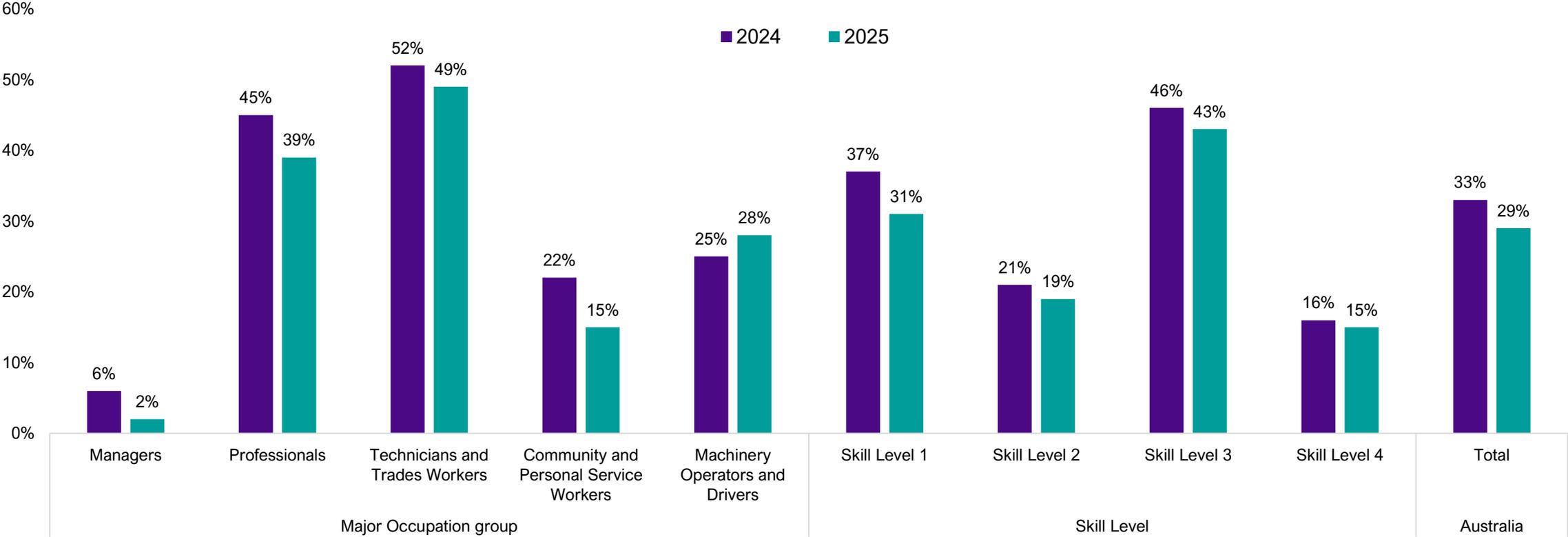


- JSA's Regional Labour Market Indicator (RLMI) combines key indicators of spare labour market capacity into a single summary measure of labour market performance.
- The results show that regional and remote areas are more likely to experience weaker labour market conditions than metropolitan cities.
 - 66% of regions in major cities were rated as 'strong' or 'above average'.
 - 53% of regional or remote regions were rated as 'below average' or 'poor'.

These findings highlight the additional challenges faced in many regional areas by both employers and jobseekers.

Skill shortages have fallen across most occupation groups, but challenges remain for professionals, and technicians and trades

Proportion of occupations in shortage, by Major Occupation Group and Skill Level



Source: Jobs and Skills Australia, Occupation Shortage List, 2025

Primary drivers of occupational shortages

Lack of qualified applicants remains the common cause of shortages

- Government policy, higher education and Vocational Education and Training (VET) will play a critical role in increasing the throughput of trained workers into the labour market.

Gaps in employability skills and experience (among high-skilled professionals), even among qualified candidates

- This is the lead driver of shortages for engineers, managers and various science roles.

Low pay, poor conditions and retention challenges driving shortages in care and service roles

- Solutions to such factors will largely come from employers. But government will play a role in improving access to education, health and childcare services.

We know many people navigating the labour market don't fully understand where the opportunities are, the skill level requirements, or what employers are looking for.
Career advice/support/information is more important than ever!

What are some of the challenges for young people?

Youth unemployment and job seekers

- The youth unemployment rate was 9.1% in December 2025 (down from 16.6% in June 2020) but is still high and more than double the all-persons rate (4.1%).
- In November 2025, young people (aged under 25) made up 23.0% of the total Workforce Australia caseload (up from 16.5% in October 2022).

Youth disengagement

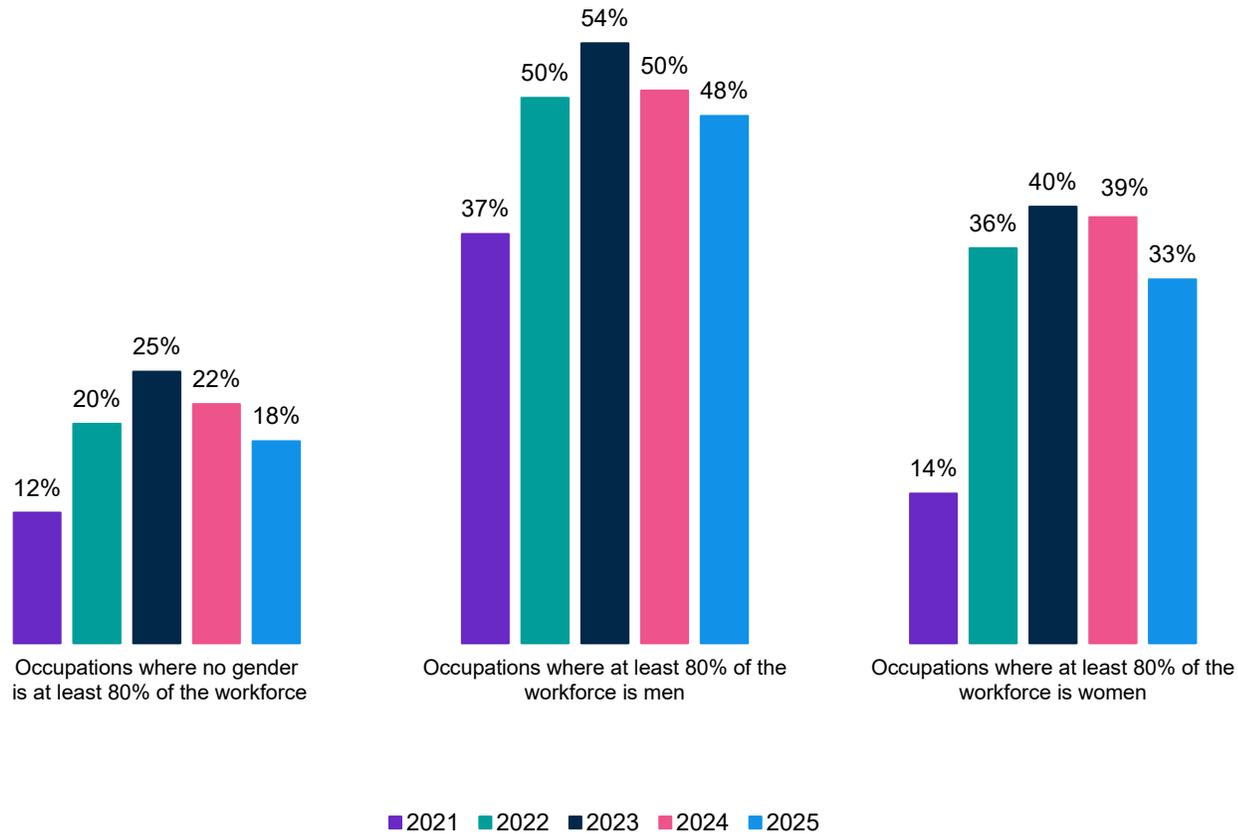
- 250,400 (or 12.4%) of youth aged 18 – 24 were neither working nor studying in 2021.

