



Australian Government



Jobs and Skills Australia

Jobs and Skills report 2025

Inclusive participation



Australia's future prosperity relies on a labour market that enables all people to participate meaningfully. Employment contributes to financial security, supports mental and physical wellbeing, and builds a sense of purpose and of community.

JSA works to identify the barriers that prevent people from fully participating in the labour market, and highlights opportunities for more inclusive participation by using data to understand how different people experience the labour market.

Benefits of a more inclusive workforce

- Occupations with higher representation of First Nations people, people with disability, older or younger workers are less likely to be in shortage.
- Insights from the Occupation Shortage List (OSL) emphasise the value of increased participation, improved workplace culture and greater diversity and inclusion as key strategies to alleviate shortage pressures.
- Participation in the labour market supports individual wellbeing by contributing to mental and physical health, a sense of purpose, and self-worth. **These benefits should be accessible to all Australians.**

Foundation skills support employability

Foundation skills like literacy, numeracy, and digital literacy are essential for meaningful participation in work and society, and to drive productivity, innovation and adaptability. Improving foundation skills across the population helps ensure that all Australians can realise their full potential.

Digital literacy is increasingly becoming more important across the labour market. Digital exclusion disproportionately impacts First Nations people, those with disability, older adults and people with lower education or income. Limited connectivity and low digital skills impact engagement with emerging technologies like Gen AI, which are becoming increasingly important employability skills.

Supporting these learners to develop foundational skills can help open employment pathways and address the barriers they disproportionately face.

First Nations inclusion builds economic strength

The Australian government remains committed to addressing structural barriers impacting First Nations people through the National Agreement on Closing the Gap, aiming for a 62% employment rate by 2031. Latest employment data shows that the employment rate was at 55.7% in 2021, increasing by 4.7 percentage points since 2016.

- The VET National Data Asset project shows that completing VET training has a positive impact for First Nations people:
 - » Full time employment increased by 16 percentage points.
 - » Median income uplift is higher than the national average post completion and is highest amongst all cohort groups.

Improving employment outcomes for First Nations people has positive impacts on the wider economy, including increased economic activity and helping to address skills shortages.

- Occupation Shortage analysis shows that occupations with fewer First Nations workers tend to have higher rates of shortages. 34% of occupations with less than 0.5% First Nations representation were in shortage, compared to 29% for occupations with higher representation.

People with disability have a much lower participation rate

More effort is needed to support the economic empowerment for people with disability by improving engagement in the labour market. While the participation rate

for people with disability rose from 53.4% in 2018 to 60.5% in 2022, opportunities remain to close the gap with the 84.9% participation rate of those without disability.

- In 2022, the unemployment rate for people with disability was 7.5%, more than double that of people without disability (3.1%), with observed labour market disadvantages increasing with severity.
- People with disability are overrepresented in lower-skill roles (e.g. Labourers and Sales Workers) and underrepresented in higher-skill roles (e.g. Professionals and Managers).

Women in the labour market

Labour market outcomes for women have, and continue, to improve. However, we still have a long way to go in building gender parity within the Australian labour market. Closing gender gaps could boost Australia's economy by up to \$128 billion annually. Gender equality is not just an issue of fairness, but a major opportunity to boost productivity.

Over the last 15 years:

- The proportion of women aged 25-39 with Cert III or above increased from 48% to 72%. Those with a Bachelor's degree or above increased from 28% to 46%.
- Women's employment grew 40%, yet men still outearn women in 98% of 688 occupations, and only 21% of the Australian workforce are in gender balanced occupations.

