

MIXED SIGNALS, FUTURE OPPORTUNITIES

**Finance, technology and business
trends and skills in the AI era**

FSO Workforce Plan 2026

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Foreword

A message from the CEO

Dear colleagues,

I'm pleased to introduce **Workforce Plan 2026: Mixed Signals, Future Opportunities**.

This year's Plan comes at a pivotal moment for the more than 3.5 million Australians working in finance, technology and business (FTB). While FTB employment has continued to grow, the signals beneath these numbers are more mixed. Recruitment has softened, graduate hiring has contracted, and some mid-tier roles have become redundant. Growth and disruption are happening at the same time, but each sector is experiencing this transition differently.

Finance is growing but facing major AI-related and regulatory changes. Technology continues to add workers, though long-standing skills shortages are easing. Business is moving in two directions: demand is rising for higher-skilled roles while demand for clerical and administrative jobs is declining.

AI sits behind many of these shifts. While there is little evidence yet of widespread labour market disruption, significant change is already underway as tasks, skills and workforce structures evolve. Our challenge is to help workers, employers and the skills system adapt.

Two related themes from this year's Plan stand out: the critical role of leadership in turning AI into productivity gains, and the need for a more agile skills system that can keep pace with rapid technological change.

This year's Plan also marks the launch of the **FSO Workforce Intelligence Platform**, enabling users to *read, ask and explore* workforce data through natural-language queries and interactive dashboards.

Most importantly, this Plan has been shaped by the insights, expertise and challenge of our stakeholders.

Thank you for your contributions.

Sincerely,

Patrick Kidd OBE OAM

Chief Executive Officer
Future Skills Organisation

Executive summary

Mixed Signals, Future Opportunities is the fourth **Workforce Plan** produced by **FSO**. The series began with an Initial Workforce Plan, followed by the 2024 Workforce Plan: Agenda for Action, and Workforce Plan 2025: Pathways to Impact. This Plan builds on those previous iterations rather than restating them.

This Plan sits alongside a range of active FSO projects across training product development (TPD), workforce research, implementation, promotion and monitoring activities, and employer engagement. Where a finding connects directly to one of those projects, that connection is called out. The report does not, however, pre-empt project outcomes or make recommendations on behalf of processes that are underway.

Over three and a half million people are employed in finance, technology and business (FTB) occupations, and all three sectors continued to grow into 2025.^{1,D2} However, beneath this headline growth, there are mixed signals: recruitment is softening, entry-level work is contracting, and Artificial Intelligence (AI), particularly generative AI (GenAI), is reshaping the day-to-day tasks of FTB workers. The finance industry is the most generative AI-exposed in Australia.^{2,D4}

What that AI exposure means is still unclear. The FTB data indicates areas of workforce growth and contraction, with AI displacing and augmenting roles. Simultaneous growth and disruption make transition the defining feature of the FTB workforce in 2026.

AI's productivity promise is largely one of augmentation, enabling workers to do more with the technology rather than being replaced by it. But that promise is not automatic. It depends on building capability at scale, and at present, demand for AI skills is outpacing the training available to develop them.

This report identifies five cross-sector themes shaping the FTB workforce, explored across the Finance, Technology and Business chapters that follow. Running beneath all five is a deeper structural question: whether the benefits of growth and technological change are reaching the full diversity of the FTB workforce or concentrating among those already well-positioned. Diversity and participation are examined as an underlying theme throughout.



Figure 1: FTB occupation workforce snapshot.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D2}

Five trends are reshaping the FTB workforce

A workforce in transition



Mixed labour
market signals



AI impacting
FTB roles



Technology shifts
beyond gen AI



Leadership skills
not keeping up



Training system
falling behind

Underlying every theme:
Equity and Participation

The FTB labour market is showing mixed signals

It is not yet possible to cleanly isolate the drivers of labour market disruption. AI-driven structural change, post-pandemic correction, and broader cyclical economic conditions are all plausibly at work, and likely all at once.

Employment grew across all three sectors into 2025 and early 2026,¹ even as hiring conditions softened. Entry-level and graduate hiring is contracting,³ and the share of small and medium businesses reporting vacancies across all industries has fallen sharply, from 22% in FY2024 to 15% in FY2025, and 12% in FY2026 to date,⁴ with stakeholder feedback indicating similar FTB trends. Redundancies and restructuring are now affecting experienced professionals, with mid-tier roles across FTB under pressure.^{5,6,7,8}

AI is impacting FTB roles

AI is already reshaping roles across FTB work, but how this transition is being managed across the workforce remains unclear.

Clerical and administrative roles are amongst those changing fastest, with routine task automation compressing entry points into professional careers.^{9,D4} Workers with the largest exposure to generative AI are typically lower-paid,¹⁰ disproportionately women¹¹ and are least likely to receive employer-funded training.^{9,12,D4}

At the same time, AI augmentation is raising expectations of what capable performance looks like: workers across FTB are increasingly expected to exercise judgment, interrogate AI outputs, and communicate complex decisions to clients and stakeholders, capabilities that formal qualifications have rarely been designed to deliver.^{13,14}

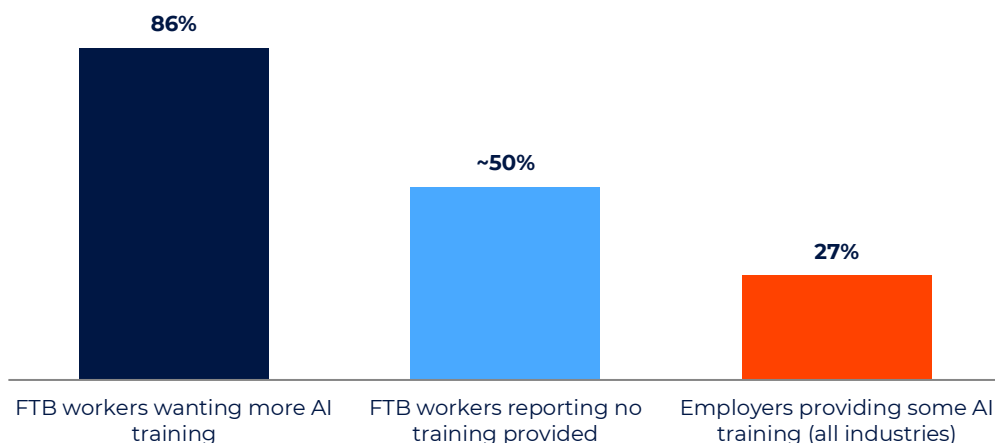


Figure 2: The AI training demand and supply gap.

Source: Mandala Partners & Future Skills Organisation 2025;¹⁵ and NCVER 2025.¹²

Beyond generative AI, technology shifts are reshaping FTB

Generative AI leads the narrative, but it is only one part of a broader, rapidly evolving technology landscape.

Investment in data centres and evolving data sovereignty requirements will determine how affordably and at what scale Australian organisations can access AI infrastructure.¹⁶ Quantum computing is approaching practical application in finance and risk modelling.¹⁷ For organisations already past initial AI adoption, orchestration (coordinating multiple AI agents and systems toward complex outcomes) is emerging as the next significant capability requirement.^{18,19} FSO's market scan found no accredited training and only limited non-accredited training addressing this, with non-accredited training focused on technical builds rather than integration into non-technical roles.

Leadership capability is critical and not keeping up

Management and leadership capability has emerged as the most consistently identified workforce challenge.

Management quality is one of the strongest determinants of firm-level productivity, and the return on AI investment depends less on the tools an organisation deploys than on whether its leaders can redesign work around them.^{20,21,22} The management load is increasing as AI responsibilities accumulate, yet capability is lagging with 41% of businesses identifying that leaders lacking the skills and capability to apply AI.²³ This capability gap underpins almost every other workforce challenge in this plan.



Figure 3: New tasks are being added to management roles.

Source: FSO analysis of Australian Institute of Management n.d.;²⁴ OECD 2023;¹³ and Challapally, A, Pease, C, Raskar, R & Chari, P 2025.²⁵

The education and training system is falling behind

The formal education and training system is being asked to deliver capabilities at a pace it is not structurally designed to meet.

Curricula in FTB-relevant fields of education have fallen behind industry needs. The skills employers now demand such as judgment, AI literacy and the ability to work with and oversee automated systems, are not yet consistently reflected in accredited training, and graduate outcomes for both VET^{D7} and higher education^{D8} suggest the gap is widening rather than closing.

The challenge is compounded by the pace of change. Training products that can take 18 months²⁶ to update cannot keep pace with a technology environment that shifts in weeks. Yet the system's primary focus remains on full qualifications, designed for a stable skills environment very different than the one FTB employers and workers now operate in. Reflecting this mismatch, stakeholders across the FSO Workforce Roadshows expressed strong support for more flexible alternatives.

Underlying every trend: equity and participation

This workforce transition is not neutral: without action, it will deepen existing workforce inequalities.

Women carry a disproportionate share of the transition exposure at both ends of the career span. Their concentration in clerical and administrative roles most exposed to automation, combined with their underrepresentation in the leadership roles shaping AI adoption, reflects the same progression barriers and risks compounding existing disadvantage if left unaddressed.

The evidence base on Aboriginal and Torres Strait Islander participation in FTB occupations remains thin, limiting FSO's ability to identify where targeted action is most needed. Building that evidence base is itself a priority.

Around 65% of Australian private sector workers are employed by small and medium businesses²⁷ and those workers are less likely to receive structured training,¹² and the least well served by current training products.

Regional workers face a further disadvantage. They sit furthest from the infrastructure, investment and training that AI adoption depends on, so the barriers to access are compounded by distance.²⁸

Three sectors at a glance

Finance

While the finance workforce has grown strongly over the decade, it is also the most exposed to generative AI.^{2,D4}

AI augmentation and a wave of regulation, including mandatory climate disclosure and expanded anti-money laundering obligations, are reshaping what finance workers need to know and how they work. Modern financial services roles also include significant digital skills and are highly exposed to generative AI augmentation and automation. FSO projections indicate that supply may fall short by around 104,000 workers by 2035, although the largest occupation shortages are projected in roles highly exposed to AI.^{D4}

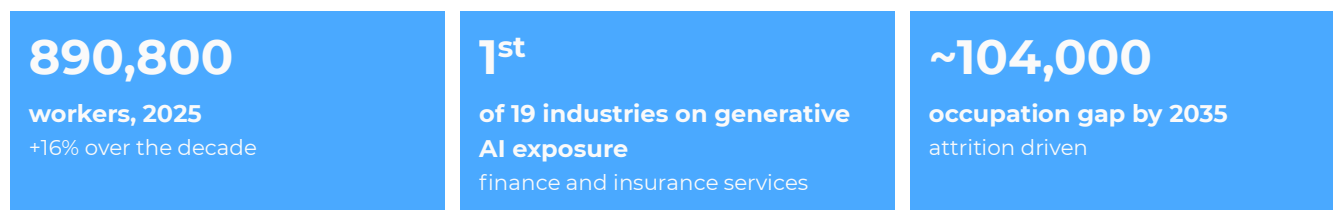


Figure 4: Finance sector at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} JSA 2025, generative AI exposure scores;^{D4} Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

Technology

The technology workforce is expanding, but growth is concentrated in a narrow band of occupations.^{D2}

Generative AI has moved into daily usage, and every technology occupation has high generative AI augmentation exposure.^{2,D4} The signals that once defined the sector, including labour shortages^{29,30} and strong graduate outcomes are now weakening.^{D6, D7} Occupation projections indicate a near-balance in supply and demand through to 2035.^{D35}



Figure 5: Technology sector at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} JSA 2025, generative AI exposure scores;^{D4} Australian Computer Society, Australia's Digital Pulse 2025.³¹

Business

The business workforce is becoming more polarised, with growth in higher-skilled roles^{D2} and the risk of significant AI automation in administrative functions.^{2,D4}

A decade of digitisation has already reshaped the sector, shifting employment from administrative roles toward professional services, and generative AI now performs tasks that earlier software could not. The projected occupation shortfall reaches around 218,000 by 2035, although predicted shortages are concentrated in clerical and administrative roles highly exposed to generative AI.^{D3,D4}



Figure 6: Business sector at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} Future Skills Organisation and Oxford Economics Australia 2026, projections data;^{D3} Australian Industry Group 2024.²³

Introduction, context and scope

Purpose

This is the fourth Workforce Plan produced by FSO. The series began with an [Initial Workforce Plan](#), followed by the [2024 Workforce Plan: Agenda for Action](#), and [Workforce Plan 2025: Pathways to Impact](#). This report builds on those previous iterations rather than restating them.

This report sits alongside a range of active FSO projects across training product development (TPD), workforce research, implementation, promotion and monitoring activities, and employer engagement. Where a finding connects directly to one of those projects, that connection is called out. The report does not, however, pre-empt project outcomes or make recommendations on behalf of processes that are underway.

Scope

This report covers the FTB workforce. This takes two forms: an industry lens, covering workers employed in FTB industries regardless of their occupation; and an occupational lens, covering workers in FTB occupations regardless of which industry they work in.

Each of the FTB chapters reports on both lenses, and the FSO Workforce Intelligence Platform includes both industry and occupation views. The figure below identified how these two difference lenses relate to the workforce figures shown in this report. A full list of industries and occupations in scope is available on the FSO Workforce Intelligence Platform in the Methodology.

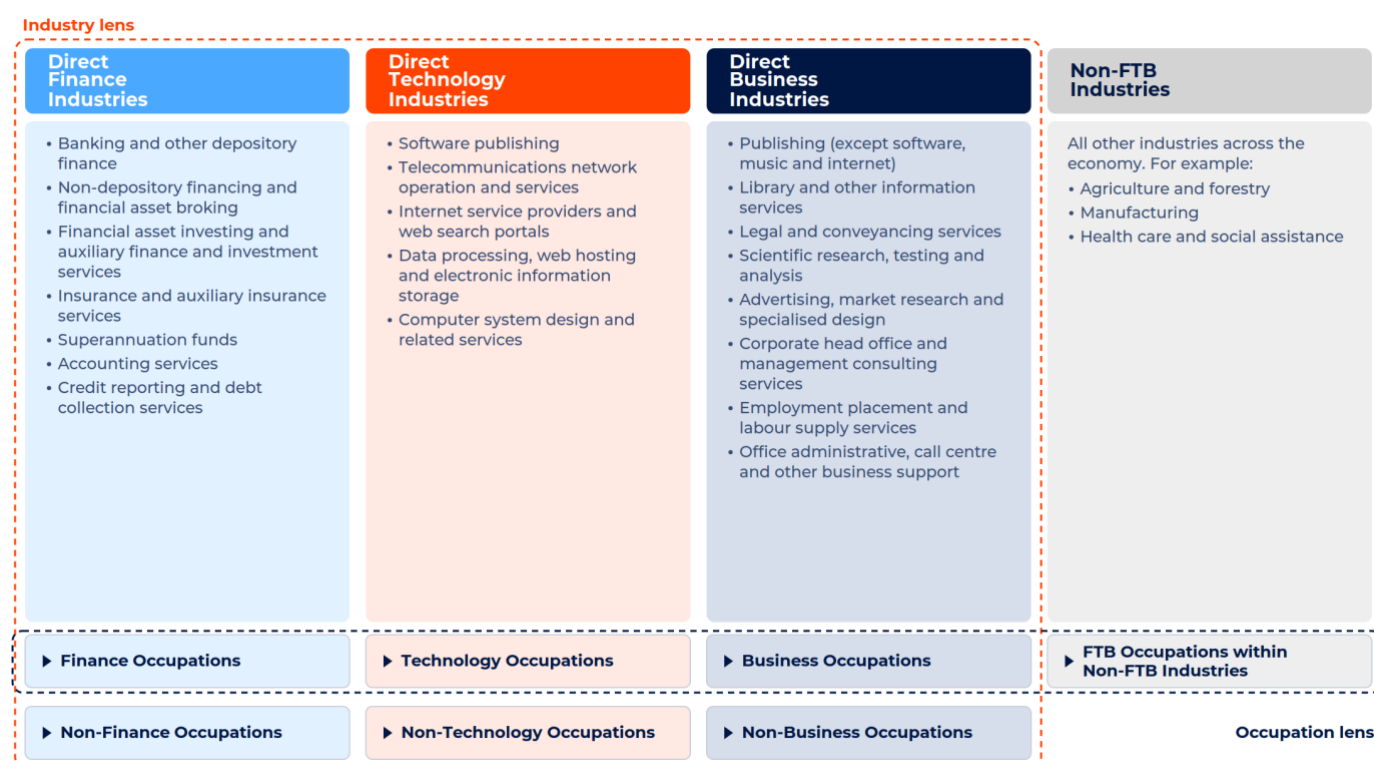


Figure 7: Industry versus occupational lens of the FTB workforces.