Other challenges

- Most common reasons young people weren't looking for work include: long/short term health or disability; childcare; lacking necessary skills/education/experience.
- Many families have parent(s) without jobs...which can lead to intergenerational unemployment.

Gender equity in the labour market

Percentage of occupations in shortage (%), by gender balance, 2021 to 2025, OSL



Female employees

- ↑ Marginally higher median income volatility
- ↓ Lower median weekly earnings
- ↑ More likely to have more than one job
- ↑ More likely to experience income volatility in their second / other jobs

Speeding up progress towards gender economic equality



Australian Government



Jobs and Skills Australia

Gender Economic Equality Study

10 recommendations

Examples of how the recommendations relate to selected headline findings

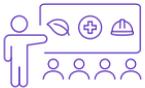
1



Implement a three year Shifting the Dial on Gender Segregation Policy Action and Evaluation Agenda with findings informing the Working for Women Strategy mid-term review and further action beyond 2029

- Only 21% of occupations were gender balanced in 2021.
- Gendered occupational segregation is complex and difficult to shift. Around 70% of occupations have the same gender segregation intensity as they did in 2006.
- There are unique gender segregation patterns across First Nations and CALD workers that shape broader workforce segregation patterns.
- Occupation shortages typically worsen as gender segregation intensifies, particularly in almost completely male dominated occupations.

2



All Australian governments consider how to intervene earlier in education and training study choices through innovative changes to career learning and exploration in curriculum, campaigns and supports in primary and secondary schooling

- Distinct gender divides persist across study choices, enrolments and graduations – only 20% of VET and Higher Education graduations across areas of study are gender balanced.
- Only 3 in the top 10 largest areas of study are gender balanced.
- Males are almost twice as likely to earn incomes over \$100,000 than females aged 35-40 years old across all levels of education.

3



All Australian governments scale occupational gender segregation interventions across future National Skills Agreements and outcomes reporting including the introduction of explicit gender targets for national priorities

- Economic inequality persists post-training, with women consistently earning less and being more likely to exit the workforce despite being similarly or more qualified.
- Women are more likely to be 'skills mismatched'—working in occupations below their level of qualification.
- Workers tend to stay longer in occupations dominated by their own gender, which further contributes to occupational segregation over time.

4



All Australian governments and lead skills system actors coordinate a national and economy-wide approach to gender segregated VET training pathways for occupations in shortage through four main policy actions

- Men generally, achieve better economic outcomes across most VET qualifications, even in female dominated fields.
- Pronounced gender segregation patterns exist in key VET training pipelines for Australia's Net Zero transition, digital transformation and growing care sector needs.
- Skill Level 3 jobs are the most gender segregated, with many facing occupation shortages.

5



All Australian governments and lead skills system actors complement current Closing the Gap reforms with additional and immediate national and economy-wide action for First Nations women

- First Nations females have the highest gender pay gaps in Australia (35.3%).
- There are sources of compounding gendered and racial discrimination in the world of work, education and training—particularly for First Nations women.
- Despite this, there are key VET training pathways where First Nations females and males are securing good outcomes.

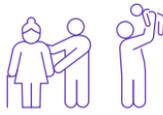
6



Industry and employers to accelerate progress on inclusive and safe workplaces and training settings

- Sexual harassment and safety is still an issue in many workplaces, especially in male dominated occupations and industries.
- Age, race, sexuality and other identity factors compound with gender and shape experiences of workplace discrimination and inequity.
- Vertical segregation and high gender pay gaps are still an issue across management and leadership roles, especially in Health and Finance.

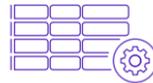
7



Extend policy settings and supports to normalise men's involvement in unpaid care, domestic work and paid care work, with the longer-term aim of addressing social and cultural norms

- Gendered norms and decisions around unpaid care and domestic work have major implications for women's earnings, employment outcomes and career pathways.
- Accumulated 10-year gender pay gaps are higher at 30.7% (in contrast to single year point-in time figures of 25.7%) highlighting the lifetime disadvantage of part time and unpaid care work.
- There is a clear 'motherhood penalty' in our gender pay gap findings, females aged 25-39 years old have the worst accumulated 10-year pay gaps.

8



Government and others to embed the Gender Segregation Intensity Scale (GSIS) as a common and shared framework for informing action and monitoring progress towards gender economic equality

- The GSIS reveals how gendered Australia's job, work, pay, areas of study really are and how it can be used to inform more targeted policy solutions to diverse labour market and skills challenges.
- Gender pay gaps and occupational shortages widen and worsen at the highest grades of gender segregation intensity and the GSIS identifies the occupations where more urgent action is needed.
- There has been a broader balancing of managerial and professional occupations over time and lessons can be leveraged from these detailed occupational GSIS findings.

9



Further address gender and other biases in labour market and skills frameworks that reflect gendered language, structure and norms

- OSCA increases our understanding of occupational segregation especially in relation to new or more disaggregated female dominated jobs eg. allied health roles and Assistant School Principals.
- OSCA better recognises women's skill levels and leadership roles including invisible gendered and cultural skills in female dominated and First Nations specific occupations. Eg. team leaders in early learning and Aged Care.
- Despite progress, there is still gender bias in OSCA and other frameworks that translates into policy settings.

10



Expanded research, data and reporting to monitor progress on gender economic equality and increase intersectional perspectives and understanding

- Paper 1 and 2 findings demonstrate the value of intersectional analysis in labour market and skills for policymaking.
- Various intersectional insights on occupational segregation patterns, pay gaps, skills mismatches, post-training employment and economic outcomes deepen our understanding of how inequality plays out in work, education and training.
- Future intersectional insights using the JSA approach should be expanded to disability, geography, ancestry, socio-economic status and visa status to continue to fill evidence gaps and develop the most effective policy solutions.

