



Australian Government



Jobs and Skills Australia

Pathways to Success

Jobs and Skills Report 2026

Cross cutting forces shaping Australia's labour market



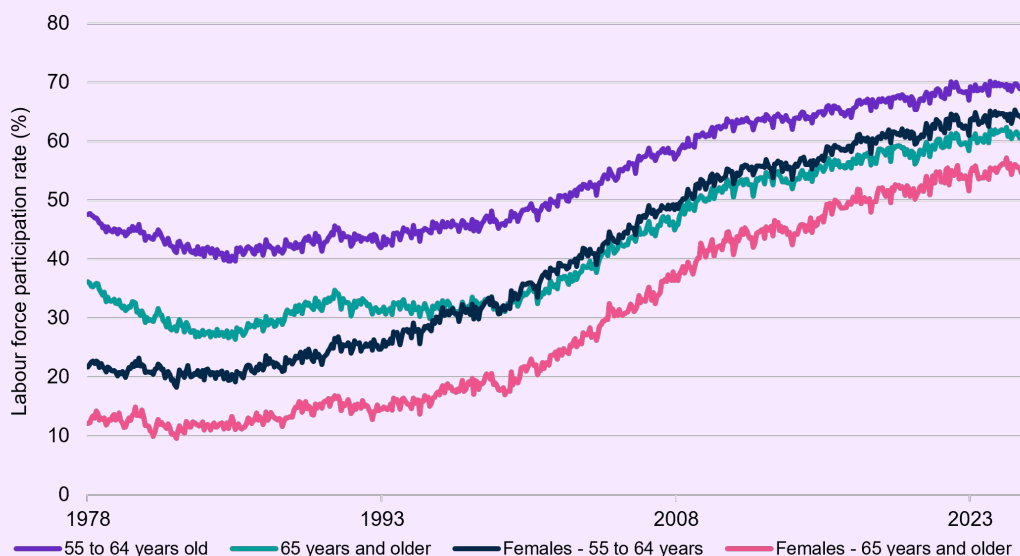
Australia's labour market has changed significantly over the past 3 decades with a shift to high skilled work and higher rates of participation, particularly among women. Looking forward, the labour market is being reshaped by a set of cross-cutting forces (including the impact of artificial intelligence, population ageing, and geopolitical uncertainty) which are influencing what jobs are created, where they are created, who can access them, how work is organised, and what kinds of learning people need across their lives.

Demographic change is shaping both supply and demand

Population ageing is increasing demand for health, care and other human-centred roles, while greater participation by older Australians makes lifelong learning and flexible upskilling increasingly important.

Figure 1: Older Australians are participating more in work, increasing the importance of flexible upskilling across working life

Labour force participation rate of population aged 55 to 64 and 65 years and older, total and females, 1978 to 2026



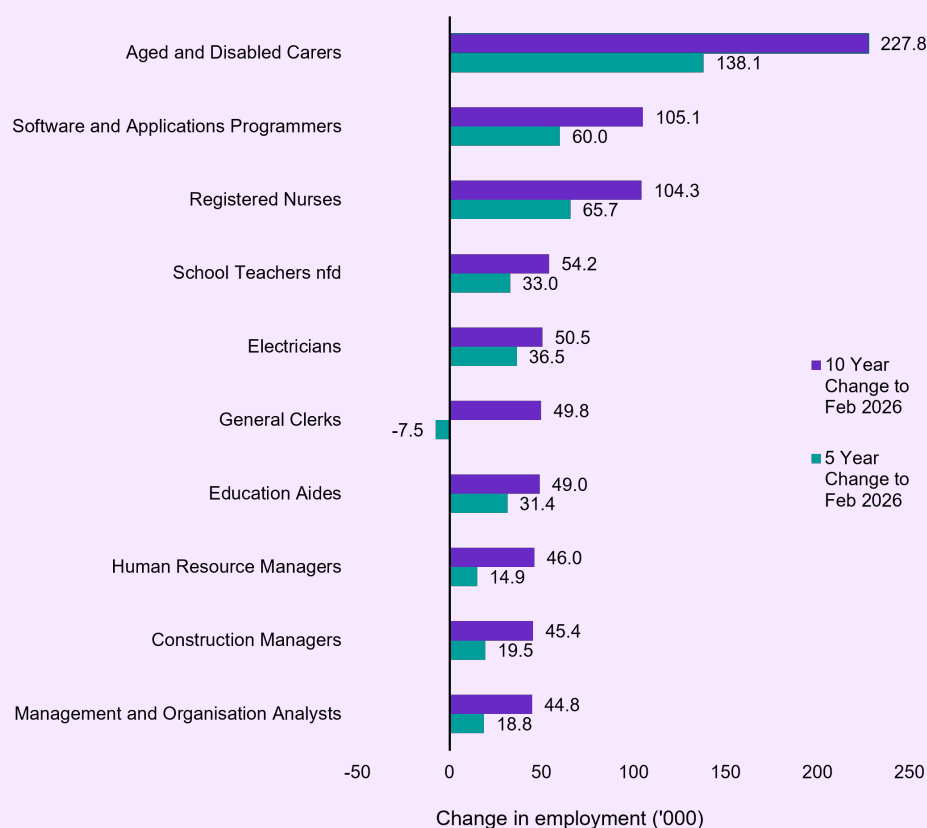
Source: ABS, Labour Force Australia, detailed [time series spreadsheet], March 2026.

Future skills needs are broad



- Employment growth spans knowledge-intensive occupations, skilled trades, care, education and digital roles. It requires a balanced tertiary education system that supports care, trades, education, digital, professional and practical occupations.
- Technology and demographic changes are shaping a labour market that is balanced between knowledge, practical and human-centred work (however these opportunities may be uneven).
- Global disruption is influencing business decisions and workforce demand.
- Place matters: opportunity is uneven across regions - where people live will shape their access to jobs and career opportunities.

Figure 2: Beyond the care workforce, digital, education and skilled trades have also grown in line with population growth and technological advancement



Source: ABS, Labour Force Australia, Detailed, February 2026, data trended by JSA.