Evidence base

This report draws on three evidence streams:

1. **Quantitative data:** Occupation and industry workforce size and composition, projections to 2035, vocational education and training (VET) and higher education enrolments and outcomes, and migration trends. Data sources are indicated through D references throughout, with a full list in the [Data Sources](#). Further information on these datasets can be found on the FSO Workforce Intelligence Platform.
2. **Qualitative data:** Stakeholder evidence was gathered through the [FSO Workforce Roadshows](#), meetings, interviews, and a survey. Where relevant to workforce planning, intelligence gathered through other FSO projects has also been integrated into this report.
3. **Literature, policy and international sources:** Published research, government policy documents, grey literature, and international workforce analysis are used, with a full [reference list](#) provided.

Use of AI

This report was prepared with assistance from AI tools. Human judgement and oversight were maintained throughout, and all AI-assisted content was reviewed and verified by subject matter experts prior to publication. The use of AI reflects a commitment to responsible adoption of emerging technologies while maintaining rigorous quality standards and human oversight.

How to use this workforce plan

This report is one part of a [connected suite of products](#), allowing users to access information and data in the way that best meets their need.

READ	The trends impacting Australia's FTB workforce This report is accompanied by the detailed Workforce and Skills Analysis Annex with deep dives into every sector, along with technical papers for the workforce projections and migration analysis.
ASK	Ask anything, get answers you can trust An interactive agent that answers questions in plain English, drawing on this written report and the underlying data, with results you can view as narrative with tables or charts.
EXPLORE	Dig into the numbers, find what matters to you Refreshed dashboards across industry, occupation, education supply, migration and projections, a new map view, and an interactive report bringing the key findings together with live charts.

Industry and system trends

This section details five trends impacting the FTB workforce:

1. The FTB labour market is showing mixed signals
2. AI is impacting FTB roles
3. Beyond generative AI, technology shifts are reshaping FTB
4. Leadership capability is critical and not keeping up
5. The education and training system is falling behind

Underlying all five themes are equity and participation considerations, which shape who benefits from the transition underway and who carries the cost.

Theme 1: The FTB labour market is showing mixed signals

The FTB labour market is sending mixed signals in the data and public narrative. Industry employment data show the FTB workforce growing from 2024 to 2025: finance up 1% to 724,900, technology up 4% to 430,400 and business up 1% to 688,500,^{1,D1} with labour force data to February 2026 continuing that trend.^{D1}

Stakeholders continue to describe persistent shortages in FTB occupations that the official data does not fully capture. Yet firm-level headcount reductions are widely reported^{5,6,7,8} and four FTB occupations have been removed from the Occupation Shortage List since 2024.³²

The Occupation Shortage List underpins the Core Skills Occupation List,³² which determines the occupations eligible for skilled migration through the Core Skills stream of the Skills in Demand visa.³³ As FTB occupations move off the shortage list, they also fall out of eligibility for that migration pathway, so the two systems move together: a narrowing shortage picture tightens eligibility for the Core Skills stream, which has historically supplemented domestic supply. The Specialist Skills stream of the Skills in Demand visa remains open to all eligible occupations.

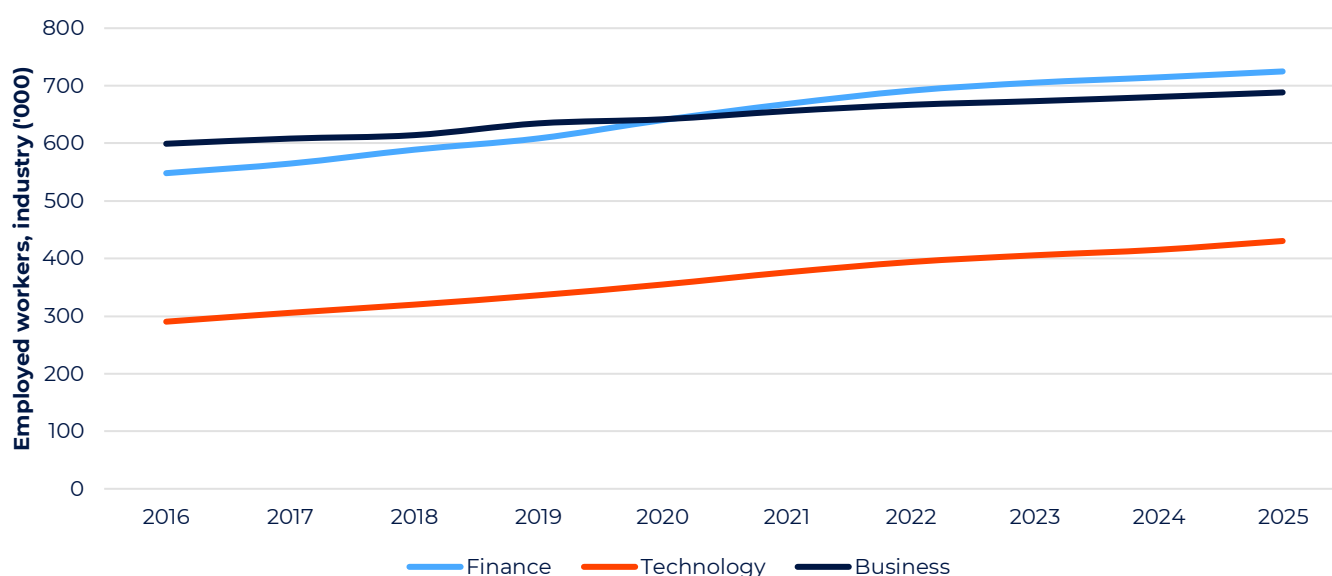


Figure 8: FTB industry workforce, 2015-2025 ('000s)

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

These signals are not easy to reconcile. There is workforce growth while leading indicators such as entry-level recruitment and layoffs are potential signals of a slow down or decline. The picture is one of a market in transition: old demand patterns unwinding while new ones have not yet settled.

Other recruitment indicators paint a similarly complex picture. Jobs and Skills Australia's (JSA) Occupation Shortage Report for March 2026 recorded a 5 percentage point decline in the fill rate for Professionals to 67%.^{2,9} Unusually, this occurred even as the number of suitable applicants rose to 4.8 applicants per advertised role.^{2,9} The pattern is difficult to read: a falling fill rate alongside a growing pool of applicants points to employers having suitable

candidates available but choosing not to hire, which is consistent with a softening market in which roles are advertised but not filled.

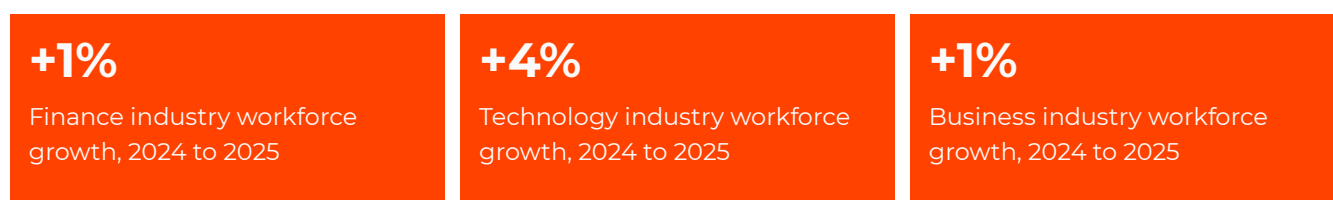
Entry-level and graduate hiring is contracting across all three sectors,^{3,34,35} and the national share of small and medium businesses carrying vacancies has fallen from 22% in FY2024 to 15% in FY2025, and 12% in FY2026 to date.⁴ The clerical, administrative and junior technical roles most exposed to AI have long been the first step into FTB careers, so as they narrow, the future talent pipeline is at structural risk. However, the pressure is not confined to new entrants. Redundancies and restructuring across FTB have impacted experienced professionals.^{5,6,7,8}

Large-scale United States payroll evidence already shows early-career workers in the most AI-exposed occupations experiencing a relative decline in employment, concentrated where AI automates rather than augments tasks.^{36,37} Australia is not yet showing the same effect, but it shares the high exposure while adopting AI more slowly than the United States,¹⁵ so these patterns may indicate where the Australian entry-level market is heading rather than where it sits today.

Migration data points the same way. Higher salary thresholds appear to have resulted in FTB employers using migration more selectively and mainly for more senior roles.^{33,38} There is no cap on the number of Skills in Demand visas granted for any occupation or industry, so the binding constraint is the salary threshold rather than occupational access.

There are several plausible drivers behind these mixed signals, each consistent with parts of the evidence: post-pandemic over-hiring being reset to demand, slowing economic growth, and cyclical turnover³⁹ and AI task substitution.¹⁵ Some employers tie role reductions directly to AI;^{40,41} others say their restructures have nothing to do with it.⁴² Recent analysis which included Australian data cautions against over-attributing the transition to AI, noting that the continued shift to hybrid and remote work is also a factor.⁴³ The evidence cannot yet separate AI-driven productivity gains from cost-cutting that invokes AI as justification, or from ordinary cyclical turnover. Until it can, the most suitable interventions to support workers at risk of displacement, beyond increasing capability, remain unclear.

Signals of continuing demand



Signals of continuing contraction



Figure 9: Indicators of contraction and demand in the FTB labour market

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data;¹¹ Finance Sector Union of Australia 2025;⁷⁹ The Conversation 2026;⁴¹ CPA Australia 2025.³⁶

This uncertainty strengthens the case for increasing capability. Technology-driven productivity growth has historically lifted total employment even where it cuts headcount first, which is how contraction in exposed roles and aggregate growth can both occur simultaneously.⁴⁴ Whichever driver dominates, the capability to apply AI is the common requirement.

Migration has historically filled significant gaps in FTB workforce supply that the domestic system has not, but it is no longer a dependable forward planning assumption.⁴⁵ With many FTB occupations no longer in national shortage,³² the near-term case for relying on it is weak. More of the burden now falls on domestic capability uplift, a shared responsibility across governments, employers and the training system.

Theme 2: AI is impacting FTB roles

Australia's productivity opportunity from AI depends on workforce capability to apply it, not on access to the technology alone. International evidence from the Organisation for Economic Co-operation and Development (OECD) and the World Economic Forum (WEF) identifies the gap between adoption and effective use as the binding constraint.^{13,14} The Stanford Global AI Vibrancy Tool ranked Australia 24th of 36 countries on AI vibrancy, a measure which includes public opinion, policy, responsible AI, economy and talent related to AI.⁴⁶ Australia ranks behind Canada, Singapore and the United Kingdom, a signal that capability development, not technology access, is where Australia is falling short.⁴⁶

Generative AI is changing what FTB workers do, and clerical and administrative tasks are changing first. JSA identifies Accounting Clerks, Bookkeepers, General Clerks, Personal Assistants and Receptionists among the most exposed occupations, predominantly in finance and business.⁹ With the increasing pace of change within existing AI functionality and new tools being released, roles will continue to change rapidly.¹⁹

The workers carrying this exposure are the least resourced to respond: typically lower-paid,¹⁰ more often in small and medium businesses, rarely in receipt of employer-funded training,¹² and disproportionately women.^{47,D4} FSO consultation identified female workers as among the most overexposed and most vulnerable to AI-driven displacement, an equity issue that sits at the centre of skills policy.

AI augmentation rewards judgment, and it demands skills many FTB workers have not previously needed. The benefit depends on the quality of human judgment applied to AI outputs: experienced workers tend to get more out of AI because they can judge when its outputs are wrong. Early-career workers face the opposite risk: the tools produce plausible answers before juniors have built the domain knowledge to evaluate them. If AI completes the tasks juniors would have learned from, that learning does not occur unless it is deliberately rebuilt.

The gap between what workers want and what employers provide is measurable. 86% of FTB workers surveyed want more AI training, yet half report no training or resources provided,¹⁵ and just over a quarter of employers nationally (26.8%) provided some form of AI training, overwhelmingly informal rather than accredited.¹²



Figure 10: The AI training demand and supply gap

Source: Mandala Partners & Future Skills Organisation 2025;¹⁵ and NCVER 2025.¹²

Displacement is not the only impact of AI on FTB roles; regulator activity is creating demand for AI-literate professionals. Expectations and findings from the Australian Prudential Regulation Authority,⁴⁸ the Australian Securities and Investments Commission⁴⁹ and the Tax Practitioners Board⁵⁰ are translating into demand for AI-literate compliance, risk, audit and governance professionals across all three sectors, reflected consistently in FSO Workforce Roadshow feedback.

That demand sits primarily in business and finance rather than technology, because it centres on overseeing AI deployment through leadership, audit, risk and compliance, not on building AI systems. Stakeholders point to emerging pathways for workers displaced from routine roles into AI governance, cybersecurity, compliance and data analytics.

What FSO is doing on AI workforce impacts

- FSO's [Skills Accelerator – AI](#) is building scale as a skills development mechanism for the workforce, with more than 1,000 members across industry, education and government.
- Tripartite engagement with government, unions, employers and education providers is ongoing and is the primary vehicle through which FSO is making the case for coordinated AI workforce action.
- FSO's workforce intelligence will continue to track the structural-versus-cyclical question as new evidence becomes available.

Theme 3: Beyond generative AI, technology shifts are reshaping FTB

Australia's technology conversation has converged on generative AI, which leaves other forces under-examined: quantum computing, digital infrastructure investment and AI orchestration. Each is shaping the operating context for FTB employers and workers now, even where the most direct workforce consequences are still some years out.

Quantum computing is a known future challenge with key milestones now established. The Australian Signals Directorate recommends that traditional asymmetric cryptography, the foundation of security across current financial systems, be phased out by the end of 2030 with transition plans in place by the end of 2026.¹⁷ Data harvested today can be decrypted once a capable quantum computer exists, and the implications reach finance functions built around risk modelling and fraud detection.⁵¹

Quantum computing is also an enabler of the next stage of AI, offering targeted relief for bottlenecks inside AI pipelines.⁵² With early verified quantum advantage now reported,⁵³ hybrid quantum-and-AI systems are moving toward early commercial use, and a small number of finance, data and analytics roles will start to sit at the quantum-AI boundary, requiring workers to understand what these systems can and cannot do.

The infrastructure conditions under which FTB employers access AI are also shifting. Data centre capital investment has accelerated, and decisions about that infrastructure, its cost, location and data-handling obligations, shape how reliably and affordably Australian organisations can access AI at scale.¹⁶

\$26 billion

investment required to meet projected national data centre capacity by 2020

\$5.9 billion

projected value of Australia's quantum industry by 2045

NOW

AI orchestration capability



EMERGING

Data centre build-out and obligations



FUTURE

Quantum-exposed finance functions

Figure 11: Technology forces beyond generative AI

Source: Mandala Partners & Future Skills Organisation 2025;¹⁵ and Commonwealth Scientific and Industrial Research Organisation (CSIRO) 2022.⁵⁴

Data sovereignty requirements add a further layer: the rules governing where data can be held and processed are not settled, and compliance obligations in finance and professional services mean FTB employers are more directly exposed to those uncertainties than most. Regulatory driven demand will again be visible.