Gender Economic Equality Study

jobsandskills.gov.au



In Focus

While all Australian governments will play a critical role in progressing towards gender economic equality, education and training institutions and actors will have key roles in advancement.

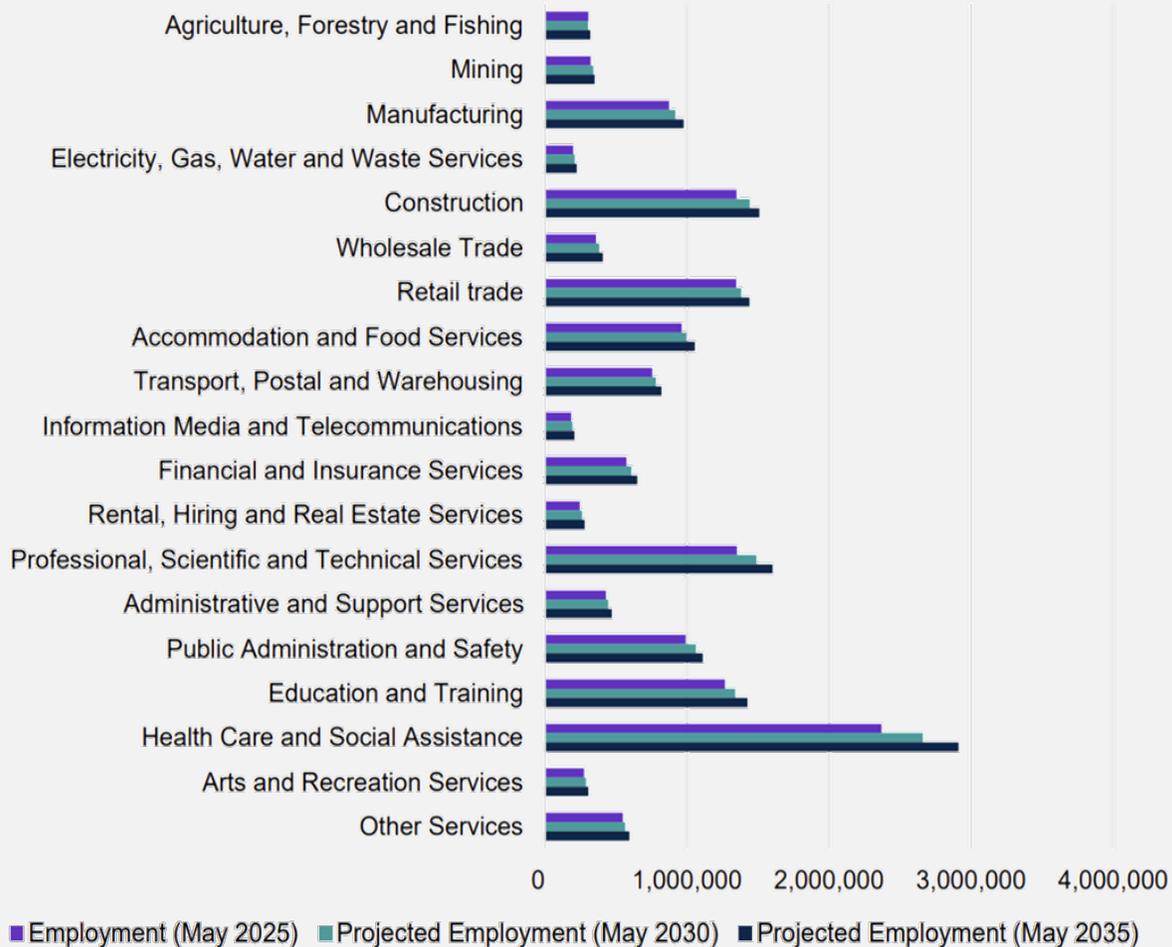
Recommendations in focus include, 2, 4, 6, 8 and 9.

2. Current, emerging and future jobs

Including AI skills in demand and Gen AI transition

Where are the jobs now, and what does the future jobs market look like?

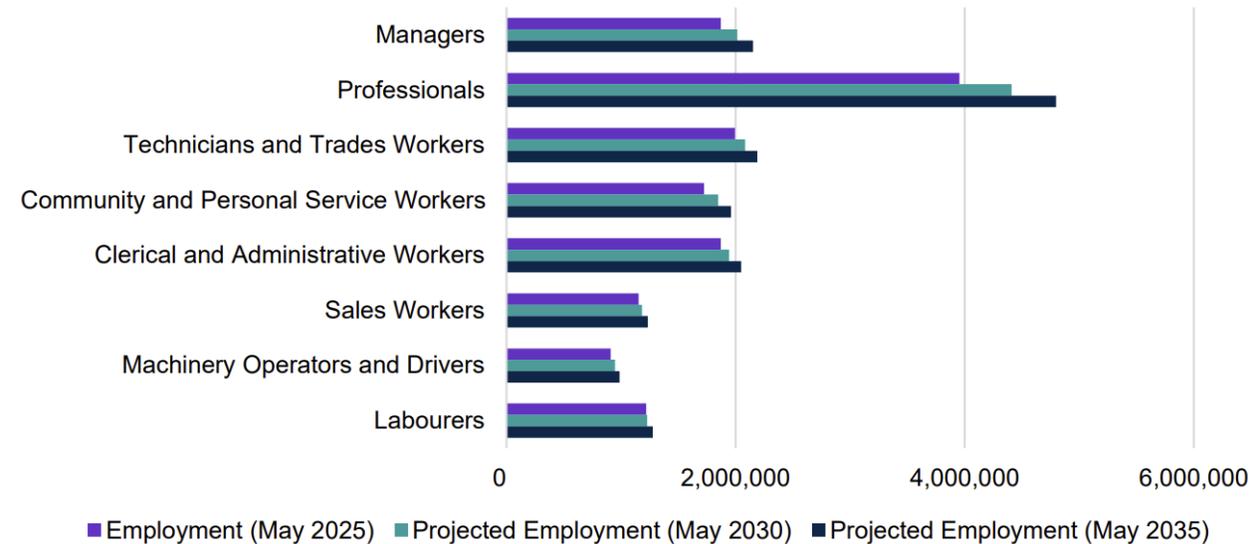
Industry employment outlook



Source: Jobs and Skills Australia, Employment Projections (May 2025 - May 2035), produced by Victoria University.

Looking across industries, the **services-related industries** are projected to account for **84% of employment growth** over each the next five and ten years. Health Care and Social Assistance, accounts for the strongest projected employment growth over the next 5 and 10 years.

