



Australian Government

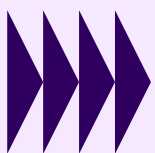


Jobs and Skills Australia

Pathways to Success

Jobs and Skills Report 2026

Summary



Australia needs an adaptive jobs and skills system

Australia's labour market strength depends on developing, aligning and using people's skills effectively across their working lives.

- Skills utilisation is a major productivity opportunity.
- Technological, demographic, economic and geopolitical change is impacting business operations, workforce decisions and skills requirements.
- Different shortages require tailored responses, including stronger mobility, consideration of job design and fuller use of existing capability.
- Lifelong learning must become central to workforce development.

Productivity, inclusion and national resilience are all improved when capability is created, directed to areas of need, used effectively at work and renewed throughout working life.

The productivity challenge is increasingly a capability challenge.

Australia already has significant capability, but evidence suggests utilisation could be improved and that skills requirements are rapidly changing.

33% of women and 27% of men work in occupations below their skill potential

References to critical thinking and problem-solving in construction trade advertisements have more than tripled over the past decade, with growing demand for initiative and leadership in engineering and construction roles.



Inclusion is both a social and economic imperative.

Meeting Australia's future workforce needs will require broader participation from groups currently underrepresented in parts of the labour market.

1 in 6 working age Australians are people with disability, however only 60% are participating in the labour market compared to almost 85% of working age people without disability

First Nations graduates who completed a vocational education and training (VET) qualification in FY2022-23, experienced a median income uplift of \$20,600, which is \$2,900 higher compared to all VET completers.

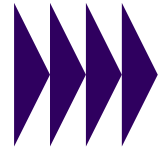
Around 40% of adults who wanted to undertake tertiary education did not participate, mainly because of time and cost.

Building national resilience will increase Australia's capacity to respond

Responding to national priorities and geopolitical uncertainty will require a continued focus on local capability.

Persistent shortages already affect occupations critical to housing, infrastructure, care and the energy transition, while constraints in the VET workforce may limit Australia's ability to develop and replenish those skills. Stronger domestic training capacity, apprenticeship jobs, flexible pathways and lifelong learning are essential to responding to future shocks and delivering national priorities.

JSA's employment projections suggest that if education and training supply were more responsive to labour market demand, Australia could support around 106,000 more workers in Skill Level 3 and 4 occupations over the next decade, offset by around 139,000 fewer workers in Skill Level 1 occupations than under current supply trends.



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