For organisations already past initial AI adoption, AI orchestration is the next capability frontier, coordinating multiple AI agents and systems toward complex outcomes rather than using discrete tools for discrete tasks.¹⁸ Agentic AI is moving this from option to requirement, with most leaders expecting AI agents in their strategy within 12 to 18 months.¹⁹ FSO's market scan found no accredited training addressing orchestration, and the non-accredited training that exists concentrates on the technical build of agents rather than the governance and work-integration capability that managers and non-technical roles need. The workers and managers who will need to govern these systems are acquiring that capability outside the accredited system, if at all.

What FSO is doing on wider technology change

- The [Information and Communications Technology \(ICT\) Training Package Update](#) is underway and includes work to incorporate emerging technology capability into the training products it covers.
- The Entry Level Pathways project has mapped [Learning Pathways into Technology Careers](#) and their required skills against the training system, including foundation and entry-level routes into emerging technology occupations.
- FSO's stakeholder engagement includes horizon-scanning to surface what organisations are seeing beyond current AI tools, including quantum readiness, AI orchestration and infrastructure barriers.

Theme 4: Leadership capability is critical and not keeping up

Management and leadership capability was the most consistently raised workforce issue across FSO Workforce Roadshows and stakeholder engagement. Existing managers are being asked to perform tasks these roles have not previously required. The pipeline of future managers is shrinking.⁵⁵ Access to development is uneven,^{12,23} and the gender composition of leadership has not shifted at the pace the workforce transition demands.^{56,57,58}

The finding extends beyond FSO's own engagement: Stakeholders consistently identify leaders and managers as the people who say yes or no to AI adoption, and that decision shapes everything downstream. This is why improving leadership capability returns more than the same investment in frontline training alone, not because frontline capability doesn't matter, but because leaders set organisational appetite, fund initiatives and model behaviours.

Managers as stewards of workforce transition

Evidence from Australia and internationally points to middle managers as the place where AI transition support succeeds or fails. BearingPoint's 2025 study of AI transformation practices found middle managers bridge the gap between leadership vision and execution, and that employee fear of AI's impact on their roles makes the manager's enabling work decisive; its priority areas for managers include strategic workforce planning and reverse mentoring between younger and more senior staff to spread AI proficiency.⁵⁹

Gartner predicts that through 2026 a fifth of organisations will use AI to flatten their structures and removing more than 50% of their current middle management positions,⁶⁰ yet over the same period the manager's people responsibilities have expanded rather than narrowed.

In Australia, the Australian HR Institute reports the '5Rs effect': organisations running recruitment, retention, reorganisation, reskilling and redundancy at the same time. Against this backdrop, nine in ten organisations say roles are at risk or set for major change within the next three to five years, placing pressure on workloads, role clarity and working relationships.⁵⁵

The reading across these studies is consistent: where managers are equipped and resourced to support their teams through the transition, adoption holds and capability builds; where they are not, fear and attrition fill the gap.⁵⁹

Management capability is the lever that turns technology investment into productivity. Australian and international evidence is consistent that management quality is one of the strongest determinants of firm-level productivity,^{20,21} and the return on AI investment depends less on the tools an organisation deploys than on whether its managers can redesign work and govern how the technology is used.²²

Research by the Massachusetts Institute of Technology's NANDA Initiative found AI tools embedded through partnerships succeeded at roughly twice the rate of internal builds, with implementation quality, not technical sophistication, as the deciding factor.²⁵ Where management is strong, AI investment delivers. Where it is not, the technology sits underused regardless of what it can do.



Figure 12: The expanding management role

Source: Australian Industry Group 2024;²³ and Challapally, A, Pease, C, Raskar, R & Chari, P 2025.²⁵

Leadership roles have taken on a new layer of work without shedding the old: on top of people management and operational decisions sit governing AI outputs, leading teams through continuous change, overseeing AI ethics and compliance, and managing hybrid teams.²⁴ The OECD and the World Economic Forum identify critical thinking, AI literacy and change management as the core management competencies demanded over the next decade.^{13,14}

Most current managers were not trained for this work, and current training products do not adequately cover it. 41% of businesses surveyed by the Australian Industry Group identified leaders lacking the skills and capability to apply AI as a barrier holding them back from doing more with it.²³ Workers in small and medium businesses face the steepest barriers to development: cost, time away from work, and qualification structures leaving a structural constraint on Australia's overall management capability that the market will not resolve without intervention.¹²

Managers determine whether workforce transition is supported or stalls. Research on skill formation in workplaces with intelligent systems finds a consistent pattern: organisations that deploy these tools for productivity gains often sever the working relationship between novices and experts. Professional skills have traditionally been built through that relationship, and when junior staff lose these developmental tasks the learning that would otherwise occur through doing disappears and has to be deliberately created.⁶¹ Managers decide whether early-career staff still get judgment-building work when AI can do it faster, how displaced and redeployed staff are supported into new roles, and whether team-level AI adoption builds capability or only extracts output. The entry-level pathway risk and the AI judgment gap discussed earlier both are management responsibilities to resolve.

Women are significantly underrepresented in FTB leadership roles despite consistent evidence that gender-balanced leadership improves organisational performance.⁵⁶ Representation is strong at junior and mid-career levels but drops sharply at senior levels, a pattern that has persisted long enough to be structural rather than transitional. The drivers are flexibility barriers, progression constraints and workplace culture rather than skill or ambition.^{57,58}

What FSO is doing on leadership and management capability

- FSO's [Skills Accelerator – AI](#) includes content relevant for leaders and managers dealing with the workforce impacts of AI transition, supporting capability building among those with responsibility for AI oversight in their organisations.
- FSO's workforce intelligence will continue to track gender representation in FTB leadership.

Theme 5: The education and training system is falling behind

The case for investing in workforce capability is clear, but the design of that investment matters. Training that is too costly, too slow or too disconnected from the job may shift reduce impact and investment. When the economics favour automation over development, workers bear the cost. The goal is a training system that makes investing in people the rational choice, not a system that makes the alternative easier to justify.

Education and training are how Australia builds FTB capability domestically, and the demands on it are rising as historic reliance on migration is reduced. Around one third of projected FTB workforce supply to 2035 may come from skilled migration, which means the domestic training system is carrying a significant load at a time its outcomes are under question.

Higher education graduate outcomes are weakening in critical FTB areas. Short-term employment rates have fallen and a substantial share of graduates report they are not fully using their skills, pointing to a system out of step with what FTB employers actually need. The qualification-level detail is in the Workforce and Skills Analysis Annex that accompanies this report.

The Castlereagh Statement: a cross-sector call to action

In October 2025 the University of Sydney convened educators, leaders and students from schools, VET, higher education, government, accrediting bodies and industry at a national summit. The resulting Castlereagh Statement is a green paper: three goals, six principles and a three-horizon action framework for Australian education and training in the age of AI, with the solution architecture left open for joint design.⁶²

Its goals are a national agreement on the human capabilities that education should develop and measure, in learners and in educators, now that AI handles much of the routine cognitive work; coherent learning pathways from early childhood through lifelong learning; and every Australian able to engage confidently, critically and creatively with AI. Its near-horizon actions for VET include joint regulator guidance on assessment integrity, national pilots of AI tools to support recognition of prior learning (RPL), and progressing FSO's AI pilots.⁶²

The Statement describes the national response to date as fragmented and stalled, yet it faces a constraint of its own: it is a voluntary coalition without a funded coordinating body, so its actions depend on system actors choosing to move together. The opportunity runs the other way. Its near-horizon VET actions map directly onto the pace and recognition problems set out in this theme, and if implemented, faster development cycles and RPL would address the gap that currently pushes workers into unrecognised informal training.

VET outcomes vary across the FTB sectors, with course content and delivery, teaching quality and the fit of qualifications with work and life the main change non-completers report as needed to encourage completion.⁶⁷ Content currency is both a completion and a relevance problem, and it sits at the centre of the VET reform agenda. These reforms, while moving, will not reach the labour market at the pace employers and workers need.

The Commonwealth Government's National Skills Agreement commits \$12.6 billion over five years from 2024 and positions VET as the primary domestic lever for skills shortages,⁶³ alongside system-level reforms to learner mobility and skills portability.^{64,65} Qualification Reform is the most significant structural change underway for VET, reshaping how training products are developed with a stronger emphasis on currency and responsiveness.^{26,66} The direction of reform is right, but the pace of change is not.

An informal training economy has grown up around the accredited system. A VET product can take 18 months to develop, against AI tools that change in weeks or months, so much AI training is delivered by industry outside the system, fragmented and focused on basic tool use, with no accredited recognition for those who complete it.²⁶ FSO consultation identified recognition of non-accredited learning as a system need; the slower the system moves, the more learning happens where it cannot see it.



Figure 13: Example of training development timeframes against AI release cadence.

Source: FSO analysis of Training Package Organising Framework, DEWR 2025;²⁶ Stanford University Institute for Human-Centered Artificial Intelligence 2026.⁶⁷

What FSO is doing on education and training scale and pace

- FSO is implementing the Qualification Reform principles across the Business Services (BSB), Financial Services (FNS) and ICT training packages, building fitness for purpose into every training product through its work.
- FSO is running a [Digital Capability Training Product Trial](#), testing a more agile way to develop and deliver general digital capability products by building materials alongside the accreditation process with delivery partners, so workers and employers can access training sooner rather than waiting on standard development cycles.
- FSO continues to provide input to government on pace in education and training system reform, including faster qualification development cycles, more responsive accreditation processes, and the tertiary harmonisation agenda set out in the Australian Universities Accord.

Underlying every theme: equity and participation

Equity and participation considerations run through every theme in this section, and through every FTB sector in this report. The evidence on gender and on small business access sits within the themes above; First Nations participation and the position of regional and rural workers cut across all five themes and are drawn out here.



Figure 14: Key indicators of the uneven transition cost

Source: Mandala Partners & Future Skills Organisation 2025;¹⁵ ABS 2026;²⁷ JSA 2025.²⁸

Gender

Women carry a disproportionate share of the transition's cost at both ends of the career span. Their concentration in the clerical and administrative roles most exposed to AI, and their underrepresentation in FTB leadership, are connected: the same progression constraints that thin women's path into leadership also concentrates them in the roles where AI exposure is highest.^{11,58}

First Nations participation

Aboriginal and Torres Strait Islander workers face a distinct combination of structural barriers to FTB participation: access to qualifications, geographic concentration, employer pathways and culturally appropriate workplace settings. The evidence base on First Nations participation in FTB occupations is thin and requires a dedicated focus.

Small business

Around 65% of Australian private sector workers are employed by small and medium businesses,²⁷ and the access barriers they face in cost, time and qualification structures are set out under the leadership and management theme. Small business is also the primary employer of entry-level FTB workers and the least well served by current training products, which makes it central to the equity picture.

Regional and rural

Regional and rural workers face additional barriers around training access, employer scale and infrastructure.²⁸ Distance from where AI capability is being built and where AI infrastructure is being invested shapes the workforce implications of both, so regional workers risk sitting furthest from the parts of the transition that create new opportunity.

What FSO is doing on equity and participation

FSO is planning a series of focused insights papers to highlight FTB workforce considerations across equity and participation:

- Gender equity
- First Nations participation in FTB
- Small and medium enterprises
- Regional and rural workforce

Finance

Finance has grown strongly over the past decade, but growth has slowed. Employment in the finance industry reached 724,900 workers in 2025, up 32% since 2016, but growth in the most recent year slowed to just 1%.^{D1}

That slowdown is arriving alongside structural change. Regulatory reform, including mandatory climate disclosure⁶⁸ and expanded anti-money laundering obligations,⁶⁹ is already reshaping what finance workers need to know, while AI is changing how work gets done.

Looking ahead, disruption will likely continue. Financial and Insurance Services has the greatest exposure to generative AI augmentation and automation of any industry.² Projected worker shortfalls to 2035 reflect people leaving roles faster than new entrants arrive,^{D3} with the largest gaps in the clerical occupations most exposed to AI.^{D4}

This chapter examines the finance workforce by industry and by occupation. The industry lens counts jobs located in finance industries, irrespective of occupation. The occupation lens counts people in finance roles irrespective of industry.

Finance industry workforce profile and projections

The finance industry workforce grew by only 1% in the year to 2025, to 724,900 workers, after a decade of strong growth of 32% from 2016.^{D1} Growth was broad but uneven across the 16 industry classes, and has been concentrated in four areas: Banking, Accounting Services, Other Auxiliary Finance and Investment Services, and General Insurance.



Figure 15: Finance industry at a glance.

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D1} JSA 2025, generative AI exposure scores.^{D4}

Small industry classes, while having smaller total changes, had the fastest growth rates over the decade. Life Insurance employment rose 109%, Financial Asset Investing 94% and Financial Asset Broking Services 84%, while Credit Reporting and Debt Collection Services grew 16%. Credit Union Operation employment fell 27%, the only decline in this sector.^{D1} The pattern points to growth in money management and advisory roles, while branch-based and routine-processing work contracts.

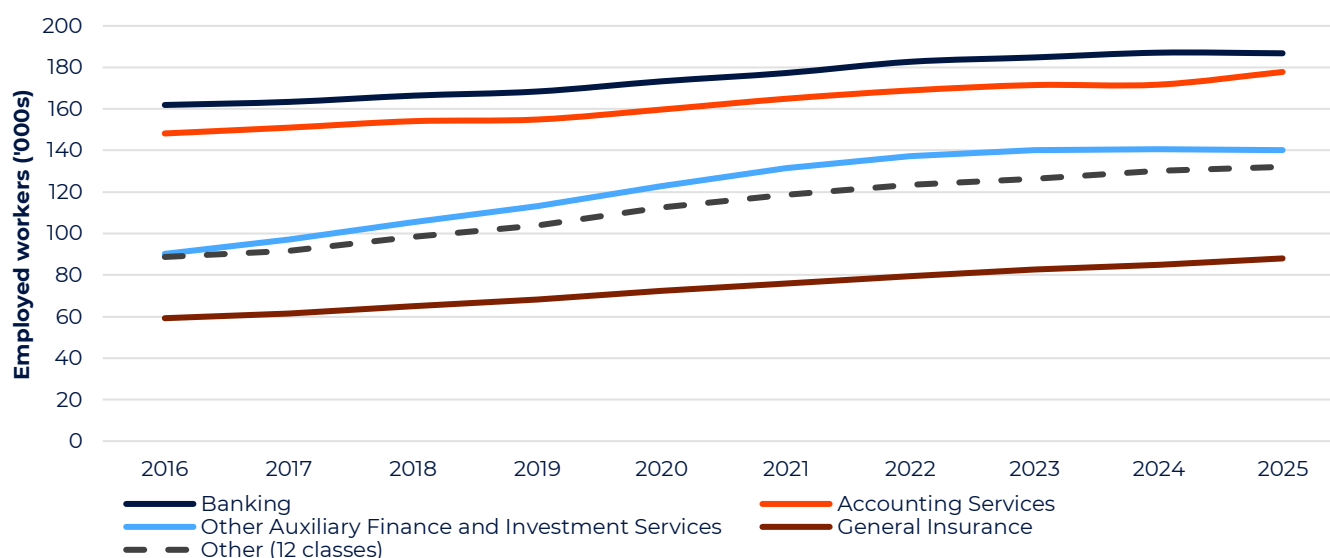


Figure 16: Finance industry employment growth by class, decade and most recent year.