Employment outlook by occupation

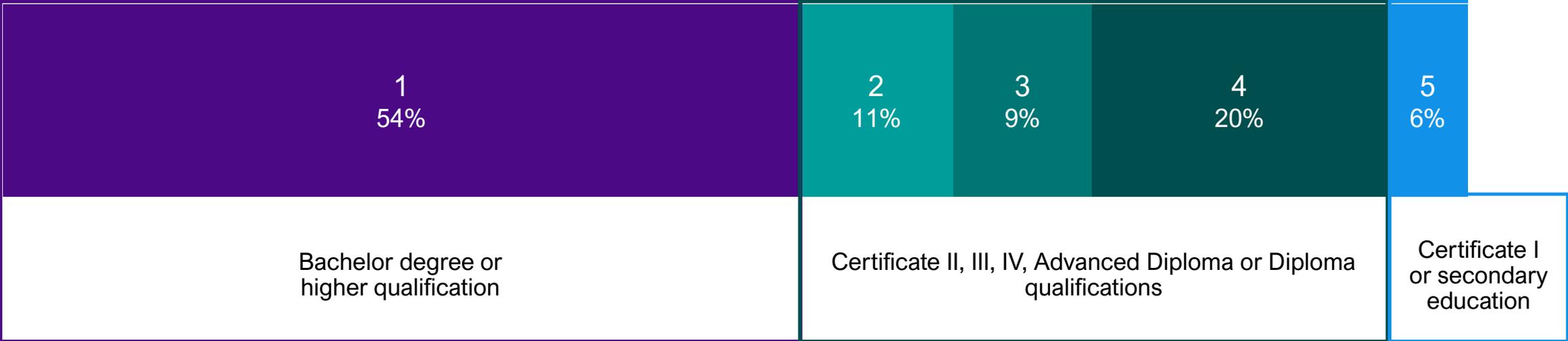


Jobs and Skills Australia, February 2026

Employment in Skill Level 1 is expected to record the strongest growth by 2035

Proportion of projected employment growth to May 2035, by skill level, Australia

Skill level



Source: Jobs and Skills Australia, Employment Projections (May 2025 - May 2035), produced by Victoria University.

Emerging roles identified from key themes with increased labour market demand



Data and Technologies

Emerging Technologies, Cybersecurity,
Industry Specific Tech

- Cloud Developer
- Solutions Architect
- BI Developer
- Machine Learning Engineer
- Data Integration Consultant
- AI Engineer
- Blockchain Engineer
- Quantum Computing Scientist
- Remote Sensing Specialist



Science and Engineering

Biological and Chemical Science,
Pharmaceuticals, Organic Fine
Chemistry

- Reliability Engineer
- Logistics Engineer
- Molecular Biologist
- Robotics Engineer
- Bioinformatician



Net Zero

Sustainability, Green Economy,
Clean Energy

- Electric Vehicle Technician
- Sustainability Consultant
- Battery Design Specialist
- Energy Engineer
- Geographic Information Systems Analyst
- Climate Change Analyst
- Recycling Coordinator
- Solar Energy Systems Engineer
- Energy Broker



Health, Care and Medical

Health and Care, Health Tech,
Medical Tech

- Community Mental Health Worker
- Mental Health Practitioner
- Allied Health Assistant
- Clinical Research Associate
- NDIS Support Coordinator
- Lifestyle Assistant
- Palliative Care Nurse
- Palliative Care Physician
- Health Informatician
- Clinical Trial Design Coordinator
- Home Support Assessor
- Music Therapist
- Genetic Counsellor

Gen AI Transition

Insights from the JSA Study



Australian Government



Jobs and Skills Australia

Our Gen AI Transition

Implications for Work and Skills

Final Overarching Report

14 August 2025



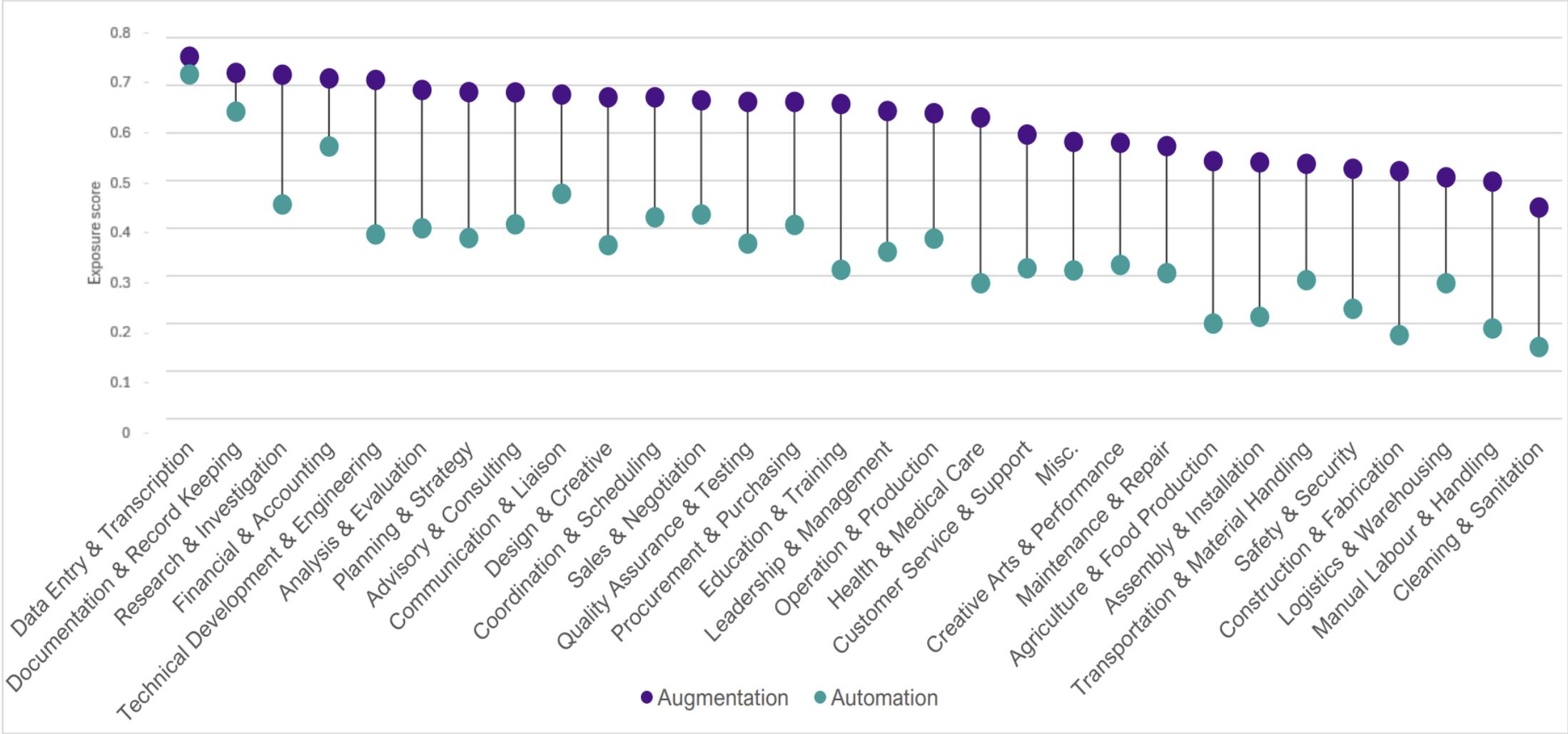
Table 1. The distribution of Australia’s workforce according to the exposure of their occupation to Gen AI

	Low and Very Low automation	Medium automation	High automation	Total
Low and Very Low augmentation	13%	0%	0%	13%
Medium augmentation	49%	5%	2%	56%
High augmentation	17%	12%	2%	31%
Total	79%	17%	4%	100%

Note: High, medium and low refer to exposure scores. In this simple summary table, exposure scores of 0.7 and above are labelled ‘high’; scores between 0.5 and 0.7 are labelled ‘medium’ and scores below 0.5 are labelled ‘low and very low’.