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

The workforce aged, moved toward higher qualification levels and shifted further toward full-time work. The share of workers aged 55 and over rose from 15% to 17% over the last 10 years while the share of 15-to-24-year-old workers fell from 8% to 7% during that same period. Full-time work rose to 80% of the sector; and the share of workers with a higher education qualification rose from 47% in 2016 to 58% in 2025. Average weekly earnings, employment-weighted across industry classes, sit near \$1,990.^{D1} An ageing workforce with a shrinking pipeline of new entrants underlies the attrition findings below.

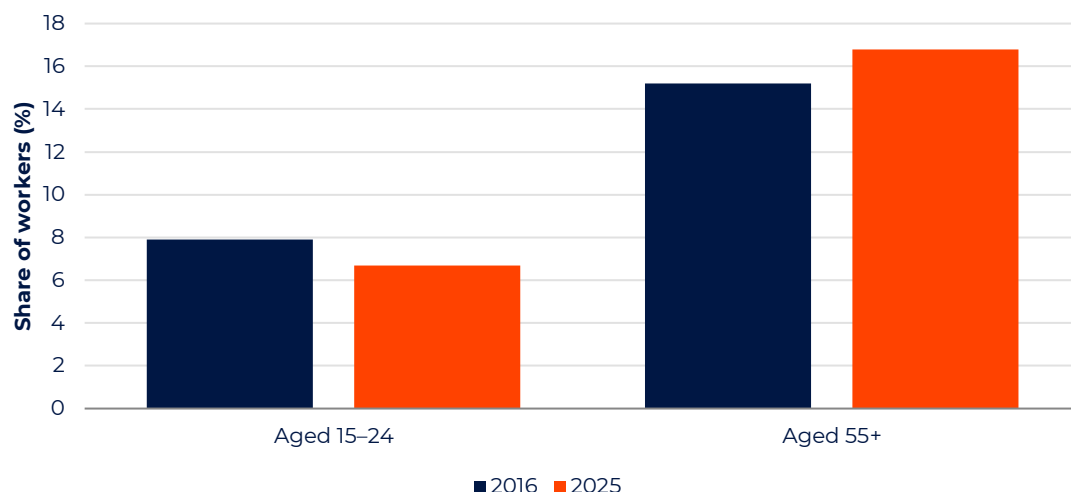


Figure 17: Finance industry employment by age, 2016 to 2025 (%)

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

Demand is projected to reach around 826,900 workers by 2035, growing 14% over the decade, led by Accounting Services (+15%), the Auxiliary Finance classes (+15%) and Banking (+14%).^{D3} Supply is projected to reach only 803,600, leaving a shortfall of around 23,000 workers. The gap is driven by attrition rather than weak inflow: FSO projections indicates that the system loses between 19,000 and 27,000 workers a year, while annual supply is approximately 11,000 from education, 10,000 from net job movement and 7,400 from migration.^{D3} The implication is that the training system's first task is replacement, not growth; simply standing still requires substantial effort before any net expansion is possible.

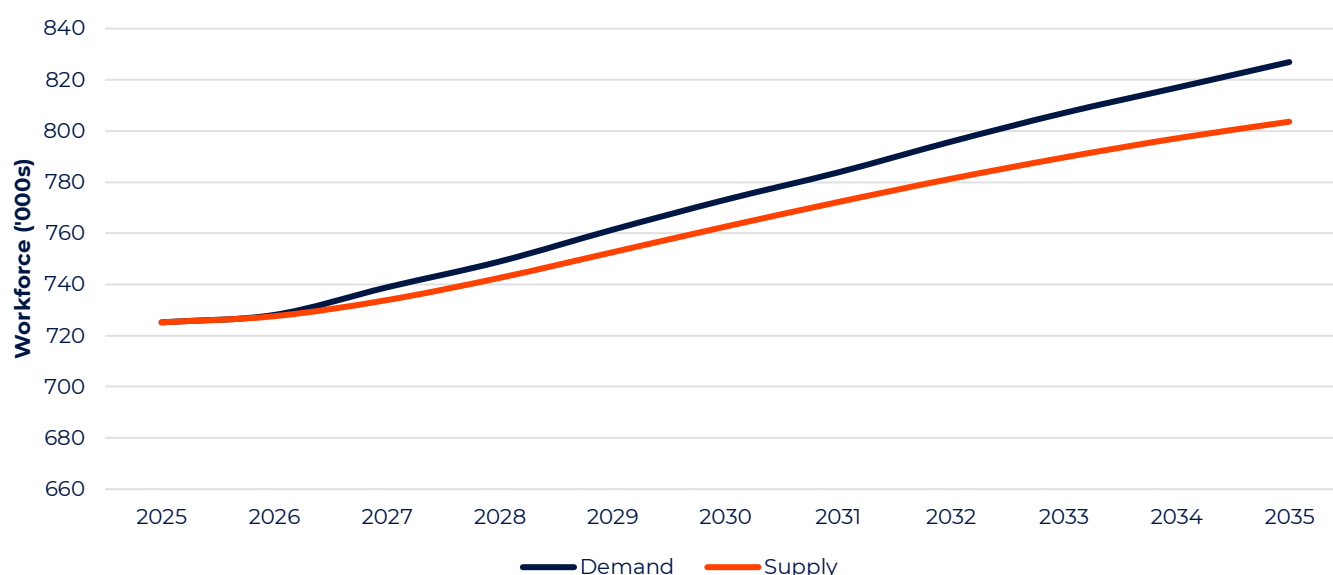


Figure 18: Finance industry projected demand and supply to 2035.

Source: Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

These projections do not incorporate AI-driven task change, which could materially alter the outlook for the sector. They extend established demand and supply relationships forward, but the rapid pace of AI development and the unknown impacts of the technology may soften or shift demand in ways the model does not capture.

This is especially significant for the Finance sector which is the most exposed industry division on both generative AI exposure measures,² and the most automatable task types, such as clerical processing, data entry and standardised documentation, are concentrated in the same finance occupations where the supply gaps sit.⁹ The result is that the roles projected to have the largest shortages are also among the most exposed to automation, which could narrow the gap, eliminate it, or change its shape. The size and direction of that effect are not yet measurable.

Finance occupation workforce profile and projections

The finance occupation workforce grew by 2% in the year to 2025, to 890,800 workers, after a decade of strong growth of 16% from 2016.^{D2} This growth has been concentrated in higher-skilled professional roles such as Accountants, Finance Managers, Financial Brokers and Financial Investment Advisers and Managers, even as traditional clerical and branch-based occupations like Bank Workers and Bookkeepers contracted.^{D2}

Demand is projected to grow around 12% to 2035 which leads to a supply gap of approximately 104,000 workers.^{D3} Accounting Clerks are projected to have the largest shortfall of any occupation across finance, technology and business, 52,000 by 2035, driven by attrition. Finance Managers, Accountants and Auditors, Company Secretaries and Corporate Treasurers project surpluses.^{D3}

Auditors, Company Secretaries and Corporate Treasurers are the only finance occupations in current national shortage on the Occupation Shortage List, although the drivers of these shortages are uncertain.^{D11} Of note, Financial Investment Advisers and Managers moved out of shortage between 2024 and 2025.³²

Finance occupations are explored in further detail within the Workforce and Skills Analysis Annex to this report.



Figure 19: Finance occupations at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} JSA 2025, Occupation shortage list 2025;^{D11} Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

Migration supplied 7,360 finance workers in FY2025, a reduction of around 10% from FY2024. Recent policy changes may continue to tighten that supply.^{D9} 4,645 of those were permanent visa holders, and 85% of those were granted to onshore applicants. The remaining 2,715 were temporary visa grants, with onshore applicants comprising 62% of those grants.

The Skills in Demand visa replaced the Temporary Skill Shortage visa in late 2024, introducing higher salary thresholds and, for its Core Skills stream, a defined occupation list. Higher salary thresholds, rather than the occupation list, are the main policy setting shaping employer use of the visa. On the Core Skills Occupation List, the share of finance occupations covered fell from 53% to 48%, largely following the removal of Financial Investment Advisers and Managers and Financial Dealers; the Specialist Skills stream remains open to a broader range of occupations.^{45,33} Graduate visa application fees doubled to \$4,600 in March 2026, adding cost pressure to a key supply pathway.⁴⁵

AI is changing finance work, impacting administrative tasks first

► *Cross-sector theme: AI is impacting FTB roles*

Generative AI is already embedded in finance work, although the rate and depth of change is uneven across the sector. The sector ranks first of 19 industry divisions on both generative AI exposure measures of automation and augmentation.² Participants in the FSO Workforce Roadshows described AI as being widely used in finance, especially for compliance and documentation.

AI exposure differs across the Finance workforce, with administrative occupations more exposed than professional occupations. Clerical occupations carry generative AI automation exposure scores of 0.68 to 0.71 alongside high augmentation exposure.^{D4} These scores indicate the potential for AI to perform much of the clerical work performed by these occupations, while also assisting with the tasks that remain.

The task mix is likely to shift: data entry, reconciliation, transaction processing and standardised documentation are the task types identified as most automatable.²⁹ Professional occupations, such as Finance Managers, Auditors and Investment Advisers, are more exposed to augmentation rather than automation because their work will continue to require human judgement and oversight.² Employer consultation and the FSO Workforce Roadshows described AI-literate governance expectations, growing demand for leaders who can oversee AI outputs and manage the risks that come with them.

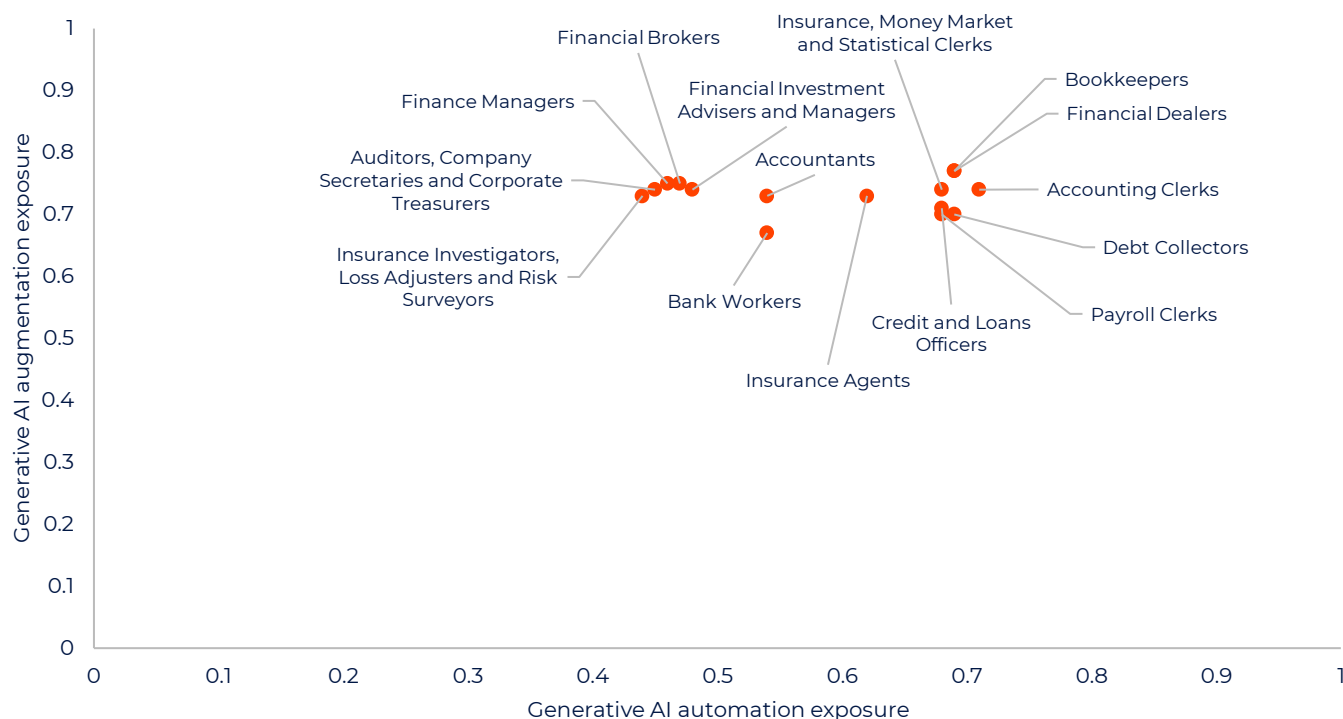


Figure 20: Generative AI automation and augmentation exposure scores, finance occupations.

Source: JSA 2025, generative AI exposure scores.^{D4}

Data note: Scores range from 0 (no exposure) to 1 and indicate exposure potential, not confirmed impacts.

Workforce reductions in parts of finance are occurring, with some businesses attributing these to the impacts of AI. However, there appear to be other drivers at play. ANZ announced approximately 3,500 job cuts by September 2026, around 10% of its workforce,⁷⁰ and NAB⁷¹ and Bendigo Bank⁷² announced technology workforce redundancies in the same period. The Commonwealth Bank became the first Australian bank to publish an organisation-wide account of how it develops, deploys and governs AI, committing to expanded staff skilling programs alongside its risk safeguards.⁷³

Participants in the FSO Workforce Roadshows described finance entry-level jobs as rapidly disappearing and reported that re-skilling toward more meaningful work would be needed to support this transition. CPA Australia's 2025 Business Technology Report indicates that 8% of Australian businesses have reduced or stopped filling entry-level accounting roles due to increased use of AI, while entry-level and junior roles are declining across accounting and finance.³⁵ The scale extends beyond the banks' AI related job losses: the Finance Sector Union estimates the four major banks cut 7,885 jobs in 2025, almost double the 4,665 cut the year before.⁷⁴

Commonwealth Bank has demonstrated the difficulty of attribution: it announced 45 call-centre redundancies on the basis that a customer chatbot had cut call volumes, reversed the decision when volumes proved to be rising, then cut a further 108 roles in 2026 with some attributed directly to automation.^{40,41} Other employers state that their restructures have nothing to do with AI.⁴² The available evidence cannot yet cleanly separate AI-driven productivity gains from cost-cutting that uses AI as its justification.

Macquarie Group research suggests the major banks could reduce their workforces by up to 30% over five to 10 years if AI capability develops as projected, led by contractors and natural attrition.⁷⁵

As routine roles contract, the same shift is raising the capability the remaining workforce needs. The Australian Securities and Investments Commission (ASIC) has examined emerging AI use cases and governance gaps in

financial services,⁴⁹ and the prudential framework now carries explicit expectations on AI-related operational risk.⁷⁶ Disclosure and attribution of AI-generated advice was raised in FSO consultations as a live compliance question.

Active FSO work

- **AI Adoption Research.** Develops practical resources to help small and medium employers, including in finance, adopt generative AI confidently.
- **FSO Skills Accelerator – AI.** A national collaboration hub for industry engagement on AI in VET, connecting employers, registered training organisations and experts.

How UK financial services are reskilling for AI

Three quarters of UK financial services firms already use AI, according to the 2024 survey run jointly by the Bank of England and the Financial Conduct Authority.⁷⁷ Around a quarter of firms identified skills and talent as the second-largest non-regulatory barrier to adoption, ahead of most concerns about the technology itself.⁷⁷

The response has been employer-led. Lloyds Banking Group, with a workforce comparable in size to Australia's largest banks, built an internal AI academy to retrain staff at scale rather than recruit its way through the transition. With talent identified as a significant constraint, firms are responding by scaling internal reskilling rather than relying on external hiring alone.⁷⁷

Separately, the Financial Services Skills Commission, an industry body independent of any single employer, coordinates skills planning and publishes shared capability frameworks across the sector. Those frameworks give firms a common definition of each capability, so training, hiring and progression can work to the same yardstick wherever a worker moves. The anticipated impact is sector level: less duplicated framework building inside firms, and clearer signals to training providers about what to build.⁷⁸

Australia can learn from this example. Employer-led reskilling at scale is feasible, but it needs structured programmes and dedicated learning time, and AI literacy training works best when a sector body gives firms a common language for capability. Australia's major banks have similar workforce sizes and similar AI exposure, and the lesson reaches beyond banking: insurers, superannuation funds and accounting networks face the same reskilling task. The missing piece in Australia is the absence of equivalent independent research capacity and a shared capability framework.

Regulation is rewriting what finance workers need to know

► Sector-specific trend

Five significant regulatory reforms will impact the Finance sector between 2025 and 2027, changing knowledge requirements for the workforce. Mandatory climate-related financial disclosure began phasing in from January 2025, with ASIC's *Regulatory Guide 280 Sustainability Reporting* setting expectations and the regulator's first reviews of lodged sustainability reports beginning in 2026.⁶⁸ Anti-money laundering and counter-terrorism financing obligations extend to accountants, lawyers and other gatekeeper professions from 1 July 2026, bringing roughly 80,000 new reporting entities into the regime.⁷⁹

Reforms reach payroll and prudentially regulated institutions in similar timeframes. From 1 July 2026, payday superannuation legislation requires employers to pay superannuation at the same time as wages or salaries, with contributions reaching funds within seven business days of payday: a structural change to payroll work and to the bookkeeping and Business Activity Statement (BAS) agent services that support small business.⁸⁰ *Prudential Standard CPS 230 Operational Risk Management* took effect on 1 July 2025 for banks, insurers and superannuation funds, and it affects AI supply chains and third-party risk.⁷⁶ Advice reforms flowing from the Australian Government's Quality of Advice Review, implemented through the Delivering Better Financial Outcomes package, continue to reshape what advisers must document and disclose.^{81,82}

Stakeholders report that these reforms create ongoing upskilling and knowledge requirements for new entrants and existing workers in impacted roles. Employer consultation indicates that Bookkeepers, Accountants and finance-adjacent workers need practical uplift in sustainability reporting as the requirements develop, and that capability has to reach the small and medium businesses that sit in large companies' supply chains.

Beyond AI: quantum risks on the horizon

► *Cross-sector theme: Beyond generative AI, technology shifts are reshaping FTB*

Looking further ahead, quantum computing carries significant implications for finance functions: the Australian Signals Directorate recommends traditional asymmetric cryptography to be phased out by the end of 2030,¹⁷ and international regulatory analysis identifies further implications for functions built around risk modelling and fraud detection.^{83,84} The workers most affected, those in risk, compliance and security, are the same ones already under pressure from regulatory reform.

Active FSO work

- **Sustainable Finance Disclosures.** Develops new units of competency in the Financial Services training package for mandatory climate risk reporting.

The workforce is shifting toward higher-credentialled roles as clerical work contracts

► *Cross-sector themes: The education and training system is falling behind; equity and participation*

Occupation growth is concentrated in professional and managerial work, while clerical occupations are shrinking. Between 2016 and 2025, Bookkeepers fell 12%, Bank Workers fell 27%, and Accounting Clerks grew 5%, while Auditors, Company Secretaries and Corporate Treasurers grew 61%, Financial Brokers grew 74% and Finance Managers grew 42%.^{D2}

That shift continued in the last year: Bookkeeper employment fell 1%, Bank Workers fell 5%, and Accounting Clerks remained stable, while Auditors, Company Secretaries and Corporate Treasurers grew 2%, and Financial Brokers grew 8%, and Finance Managers grew 3%. The qualification profile of the finance workforce has followed: the share of the workforce with a higher education qualification rose 9 percentage points over the decade to 52%.^{D2}

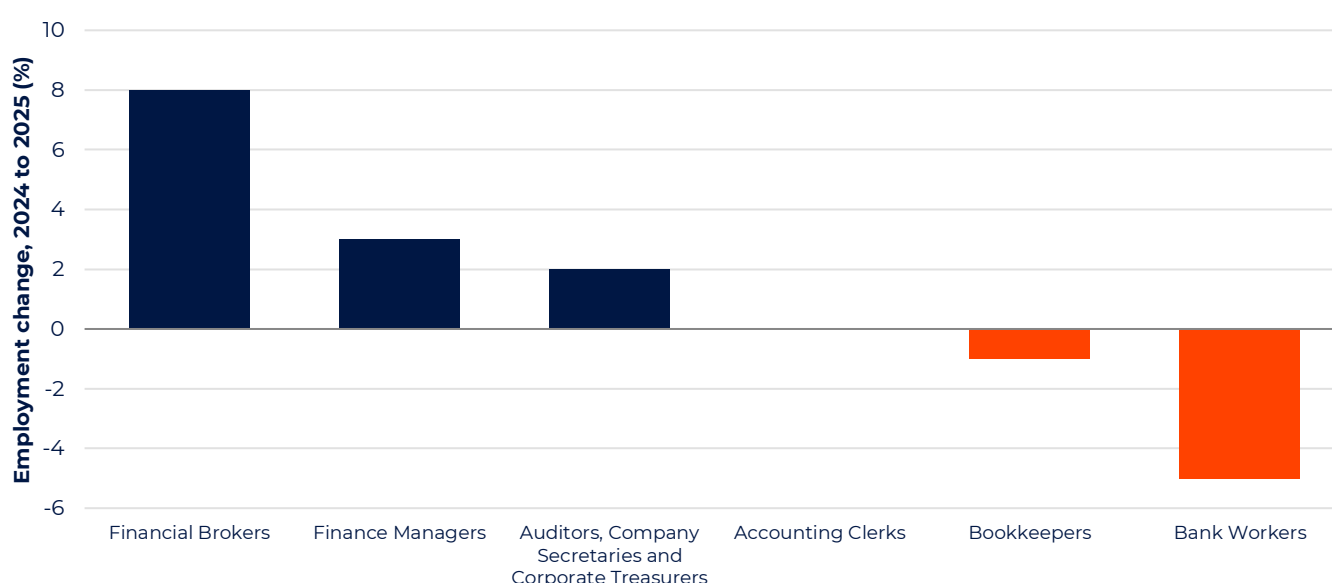


Figure 21: Finance occupation employment change, 2024 to 2025.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D2}

The workforce contraction has impacted traditionally female dominated roles most, and this is expected to continue. The occupations carrying the highest generative AI automation exposure are also the sector's most female-dominated: on the JSA Gender Segregation Intensity Scale, Bookkeepers are almost completely female dominated, while Payroll Clerks and Accounting Clerks are highly female dominated.¹¹ The advisory and broking occupations that are growing and have relatively lower generative AI exposure scores tend to be male dominated.

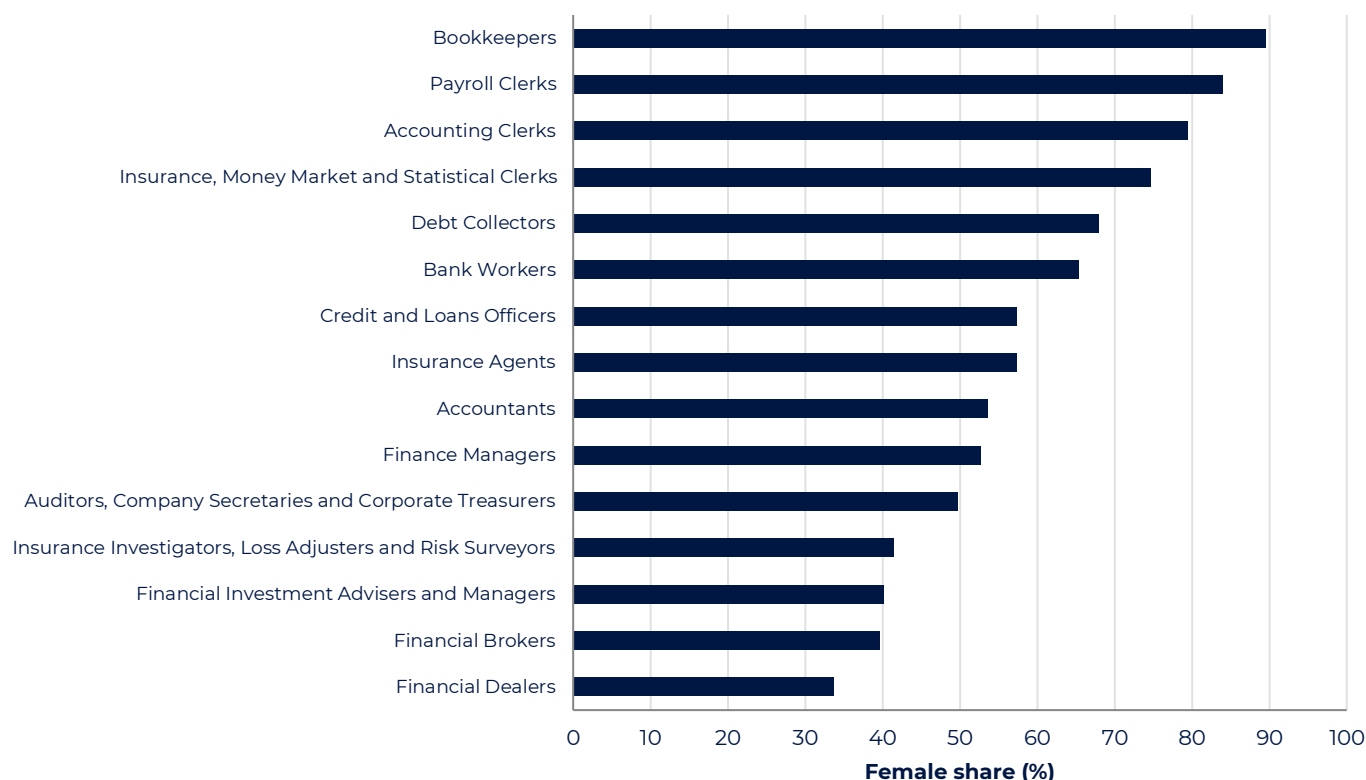


Figure 22: Female share of employment, selected finance occupations.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data^{D2}

First Nations participation in the finance workforce grew from a low base. The First Nations share of the finance workforce rose from 0.7% in 2016 to 1.0% in 2025, equating to an increase of around 8,700 workers.^{D2} This increase still leaves the sector well below the working-age population share, and the training pipeline points the same way: First Nations enrolments in the FNS Training Package rose from 1,670 in 2020 to 2,230 in 2024, lifting their share of enrolments from 2.7% to 3.3%.^{D5}

VET carries most of the sector's training pipeline. Enrolments in the FNS Training Package were between 59,000 and 71,000 each year from 2020, reaching 66,660 in 2024.^{D5} In comparison to higher education, there were only 5,500 domestic student commencements in finance-related degrees, and a further 4,800 international student commencements.^{D5} VET numbers have held broadly steady over the last five years while higher education commencements have experienced small declines.

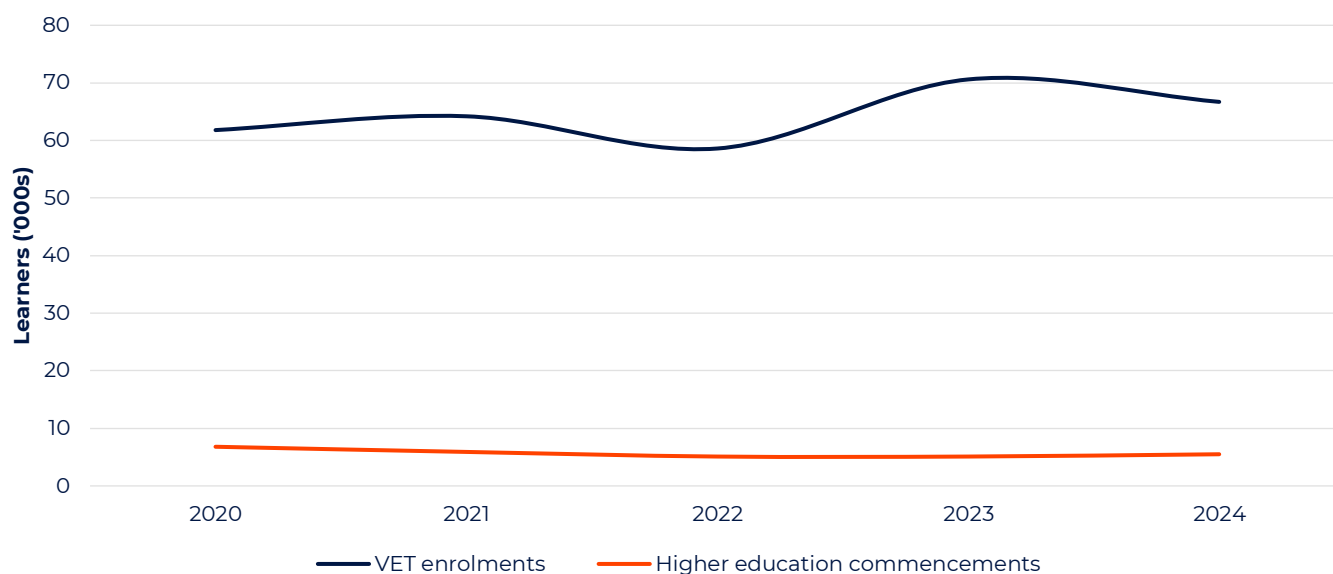


Figure 23: Finance sector training supply, 2020 to 2024.

Source: NCVET 2025, Total VET students and courses 2024 data;^{D5} Norton, A 2026, Higher education data and trends for the finance, technology and business sectors.^{D8}

Data note: VET figures are program enrolments (headcount) in the Financial Services training package; higher education figures are domestic commencing bachelor full-time equivalent students in accounting and in banking and finance fields.

Completions and outcomes remain strong for both VET and higher education graduates. For the 2020 commencing cohort in the FNS, 57% of commencers completed within four years against a national VET average of 49%, and 91% of Certificate IV in Finance and Mortgage Broking completers were employed or in further study after training.^{D7} Among higher education graduates, 87% of accounting bachelor graduates seeking full-time work had found it within four months in 2024, well above the all-fields average of 74%.^{D8}

The supply, training and automation pressures all land on the same clerical roles. Clerical and bookkeeping occupations carry the largest supply gaps, they draw on qualifications with weak completion rates, and their entry-level tasks are the most exposed to generative AI automation. The Workforce and Skills Analysis Annex to this report discusses what this means for each training product.

Active FSO work

- **Certificate IV and Diploma of Finance and Mortgage Broking update.** Updates two qualifications for AI-driven technology, compliance tightening, commercial lending and green finance.
- **Payroll, Bookkeeping and Accounting Needs and Gaps Analysis.** Evaluates whether current VET qualifications in payroll, bookkeeping and accounting prepare workers for roles in industry.
- **Insurance Needs and Gaps Analysis.** Evaluates the nine insurance qualifications in the Financial Services training package against industry needs.

Technology

Australia's technology workforce is sending mixed signals, and reading any one of them in isolation gives the wrong picture. Occupational employment in technology has grown strongly over the last 10 years, up 51% from 454,900 in 2016 to 688,300 in 2025. Year-on-year growth over this period has been approximately 4-6%, with the 2024 to 2025 workforce increase in line with this. However, this workforce data requires us to look backward at past trends; leading indicators of workforce demand are telling a different story.

The signals that once defined a technology workforce under pressure have started shifting in the last two years. The 2025 Occupational Shortage List identified just one technology occupation in national shortage (Telecommunications Trades Workers), down from three in 2024.^{D11} The share of domestic information technology graduates in full-time employment within four months of graduation has fallen to 68%.^{D8} Hiring patterns have softened, with JSA's September 2025 Occupational Shortage Report showing a large decline (49% between 2021-22 and 2024-25) in advertised vacancies for information and communications technology (ICT) professional roles, with above average fill patterns and qualified applicants per role.