Source: JSA analysis, Census 2021 (Tablebuilder).

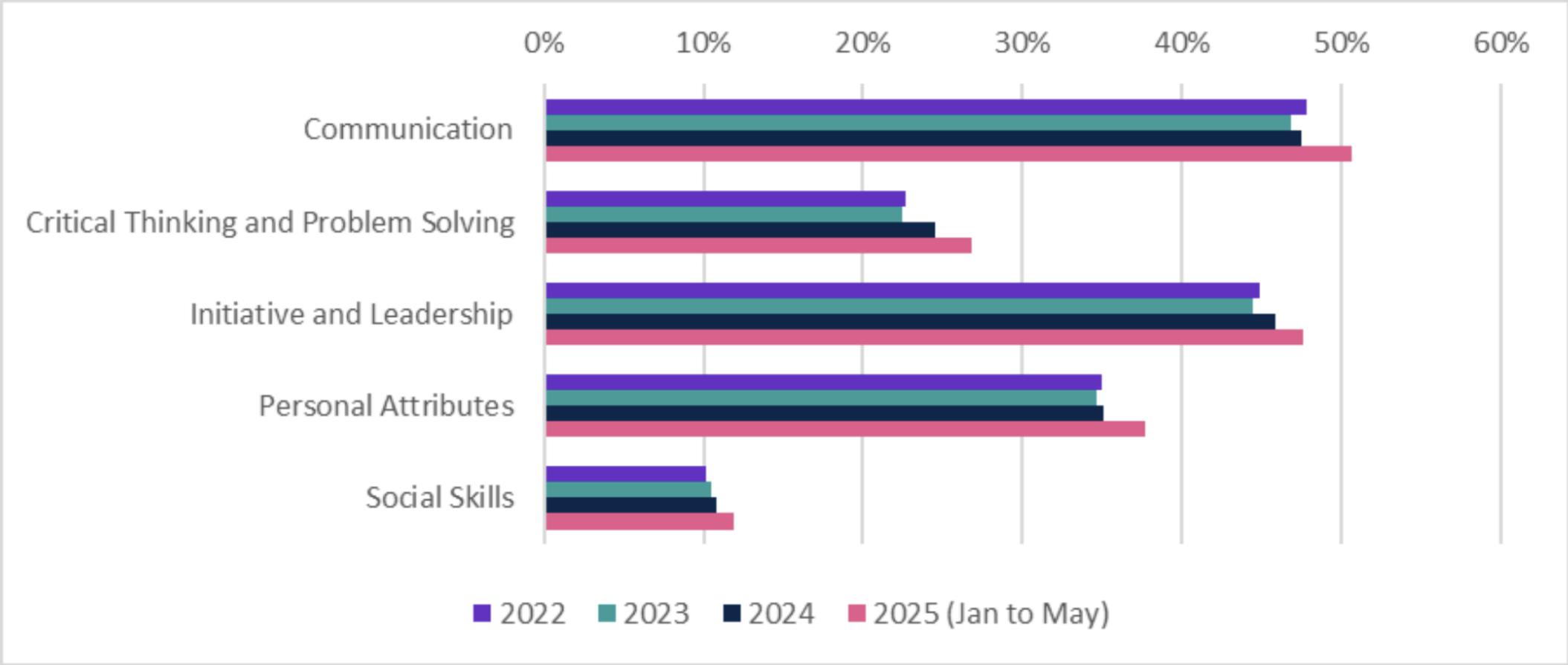
Figure 4: Exposure varies by task routine and labour intensity



Source: JSA Analysis; ANZSCO (v1.3), Census 2021 (Tablebuilder).

Figure 12: Job advertisements continue to list human-centric and higher-order skills

Share of online job advertisements listing select human skills by year, 2022 to 2025



Note: 2025 job advertisements are for the period between January and May.

Source: JSA analysis of Lightcast job advertisement data.