These signals indicate a demand shift rather than skills shortages as a constraint on technology workforce growth. Graduate jobs fell 15% in 2025 with early signs of stabilisation into 2026,³ while AI-adjacent roles² and experienced workers have become the focus.^{85,86} This is likely explained, at least in part, by the exposure of tech jobs to AI: every technology occupation carries high augmentation scores,^{D4} and most workers in the sector now use AI as part of their daily work,⁸⁷ reshaping what employers need, not just what workers do.

AI is not the only driver of workforce shifts and may not be the dominant one. Post-pandemic over-hiring is being adjusted, economic conditions have softened, and firms that expanded rapidly between 2020 and 2023 are consolidating.³⁹ Some employers attribute role reductions directly to AI productivity gains;³⁹ others point to cost pressure and restructuring that has little to do with it.³⁹ The evidence cannot yet separate these causes cleanly and policy that treats the current demand shift as purely AI-driven risks misreading both the problem and the response it requires.

The result is a workforce in transition. Broad shortages have eased while targeted capability gaps have deepened. Graduate pathways that worked five years ago are no longer producing the same outcomes. Telecommunications is the clearest example: the sector is restructuring from building networks to operating them and training products have not yet followed.

Accredited VET qualifications can take years to develop, consult on and deliver,²⁶ and in a sector where task composition is shifting as quickly as it is in technology, the gap between what a training product covers and what employers need can open faster than the training system can close it. A qualification that accurately captured the role of a network technician or a software developer even a year ago does not reflect what that job looks like today, let alone in 2030. This is a design constraint rather than a failure of effort. Accreditation processes built for stable occupations are being asked to keep pace with a workforce that AI is actively reshaping in real time.

This chapter examines the technology workforce through two lenses. The industry lens counts jobs located in technology industries regardless of the occupation held. The occupation lens counts people doing technology jobs regardless of which industry employs them. The distinction matters: technology work has spread well beyond technology industries, and conflating the two obscures where the real workforce pressure sits.

Technology industry workforce profile and projections

The direct technology industry grew 4% from 415,200 workers in 2024 to 430,400 in 2025, with a total decade growth of 48% from 290,300 workers in 2016.^{D1} This headline growth masks large differences across the technology industry classes.

One industry class dominates the technology sector. Computer System Design and Related Services accounts for 86% of the sector's workforce (370,900).^{D1} This industry class includes software, cloud, consulting and AI delivery work that other industries buy rather than build, therefore its growth is partly due to the rest of the economy outsourcing technology functions.



Figure 24: Technology industry at a glance.

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

The combined Telecommunications industry classes continue to shrink: employment fell 2% from 53,500 to 52,400 between 2024 and 2025 continuing a trend seen over the last 10 years.^{D1} This long-term decline is primarily attributable to the shift in the national broadband network from build to maintenance and operations. Employment within the industry shifted between classes as work has been reclassified from wired network operation toward other network operation; combined figures across these two classes shows the total telecommunications shift which is obscured at the individual class level.

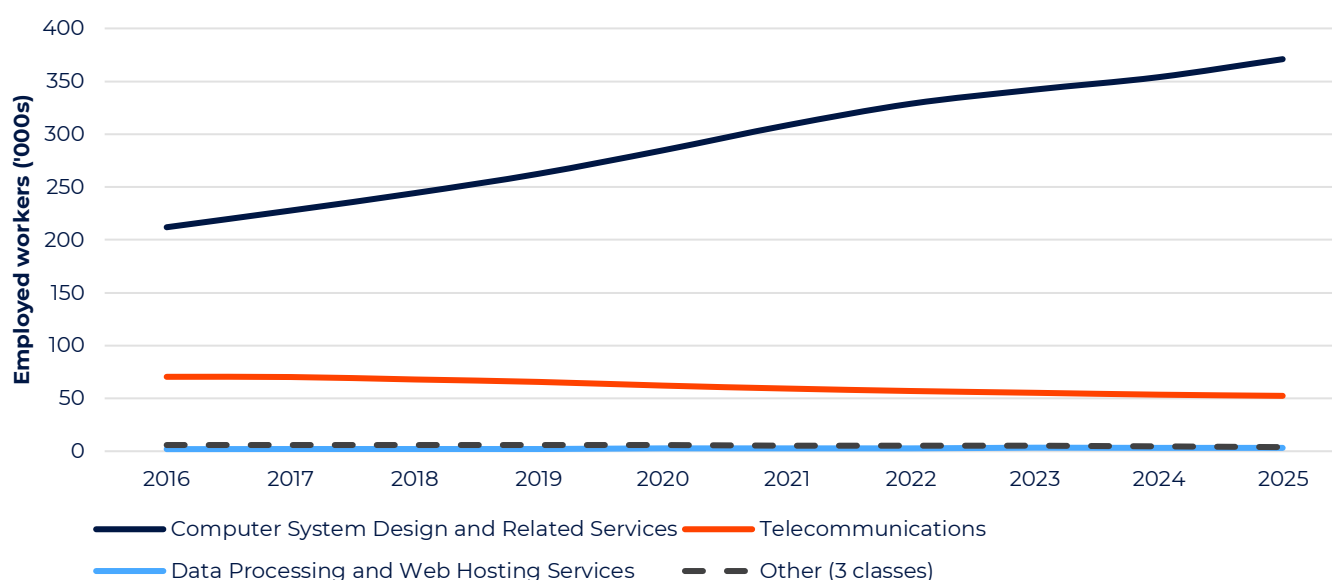


Figure 25: Technology industry employment, 2016 to 2025.

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

Data note: Telecommunications classes are combined.

Projected demand may exceed supply by 21,500 workers by 2035, almost entirely in computer system design.

Baseline demand is projected to rise from 411,900 in the year to June 2025 to 507,900 by 2035, against supply projected to reach 486,500.^{D3} Computer System Design and Related Services carries a worker shortfall of approximately 26,700 which is partly offset by small projected surpluses in the telecommunications classes.

An important note is that these projections do not incorporate AI-driven task change, which could significantly change the outlook for the tech sector. Generative AI exposure across the sector's occupations is high, and the task types JSA identifies as most automatable (i.e. routine, structured and rules-based) are significant within technology jobs.^{2,9}

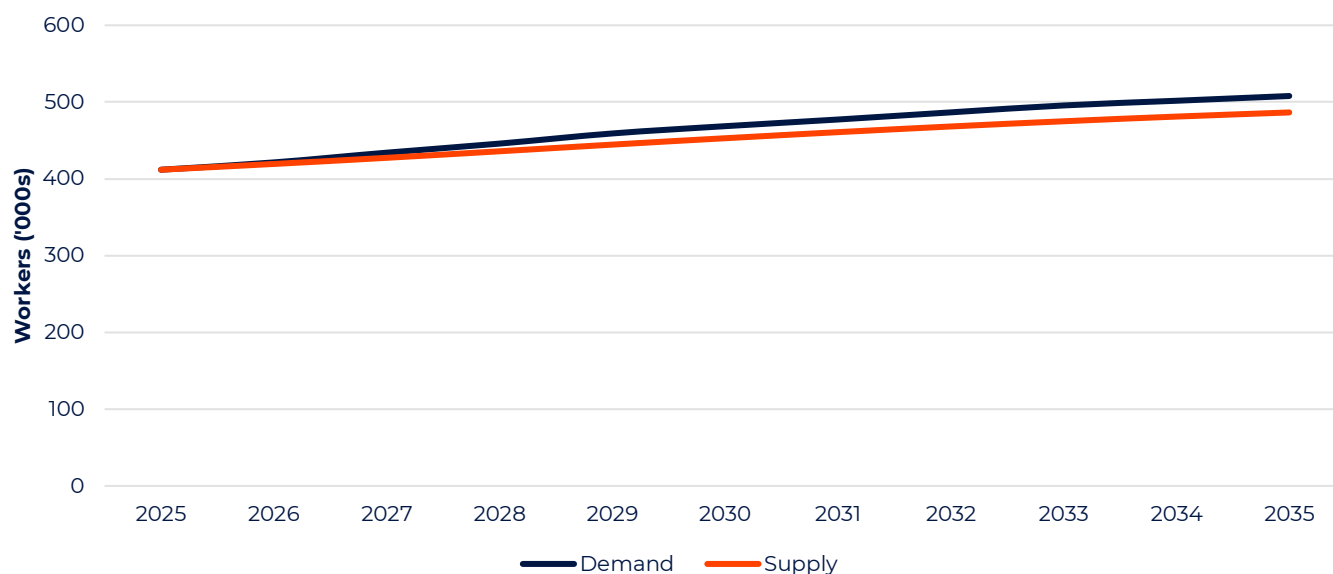


Figure 26: Technology industry baseline demand and supply, financial years 2025 to 2035.

Source: Future Skills Organisation & Oxford Economics Australia 2026, projections data.^{D3}

Due to high attrition rates across the industry, most workforce supply each year is projected to replace workers who leave, resulting in a slow-growing workforce.^{D3} In FY26, education supply is expected to contribute 4,500 workers, migration 6,500 workers, and net job movements 6,900. This supply largely replaces the 10,500 workers leaving the sector, resulting in a limited increase to overall workforce numbers.^{D3}

The reasons workers leave the tech sector entirely are not well documented in Australia. The available evidence, which is primarily intent-to-leave surveys rather than exit research, points to earnings, work-life balance, job security and limited advancement opportunities, but does not explain why workers move out of the sector rather than within it.⁸⁸ Mid-career women are also known to exit the sector, often due to workplace cultural challenges.⁸⁹ FSO is intending to conduct further research to address this gap.

Technology occupations workforce profile and projections

The 15 tech occupations in scope for this report increased 4% from 663,200 workers in 2024 to 688,300 in 2025, continuing the upward trend seen across the decade.^{D2} The scope of technology occupations differs from those used across government and industry products, which can also include broader engineering and science roles, other information and management roles, and publishing work.⁹⁰

Technology occupations are explored in detail within the Workforce and Skills Analysis Annex to this report.



Figure 27: Technology occupations at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} JSA 2025, generative AI exposure scores;^{D4} JSA Occupational Shortage Report 2025.⁸²

As with the industry view, a single headline figure hides more granular movement in opposite directions.

Growth over the decade has been concentrated in programming, management and security work, offset by declines in Telecommunications Technical Specialists and Telecommunications Trades Workers.^{D2} In the shorter term, from 2024 to 2025 there were declines in Telecommunications Engineering Professionals, Multimedia Specialists and Web Developers, ICT Sales Professionals, and Telecommunications Trades Workers, and no change for Electronics Engineers.^{D2}

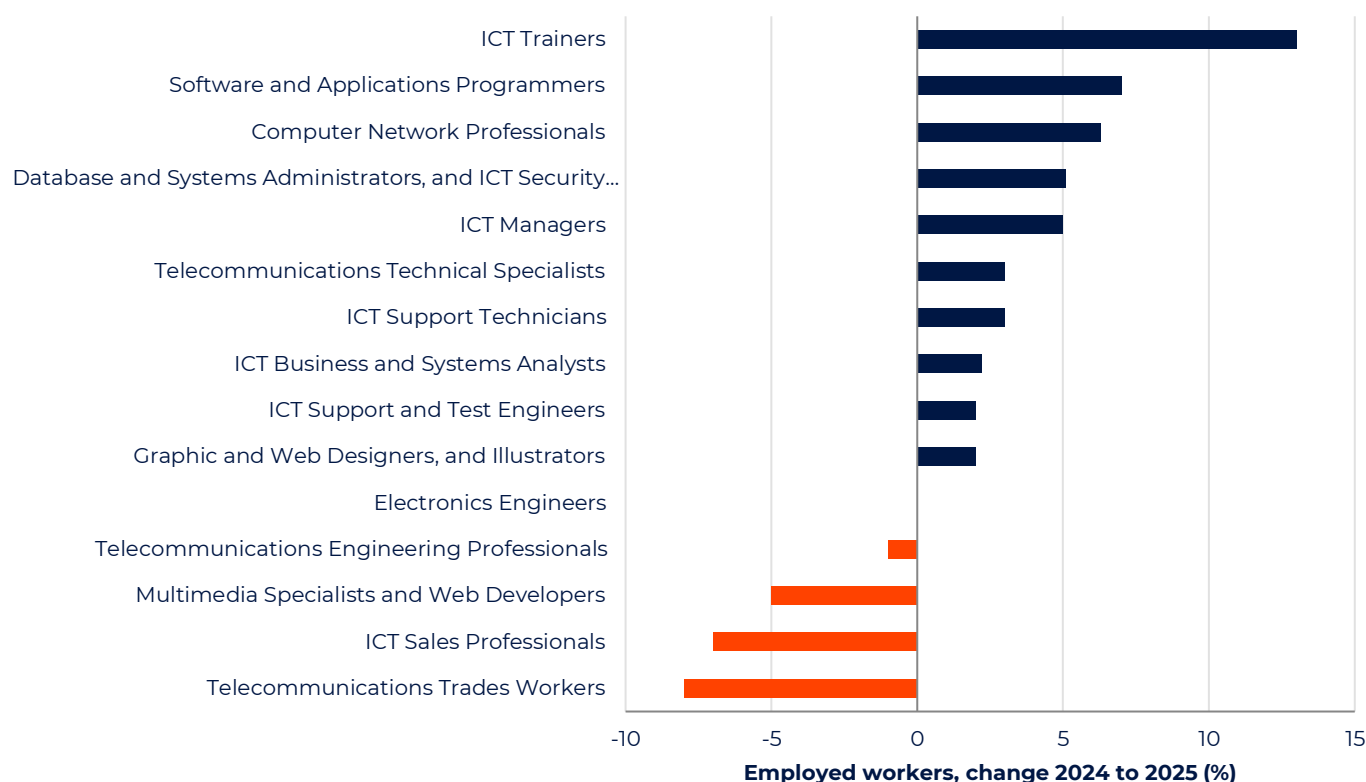


Figure 28: Technology occupation employment change, 2024 to 2025.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D2}

Hiring conditions have shifted for ICT professionals. Internet vacancy data for tech occupations fell 49% between 2021-22 and 2024-25, the largest fall of any group examined in JSA's research, while qualified applicants per vacancy reached 34.3 against an economy-wide average of 13.2.²⁹ 23% of employers reported recruitment difficulty, the lowest of the groups examined, and vacancies filled in 6.3 weeks on average.²⁹ Advertised vacancies for ICT professionals in early 2024 were nearly 30% below 2023, and fell again through late 2025. Quarterly indicators to March 2026 show this easing flattening rather than continuing.⁸³

FSO projections indicate a net balance across tech occupations by 2035, but sharp differences in shortfall and surplus across those occupations. Across the 15 tech occupations, supply (815,800) is projected to meet demand (817,900) by 2035.^{D3} Overall, the occupational projections indicate that Australia will be short of people running, connecting and securing systems and oversupplied with those who build and test them.^{D3}

Generative AI exposure may soften this projected demand. Software and Applications Programmers have the highest exposure of tech occupations on both generative AI measures: augmentation and automation. This points to both possibilities: that tasks will change further within these roles due to augmentation and that demand will soften if tasks, and entire roles, are automated entirely.² The infrastructure and security occupations with projected shortfalls score highly on augmentation exposure with only moderate automation exposure, indicating judgement-led work that AI is expected to speed up rather than replace.^{2,9}

On the Occupational Shortage List, Telecommunications Trades Workers is the only tech occupation currently in national shortage.^{D11} Attrition occurs faster than supply into the role, with some limitations on supply pathways due to occupational requirements for this trade. Software and Applications Programmers and Electronics Engineers both moved out of national shortage between 2024 and 2025.³² The change is examined in the entry-level evidence later in this chapter.

VET predominantly supplies technical support and trade occupations, but higher education is the dominant supply channel into the tech workforce. There were 57,720 enrolments in the ICT Training Package in 2024, close to the peak of 60,485 in 2020 and having rebounded from 2022 enrolments (46,135).^{D5,D7} In Higher Education, domestic information technology bachelor degree commencements grew from 8,866 in 2015 to 14,205 in 2024,

while international commencements grew from 4,723 to 20,965 over the same period and now make up 60% of information technology bachelor degree commencements.^{D8}

Many of these graduates stay and work in Australia: across information and communications technology occupations, former international students who have gained permanent residency make up between 6% and 11% of the workforce, well above the 4% economy-wide rate, with a further small share working on temporary graduate visas.^{D9} VET and higher education count enrolment and commencement data differently so they should be read in parallel not directly compared.

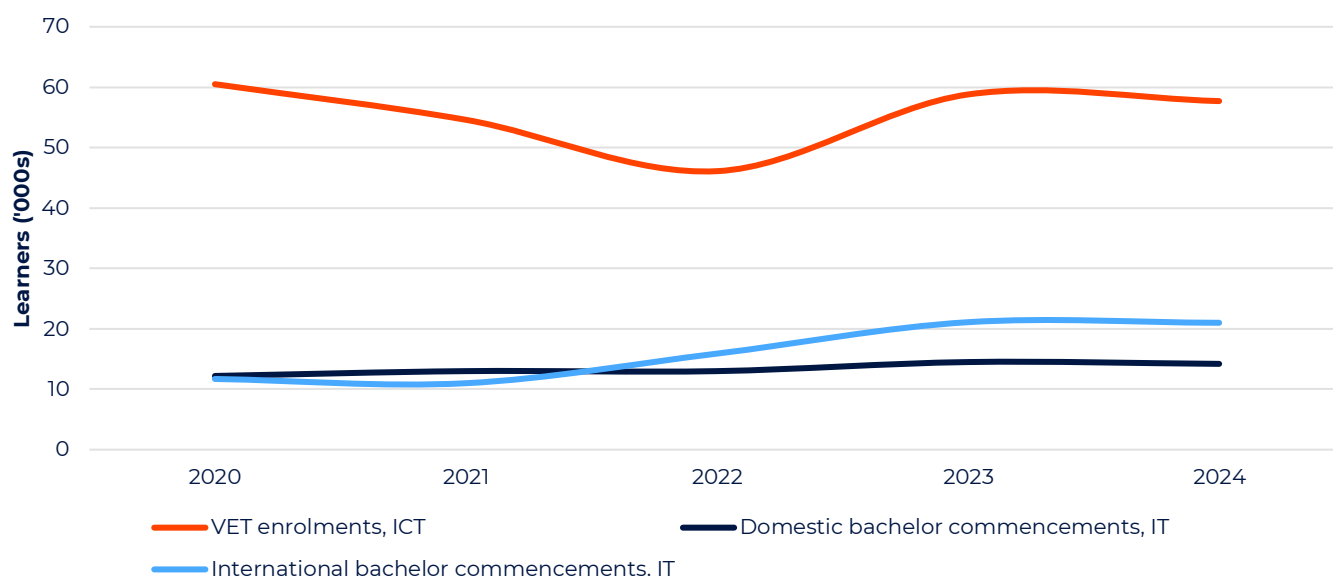


Figure 29: Technology sector training pipeline, VET enrolments and higher education bachelor commencements, 2020 to 2024.

Source: NCVET 2025, Total VET students and courses 2024 data;^{D5} Norton, A 2026, Higher education data and trends for the finance, technology and business sectors.^{D8}

Data note: VET figures are program enrolment headcounts and higher education figures are commencing students; the two are measured on different bases and shown for information only.

The projected occupation supply gap is predominantly in roles supplied through the VET system. The three tech occupations that have projected shortfalls in 2035 are those that VET substantially supplies.^{D2} VET supply is challenged in two ways. Completion rates are around six points below the national figure, meaning fewer graduates are entering the roles already flagged as short. Enrolment is concentrated in the wrong qualification: the network build-and-operate qualifications that feed these trades roles attracted around 60 enrolments in 2024, against 2,770 for the Certificate III in Telecommunications Technology. Low completions and a thin enrolment base in the relevant qualifications compound the supply risk the projections describe.

The composition of migrants into tech occupations has changed. Migrants continue to make up a large share of the technology occupation workforce and the volume of temporary skilled migration to technology occupations has remained broadly stable: 9,093 visa grants in the year to June 2025, compared with 8,518 in 2018.^{D9} But where those visas go has changed significantly.⁴⁵ Before the pandemic, most grants went to applicants offshore: people recruited internationally who then arrived to fill roles. Now most visa grants go to applicants already onshore: people who came to Australia as students, graduates, or holders of other visas and are converting their status within Australia. Of the 9,093 grants in 2025, 5,478 went to onshore applicants.^{D9}

This distinction matters for workforce planning. Onshore supply depends on international student flows, graduate retention, and bridging visa conditions, not just global labour market conditions. A policy or pipeline disruption upstream in, for example, international education or student visa settings, will flow through to the skilled migration pool that employers are now drawing on.

The Skills in Demand visa, introduced in late 2024, tightened access through higher salary thresholds and a narrower occupation list for its Core Skills stream, without closing the pathway; the Specialist Skills stream remains

broadly open by occupation. The 2025 Skills in Demand report continues to identify technology occupations among those where migration carries part of the supply load.³⁸

The entry level is narrowing

► *Cross-sector themes: The FTB labour market is showing mixed signals; AI is impacting FTB roles; The education and training system is falling behind*

Australian tech job graduate postings fell in 2025 almost 15% from 2024, sitting 35% below their 2023 peak, with postings in AI-exposed occupations falling faster than the average. However, graduate postings remain around one and a half times higher than 2019 levels, and early 2026 data points to stabilisation rather than continued decline.³

This trend is reflected in weakening employment outcomes for new graduates. The share of domestic information technology bachelor graduates in full-time work four months after completion fell from 76% in 2019 to 68% in 2024 - close to one in three graduates seeking full-time work had not found it within four months of graduation.^{D8} The VET picture is weaker at entry level: 77% of Certificate III in Information Technology completers were employed or in further study after training, the lowest of the ICT qualification levels.^{D7}

The ICT training package has comparatively low completion rates, and the benefit to those who do complete qualifications in ICT is among the weakest across FTB. Student outcomes are stronger at the higher certificate and diploma levels: 86% of completers of the Certificate IV in Information Technology and 84% of Advanced Diploma completers were employed or in further study after training, compared to 77% for the Certificate III. The wider benefit signal is weaker: only 63% of completers report at least one job-related benefit from training, and 43% reported an improved employment status, both among the lowest across the three sectors.

This appears to be influencing domestic student demand for tech courses. Domestic undergraduate applications for information technology degrees fell 11% in 2025 – the first fall in applications since 2012. VET demand has held up better: ICT training package enrolments rebounded to 57,720 in 2024, close to their 2020 peak, suggesting the pull-back in domestic demand is concentrated in higher education rather than across the training system.^{D5,D7}

Whether AI is the cause for reduction in graduate hiring is contested, and the evidence cannot yet separate the causes clearly. The timing complicates the obvious explanation: the decline in graduate postings preceded widespread AI adoption, which means AI cannot be the sole cause even if it is contributing to the more recent acceleration.^{3,84} The causes are not settled. The tasks JSA identifies as most automatable (routine, process-driven work) are disproportionately concentrated in entry-level roles, which gives AI a plausible role in this picture.⁹ But post-pandemic hiring corrections and economic softening are equally consistent with the pattern. The evidence cannot yet separate these drivers, and the stabilisation in early 2026 suggests the picture may be shifting again before it has been fully explained.

Some employers describe entry-level hiring as a risk they would rather not carry, most sharply in cyber security. Employers at FSO Workforce Roadshows and in consultation were consistent: cyber security is work that requires experience, and graduates are not what most employers are hiring for. The gap between what a cyber qualification nominally prepares a graduate to do and what employers will actually trust them with on day one has become a structural barrier to entry.

This entry barrier sits against a national policy backdrop that assumes the opposite. The Australian Government's 2023-2030 Australian Cyber Security Strategy identifies a skilled cyber workforce as foundational to the country's cyber resilience,⁹¹ and its Horizon 2 phase (2026-2028) moves from establishing settings towards growing that workforce at scale.⁹² A pipeline that employers will not hire into at entry level constrains the very capacity the strategy depends on.

The evidence also pointed the other way. Communication and teamwork were named as the under-taught half of cyber capability, skills that determine whether a technically competent graduate can function in a team, brief a non-technical stakeholder, or handle an incident under pressure. The entry problem is not only that employers want experience graduates don't yet have. It is also that graduates arrive without capabilities that training products are not currently treating as core.

Active FSO work

- **Entry Level Pathways.** Has mapped [Learning Pathways into Technology Careers](#) and their required skills against the training system, including foundation and entry-level routes into emerging technology occupations.

Canada commits to AI literacy for all narrowing entry level

On 4 June 2026, Canada launched AI for All, a national AI strategy where entry-level workforce design sits at the centre of the talent pillar. The strategy commits to up to 90,000 AI-related jobs and work placements for young Canadians, a National AI Literacy Initiative offering free entry-level AI training to all Canadians, AI literacy reaching 1 million entry-level post-secondary students, and trusted AI agents provided to every post-secondary student from arts to medicine.⁹³

It pairs that with training for mid-career and frontline workers, support for small and medium businesses adopting AI, and a target of 250,000 new AI-related jobs by 2031.⁹³ Prime Minister Mark Carney described Canada at launch as among the slowest countries to adopt AI at scale despite world-class talent.⁹⁴ Just 12% of Canadian businesses currently use AI, and the strategy commits to lifting that to 60% by 2034.

The strategy is recent, so its lessons are design lessons rather than outcome lessons: entry-level experience is being manufactured deliberately through placements, AI literacy is being treated as universal infrastructure rather than a specialist skill, and the whole package is funded and time-bound. Canada and Australia signed a Memorandum of Understanding on AI Safety in March 2026, linking the two countries' AI Safety Institutes, which makes its approach directly relevant to Australia.

Formal training is outpaced by technology

► *Cross-sector theme: The education and training system is falling behind*

The ICT Training Package's completion rate sits around six points under the national figure, and stakeholders connect the gap directly to content currency. The four-year completion rate for these qualifications was 45% for the 2020 commencing cohort, compared to 49% across all training packages.^{D6} Stakeholders name content currency as the primary reason non-completers leave, alongside teaching quality and fit with work and life. Workers and students are making a decision based on whether the qualification reflects what industry is looking for and completing it carries a lower return than leaving.

The content issue extends beyond VET: only 1% of surveyed tech employers reported higher education graduates as being 'job ready' in 2024, a drop from 3% in 2023.³¹ This meant that most tech employers (65%) had to engage in some form of reskilling of higher education graduates to make them effective in their role.

The problem is not only that training products are slow to update. It is that the update cycle creates a structural impossibility for RTOs trying to teach current practice. Participants in FSO Workforce Roadshows described training products that require teaching to the specific software version documented in the unit of competency even as that software has been updated, sometimes multiple times, in the years since the unit was written. RTOs cannot legally teach to the current version without breaching the training product. The result is that a student can complete an accredited qualification and graduate with skills anchored to technology the industry has already moved past. No amount of teaching quality fixes that problem; it is written into the product.

The sector has responded by training outside the formal system. Carriers, vendors and employers run their own training where accredited products lag, a pattern strongest in telecommunications and in cyber security, where vendor certifications and communities of practice carry much of the operational training load. This is a rational response to a real gap, but it comes at a cost to the formal system's core value proposition. Accredited qualifications exist to provide portable, quality-assured evidence of capability. When qualification content significantly lags

industry practice, employers stop treating the credential as a reliable signal and the portability and quality assurance advantages that justify the system's existence quietly erode.

The Castlereagh Statement, a 2026 cross-sector call to action on Australian education and training in the age of AI, names the structural problem directly: the education and training system was not designed for an AI-driven society, and product-by-product updates will not close the gap.⁶² It calls for structural assessment reform, educator upskilling and a more agile, capability-focused curriculum, with coordination identified as the missing piece. What FSO Workforce Roadshow participants describe from inside the VET system is the same diagnosis from the ground up.

Active FSO work

- **ICT Training Package Update, and Specialist Cyber Security and Specialist AI.** A comprehensive review and update of the Information and Communications Technology Training Package, with additional training products for specialist cyber security skills and for specialist AI skills.
- **Uplift Digital Capability Training Product Development.** Develops nationally consistent training products and units of competency to equip learners and workers with the foundational digital, AI and cyber skills needed across industries.

AI is part of the daily work of the technology workforce

► *Cross-sector theme: AI is impacting FTB roles*

Technology workers have the highest augmentation exposure to generative AI of all occupations in Australia, and research indicates that usage is widespread.² In 2024, FSO research found that 64% of tech workers were using AI at work, a figure that has likely increased since that time.¹⁵ Software development and coding support, debugging, technical writing and systems analysis are all tasks being augmented by generative AI.⁹

Parts of the technology sector face a more fundamental challenge than adoption: AI is beginning to erode the business model much of the software-as-a-service (SaaS) industry is built on. As AI lowers the cost of developing software, buyers can increasingly generate in-house what they once licensed, AI-native entrants are undercutting incumbents, and the per-seat revenue model is exposed as agents begin to replace the users' seats are sold against.⁹⁵ How this plays out is contested: incumbents hold advantages in data, distribution and trust, and many will absorb AI rather than be displaced by it. The likeliest outcome is restructuring rather than collapse: fewer seats, leaner teams, and a shift in where value and employment concentrate.

Exposure and capability are different things, and the gap between them is a critical issue. FSO research found that 33% of workers *not* using AI cited lack of trust in the technology and 33% cited lack of access to training, while 86% of all workers surveyed wanted more AI training.¹⁵ It also found that a fifth of workers use AI unofficially, half of those working in organisations that have not officially adopted AI within its business.¹⁵ Stakeholders in the FSO Workforce Roadshows and employer consultations described the same pattern: teams are using AI tools daily without structured training or governance in place, and are seeking training in building those capabilities.

Not all capability gaps are the same and they need different training responses. Technology workers are expected to have general AI skills. A smaller group needs to have specialist capabilities to build, deploy and govern AI systems. FSO employer consultation also points to a third gap sitting between these two: organisations need people who can take AI capability and make it work in a real business context, who understand enough about both the technology and the business to bridge the two. Consultations indicate this is the most persistent and least well-addressed of the three.

Management work in technology has taken on new responsibilities without losing any of the old ones.

Technology team leads now manage hybrid teams, review AI-generated code and lead through fast product cycles. Management capability is increasingly expected to sit alongside technical skill. The industry and system trends chapter examines the management capability gap, and, in technology, the problem concentrates at the team-lead layer. People promoted for technical depth may now be asked to exercise judgement over machine output, a

different skill set from the one that got them the role, and one that most of them will not have had much formal support to develop.⁹⁰

Specialist AI work still has no occupational home. No occupation in the Occupation Standard Classification for Australia (OSCA),⁹⁶ which replaced ANZSCO in December 2024, separately identifies AI specialist roles.⁹⁶ They remain spread across programming, analysis and engineering occupations. This classification gap makes the AI specialist workforce impossible to size from official sources, and it leaves qualification design without a demand signal it can read directly.

The ABS is currently developing OSCA 2027, with a consultation process underway that specifically invites submissions on emerging occupations not yet separately identified; whether AI specialist roles will be addressed in that update remains to be seen.⁹⁶ The distinction that matters for training products in the meantime is between AI use, which belongs in every qualification, and AI specialist work, which needs its own.

Singapore pays its mid-career workers to retrain

Singapore identified mid-career workers as a priority constraint in the same problem this chapter describes: a workforce using AI faster than it is being trained for it. The SkillsFuture Level-Up Programme, announced in Budget 2024, gives every Singaporean aged 40 and over a S\$4,000 top-up to their personal training credit, and pays a training allowance of up to S\$3,000 a month for workers who step out of work to study full time.⁹⁷ From 2026 the two agencies running skills and employment services merge into one, Workforce and Skills Singapore,⁹⁸ so a worker changing course deals with a single system rather than two. The constraint is honest: long-term employment and wage outcomes are not yet publicly reported, so the programme's early signal is uptake rather than proof.