3. What do employers want?

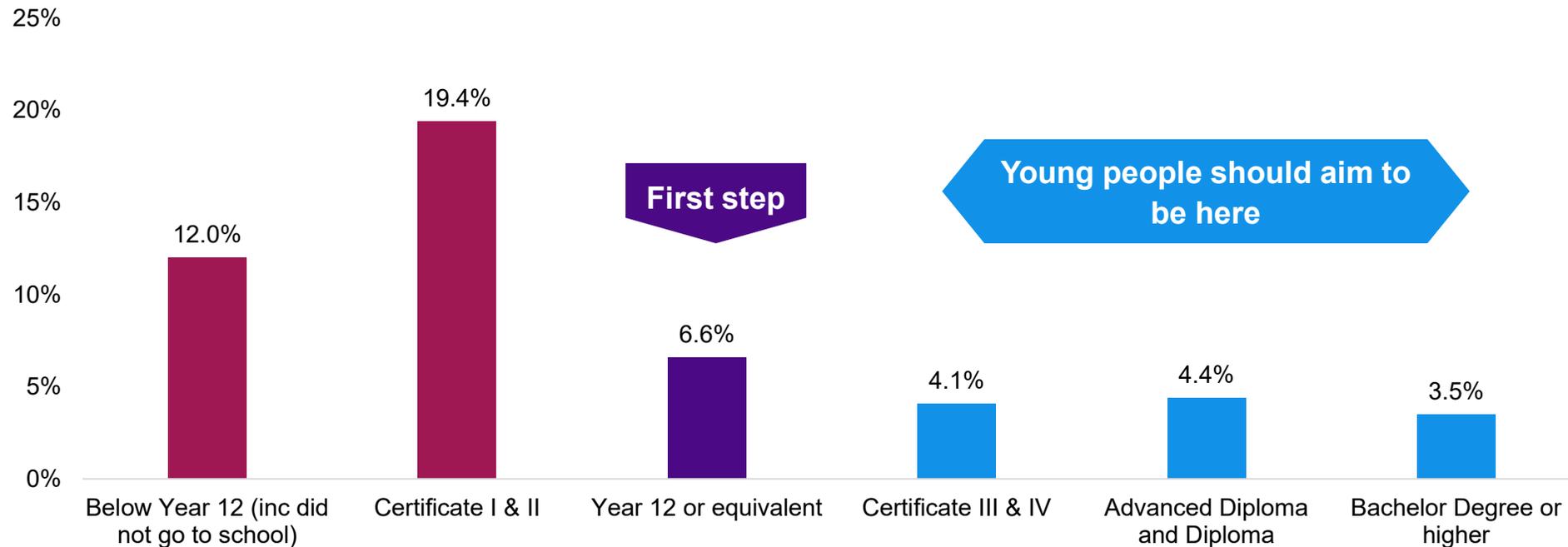


**Education and Training
IS ESSENTIAL**

**Post-school education has become
increasingly important**

The right qualifications improve job prospects

Unemployment rates, by highest level of education, 25-34 years, Australia



The jobs market is becoming more highly skilled...

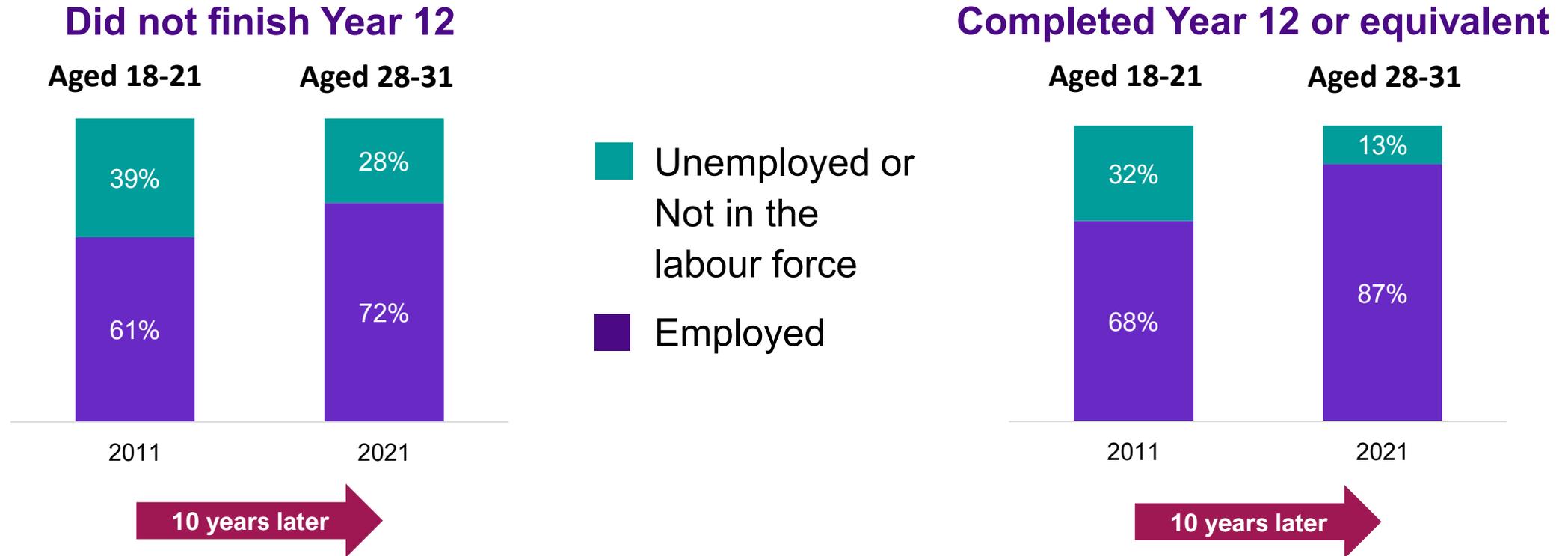
...Over **90%** of new jobs will require advanced vocational education or university qualifications

Source: ABS, Census of Population and Housing, 2021; Source: Jobs and Skills Australia, Employment Projections (May 2025 - May 2035), produced by Victoria University.

*Skill Level data are only available for Australia.

Completing Year 12 is an important first step

Labour market outcomes by highest year of school completed, Australia

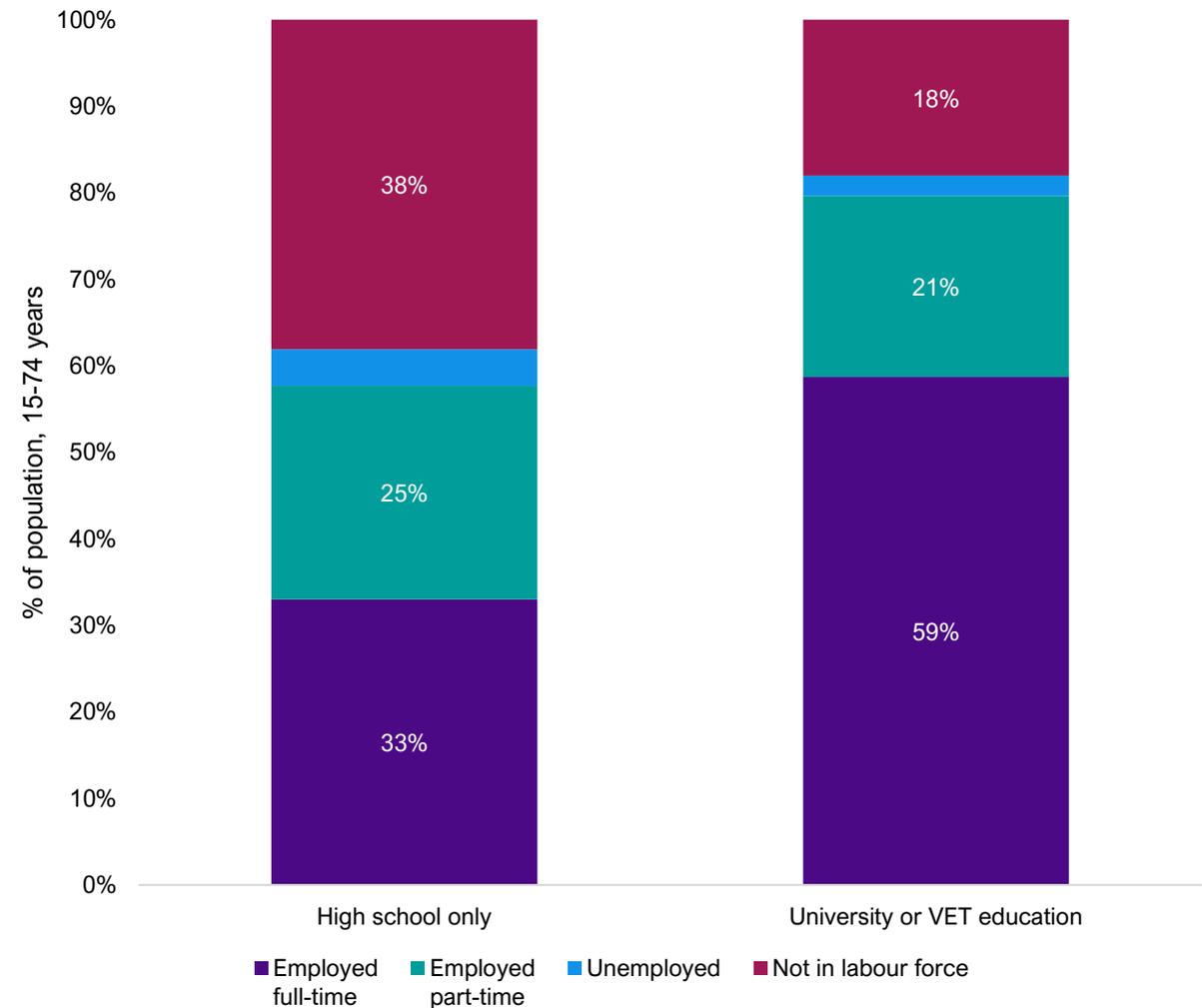


While school may not be for everyone, completing Year 12 or equivalent has a substantial impact on future employment outcomes

Tertiary qualifications further improve employment outcomes

A VET or University qualification is more likely to enable access to full or part-time employment

Labour force status by educational attainment



The role of education and training – VET as an enabling pathway

- Analysis of 2020-21 graduates' outcomes data show the clear benefits of completion of a VET qualification – improved income and employment outcomes, reduced dependency on income support, opened pathways to further study



Improved income after training

VET graduates had a median income uplift of **\$14,100** after the completion of study



Improved employment rate

88% of VET graduates were employed after study, a **16-percentage point increase** from before enrolment



Reduced reliance on income support

Among VET graduates on income support prior to enrolment, **48% were no longer on income support** after completion



Pathways to higher-level study

17% of VET graduates enrolled in a higher-level VET qualification, and **12%** of VET graduates pursued other VET qualifications at an equivalent or lower level

VET offers pathways to many jobs in demand

Top 15 occupations advertised online, Australia, December 2025



*A VET pathway exists for these occupations. For some of these, university study will be required but the journey can start in VET

VET studies can open the door to many opportunities!



Experience IS NECESSARY

Employers want new staff to have experience

Why is work experience important for young people?



Shows they are reliable and trustworthy

Shows they know how to work

Provides contacts and references

Improves confidence

Provides opportunities to develop skills



Two in five employers require applicants with work experience in the field.

Remember, there are many ways for young people to get experience such as through volunteering, sports clubs, school work experience programs and part-time or casual employment



Employability Skills ARE IMPORTANT

Employers want the right match for their business

Employability skills are important

employers want the right match for their business



75% of employers place at least as much emphasis, if not more, on **personal qualities** than they do on **technical skills**

Essential employability skills

- Interpersonal & people skills
- Communication & teamwork skills
- Organisation & planning skills
- Adaptability & resilience
- Reliability & motivation
- Critical thinking & problem solving
- Digital literacy

Jobseekers should try to demonstrate these through job applications and in interviews

What should job seekers focus on when applying for a job?

- 67% of employers favoured the traditional method: requiring an application and an interview
- 77% of employers placed most emphasis on the interview
- 11% of employers thought work trials were the most important

What were the most important qualities employers were looking for?



Application stage

- Relevant work experience and skills*
- Qualifications & licences*
- Availability*
- Communication & interpersonal skills*
- Willingness to learn*

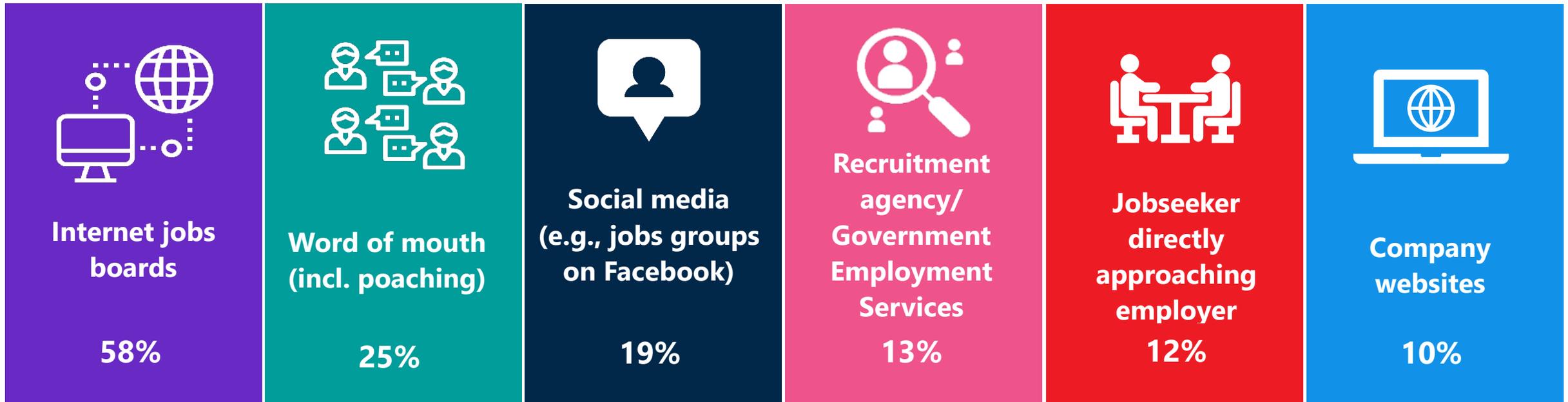


Interview stage

- Approach & attitude to work*
- Cultural fit*
- Skills, knowledge and experience*
- Communication & interpersonal skills*
- Personal values*

This can vary significantly for different occupations and industries! More details can be found on the JSA website

How employers tried to recruit in Australia, in 2025



Only searching for jobs online may exclude opportunities. **One in four** employers used word of mouth to try to fill their vacancies. This is even higher in more remote areas.

In summary...

The labour market is resilient, and there continues to be opportunities for those looking for work. There are some challenges ahead with skills shortages and varied regional pressures.

Large serviced-based industries will continue to provide many jobs in the future, while new and emergent sectors requiring new skills will form part of the future labour market.

The labour market is becoming more highly skilled. Advanced VET and university qualifications are becoming more important, especially for emerging roles.

The importance of education, training, and experience will continue in the future, but employers always look for the right match for their businesses.

Where to find out more

Where you can find more information...

The *Jobs and Skills Australia* website has a range of labour market information that can help:
jobsandskills.gov.au

We help Australia meet its present and future skills needs

Our vision is for the full skills potential of our nation to be realised, resulting in improved workforce participation, productivity, wages and equity.

About us

Featured

Report

Jobs and Skills report 2025

Aligning productivity, participation and skills. The 2025 Jobs and Skills Report is out now.

Report

VNDA Report

VET National Data Asset Report 2025

The latest VNDA report shows vocational education and training delivers strong and sustained results for graduates.

Report

Jobs and Skills Australia's 2025-26 Work Plan

Our annual work plan sets out the key outcomes and priorities for the financial year.

Topics

Explore topics to find information relevant to you.

All Topics Industries Labour Market Migration Occupations Recruitment Regional Skills Training

Industries

Labour Market

Migration

Occupations

Recruitment

Regional

Skills

Training

Where you can find more information...

The *Jobs and Skills Australia* website has a range of labour market information that can help: jobsandskills.gov.au/data

Data

Discover our high-quality datasets, dashboards and tools to help better understand Australia's labour market, skills shortages and in demand occupations.

Dashboards



Dashboard

Jobs and Skills Atlas

Jobs and Skills Atlas provides an overview of the labour market at national, state and regional level by occupations, skills and...



Dashboards

Employment Region Dashboards and Profiles

The Employment Region dashboards provide insights on the labour market and employment conditions across by...



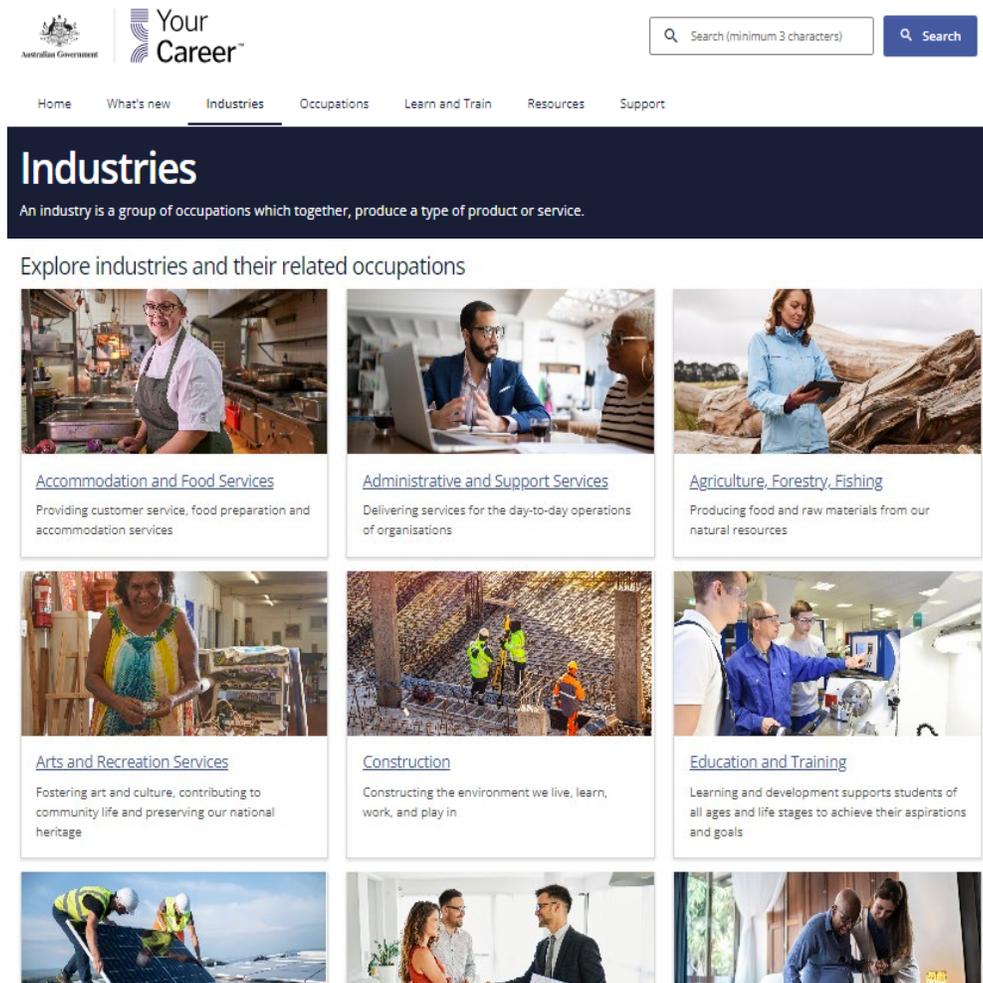
Dashboard

Nowcast of Employment by Region and Occupation

The Nowcast of Employment by Region and Occupation is an experimental dataset providing information on employment in 3...

<p>Data</p> <h4>Employment Projections</h4> <p>We commissioned Victoria University to produce employment projections to 2033, using their Victoria University Employment...</p>	<p>Data</p> <h4>Industries</h4> <p>Information is available on each of the Australian and New Zealand Standard Industrial Classification (ANZSIC) industrie...</p>	<p>Data</p> <h4>Internet Vacancy Index</h4> <p>Internet Vacancy Index is a monthly count of online job advertisements available by occupational groups, skill level groups, sta...</p>
<p>Data</p> <h4>Labour Force Trending</h4> <p>Jobs and Skills Australia provides trended estimates for detailed industry and occupation employment data.</p>	<p>Data</p> <h4>National Skills Taxonomy</h4> <p>Jobs and Skills Australia is working with stakeholders to build a National Skills Taxonomy (NST), to establish a common...</p>	<p>Data</p> <h4>Occupations</h4> <p>Information is available on over 1200 occupations at the ANZSCO 4- and 6-digit levels. Data available includes employem...</p>
<p>Data</p> <h4>Occupation Shortage Analysis</h4> <p>Jobs and Skills Australia leads work on occupation shortage analysis including the annual Occupation Shortage List and...</p>	<p>Data</p> <h4>Recruitment Experiences and Outlook Survey</h4> <p>Each month we survey approximately 1,000 employers to find out about their recruitment experiences.</p>	<p>Data</p> <h4>Regional Labour Market Indicator</h4> <p>The Regional Labour Market Indicator (RLMI) combines key measures of labour market capacity, from both an employee...</p>
<p>Data</p> <h4>Total New Vacancies</h4> <p>The Total New Vacancies (TNV) series offers a broader picture of recruitment activity across the country, going beyond...</p>	<p>Data</p> <h4>VET National Data Asset (VNDA)</h4> <p>A collaborative project between Jobs and Skills Australia, the Australian Bureau of Statistics (ABS) and the National Centre fo...</p>	

The Your Career website: yourcareer.gov.au



And don't forget the latest edition of Australian Jobs



yourcareer.gov.au/resources/Australian-jobs-report



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Thank you!

Any questions?

Any questions please contact
REOS@jobsandskills.gov.au

JobsandSkills.gov.au