Three lessons carry. Mid-career workers retrain when the money and the time are dealt with, AI and digital capability sit at the centre of the national skills offer rather than at its edge, and a single front door beats a fragmented one. For Australia, where training and employment services sit across multiple systems, the integration is the part worth watching.

The next technology wave beyond generative AI is changing demand

► *Cross-sector theme: Beyond generative AI, technology shifts are reshaping FTB*

Generative AI is not the only technology reshaping what the tech workforce needs to know. Three developments: data centre expansion, the transition to quantum-safe cryptography, and the emergence of agentic AI, are each creating workforce demand that sits ahead of the training system's current capacity to respond. The timelines differ, but the training gap is common to all three.

Data centres: near-term demand on infrastructure occupations. Physical infrastructure underpinning AI is already measurable in workforce terms. Approximately 9,600 full-time equivalent jobs currently support data centre operations in Australia, a workforce projected to grow to around 17,900 by 2030 as deployable capacity more than doubles.¹⁶ Capacity projections to 2035 range from 4.7 to 7.4 gigawatts, with investment estimates between \$85 billion and \$135 billion.⁹⁹ Most of the construction and energy worker demand this generates falls outside the technology workforce. The technology workforce consequence lands on operations, security and network roles once facilities are running which are the same infrastructure occupations already projected to be in shortfall by 2035.

Government policy is now making training expectations explicit in data centre builds. The National AI Plan (December 2025)¹⁰⁰ and the Government's Expectations of Data Centres and AI Infrastructure Developers (March 2026)¹⁰¹ set direct requirements that operators invest in training, apprenticeships and workforce development. Participants in FSO Workforce Roadshows in several states identified data centre growth as requiring infrastructure occupations. Industry consultation points to the immediate skills need as specialised additions to existing roles rather than new occupational categories.

Quantum: two different workforce problems on different timelines. Quantum computing and quantum-safe cryptography are often discussed together but represent different workforce challenges on different timescales.

The near-term demand is cryptographic. The Australian Signals Directorate recommends traditional asymmetric cryptography be phased out by end of 2030, with organisational transition plans in place by end of 2026.¹⁷ CSIRO has mapped the technical pathway, placing the majority of this work on security, network and systems roles over the next several years.⁵¹ This is an operational skills requirement falling on the existing workforce within the current planning horizon.

Quantum computing itself is earlier stage but moving. Google reported a verified quantum advantage in late 2025⁵³ and IBM has set a quantum advantage target for 2026.¹⁰² A small number of data and analytics roles will begin to sit at the quantum-AI boundary before the technology is widespread. The National Quantum Strategy identifies a skilled quantum workforce as one of its five national themes,¹⁰³ CSIRO projects Australia's quantum industry to be worth \$5.9 billion by 2045,⁵⁴ and JSA has identified Quantum Computing Scientist as an emerging occupation.¹⁰⁴ Higher education is the route into most of these roles; VET's role will be adaptation as the technology reaches operational work.

Agentic AI: the gap the training system has barely noticed. Agentic AI, where systems make decisions and execute tasks within workflows without step-by-step human instruction, are frequently cited as an emerging capability need. During the FSO Workforce Roadshows, participants identified that the accredited training system could address this need. The skills required revolve around configuration, monitoring and governance of agents rather than interactive tool use: a different capability set from the generative AI literacy now entering qualifications. Current skills frameworks barely capture it. Workers moving into roles that involve deploying or overseeing agentic systems are largely working ahead of any formal training product, in technology and increasingly in non-technology roles.

All three areas follow the same pattern: the technology is moving, the workforce demand is real and, in some cases, already here, and the training system is behind. The need is recognised; the constraint is that accreditation timelines and qualification design processes were not built for this pace of change.

Business

The business workforce is dividing: the professional and managerial roles that drive firm performance have grown strongly, while lower skill level administrative roles are contracting and carry the highest automation exposure in the Australian economy.

Digitisation has shifted the sector's employment from administration to professional services² and generative AI is accelerating this shift, performing tasks that earlier software could not.² The result is a workforce whose upper end is in demand and whose base is under pressure and a sector whose management capability is one of the stronger levers available for lifting national productivity.¹⁰⁵

But the nature of that management capability is changing. Leading an AI-augmented workforce demands different skills than managing a traditional one. Enrolments in leadership and management qualifications are falling while demand for management skills is rising, and the content of those qualifications is not keeping pace with what these roles now require.

This chapter examines both the scale of that gap and the workforce trends driving it. It does so in two ways: by industry and by occupation. The industry lens counts jobs located in business-sector industries, regardless of occupation. The occupation lens counts people in business occupations across all industries.

Business industry workforce profile and projections

The business industry workforce grew by 1% in the year to 2025, to 688,500 workers, after a decade of growth of 15% from 2016 to 2025.^{D1} Growth was steady through the pandemic period, and has been concentrated in legal, consulting, scientific research and market research work.

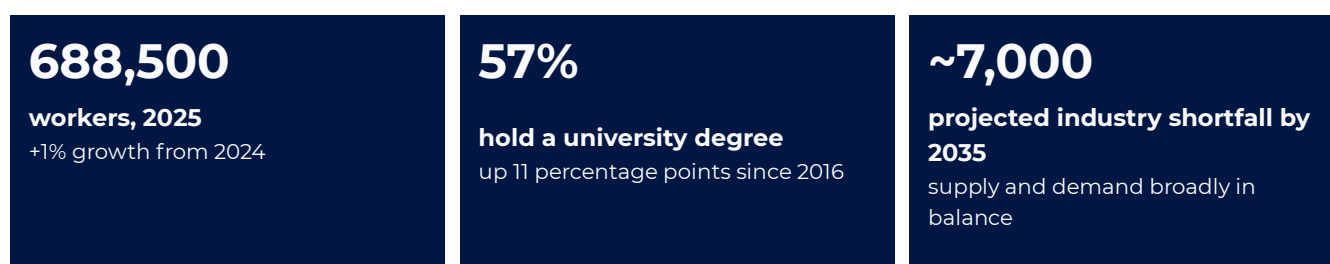


Figure 30: Business industry at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

Growth concentrated in professional services while administrative and publishing classes contracted. The sector is now anchored by professional services: Legal Services (154,300 workers in 2025), Management Advice and Related Consulting Services (105,600) and Scientific Research Services (59,100) are the three largest classes, while administrative and publishing classes make up a smaller and declining share.

The sector's credential mix has changed over the last 10 years. Over the decade to 2025, the share of business sector workers holding a university degree as their highest qualification rose 11 percentage points to 57%.^{D1} The share holding a VET qualification as their highest fell from 27% to 25% over the same period. This shift continued in the most recent year, with the degree share rising and the VET share edging down again.

These changes appear to be partly structural, but they also reflect rising qualification expectations for roles whose core tasks have not changed to match. The entry bar has lifted without a corresponding change in what the job requires, lengthening the time and cost to qualify and narrowing access for workers without a university pathway.¹⁰⁶

The business workforce is majority female and ageing. The share of workers aged 55 and over is rising while the share aged 15 to 24 is falling, a pattern that compounds the entry-level pressures documented elsewhere in this Plan.^{D1} First Nations participation in the business workforce has grown over the last 10 years but remains constrained by a distinct combination of structural barriers: access to qualifications, geographic concentration, limited employer pathways, and the availability of culturally appropriate workplace settings.^{107,108}

The training package response includes the Aboriginal and Torres Strait Islander Governance qualification, though First Nations participation across the FTB sectors extends well beyond that single area. The evidence base on what works remains thin.

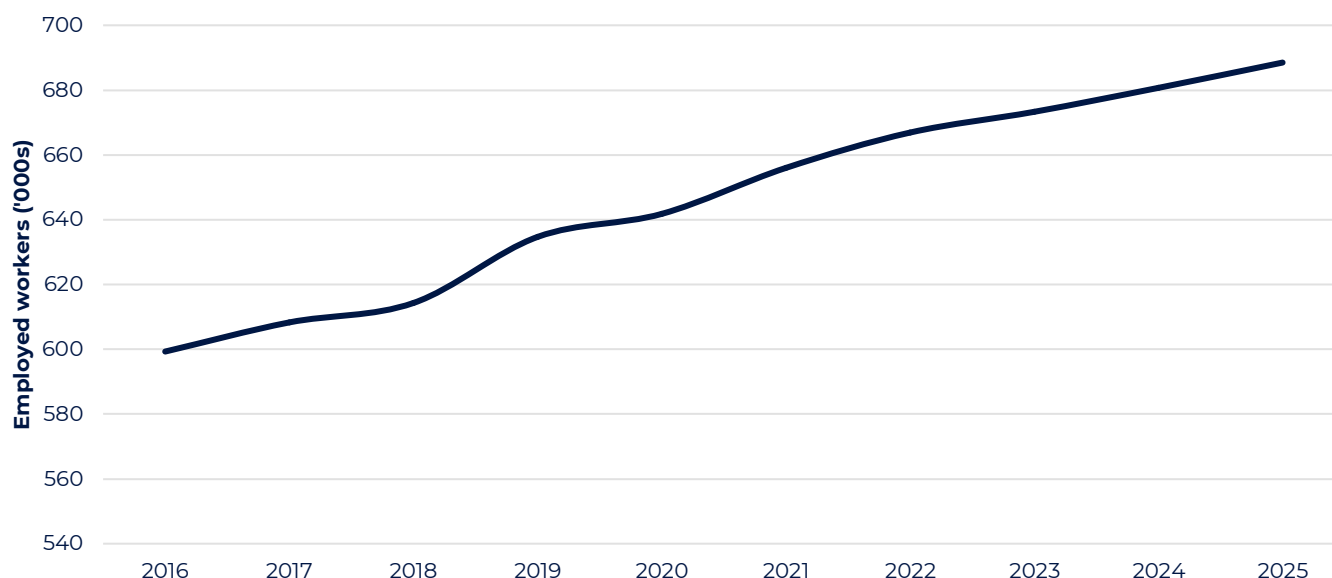


Figure 31: Business industry employment, 2016 to 2025.

Source: FSO 2026, Industry data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D1}

Every business industry class is projected to grow between 2025 and 2035, adding around 106,000 workers to reach 796,700 (growth of 15%).^{D3} Legal Services and Management Advice and Related Consulting Services are the largest contributors, potentially adding 21,400 and 20,700 workers respectively.

Across the industry, supply and demand are projected to be broadly in balance by 2035, with a shortfall of only 7,000 by 2035.^{D3} These figures mask the key challenge. The sector is projected to lose 21,200 workers a year to attrition, offset by inflows from education, migration and job movements. The small industry-level shortfall should be read alongside the much larger occupation-level shortfall examined below.

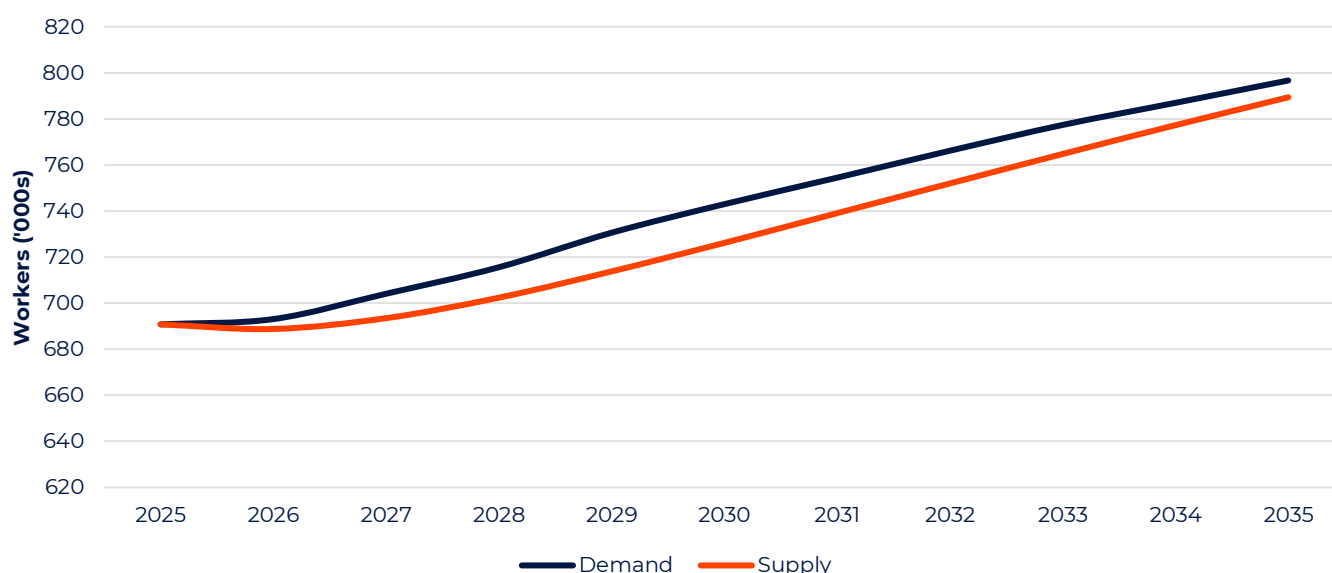


Figure 32: Business industry projected demand and supply to 2035.

Source: Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

The projections do not factor for AI-driven task change, which is likely to reshape the outlook. Professional, Scientific and Technical Services firms, which include businesses in legal and consulting, are more exposed to role redesign due to augmentation than to job loss due to automation. Whether that translates to job losses or role shifts will affect the projected shortfalls, though the direction is not yet clear.^{2,9}

Business occupation workforce profile and projections

Business occupations grew 1% in the year to 2025, to 2,049,500 workers across the economy, after a decade of growth of 22% from 2016.^{D2} The strongest growth over this period was in professional roles in Human Resource Managers, Management and Organisation Analysts and Solicitors, while the sharpest contractions were in clerical and transactional roles, with Survey Interviewers, Telemarketers, Secretaries and Switchboard Operators all falling by more than a third. The pattern of advisory roles growing while transactional roles contract is the occupation-level expression of the structural shift described throughout this report.

The Workforce and Skills Analysis Annex provides a fuller breakdown of business occupations and qualifications.

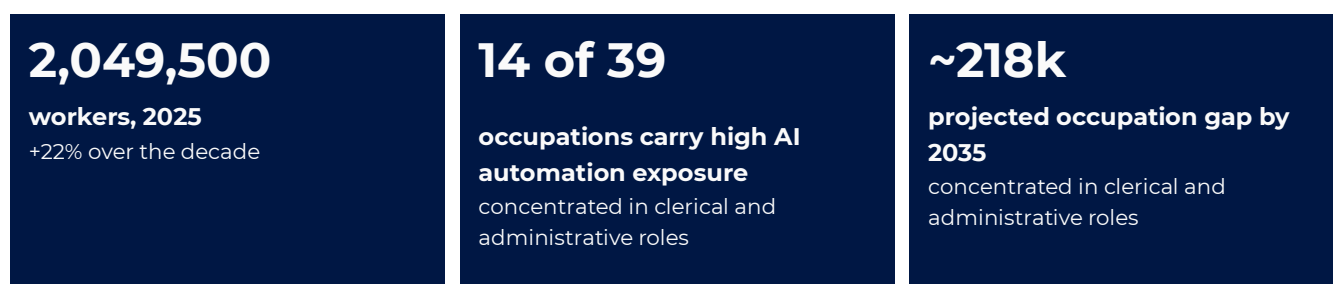


Figure 33: Business occupations at a glance.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data;^{D2} JSA 2025, generative AI exposure scores;^{D4} Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

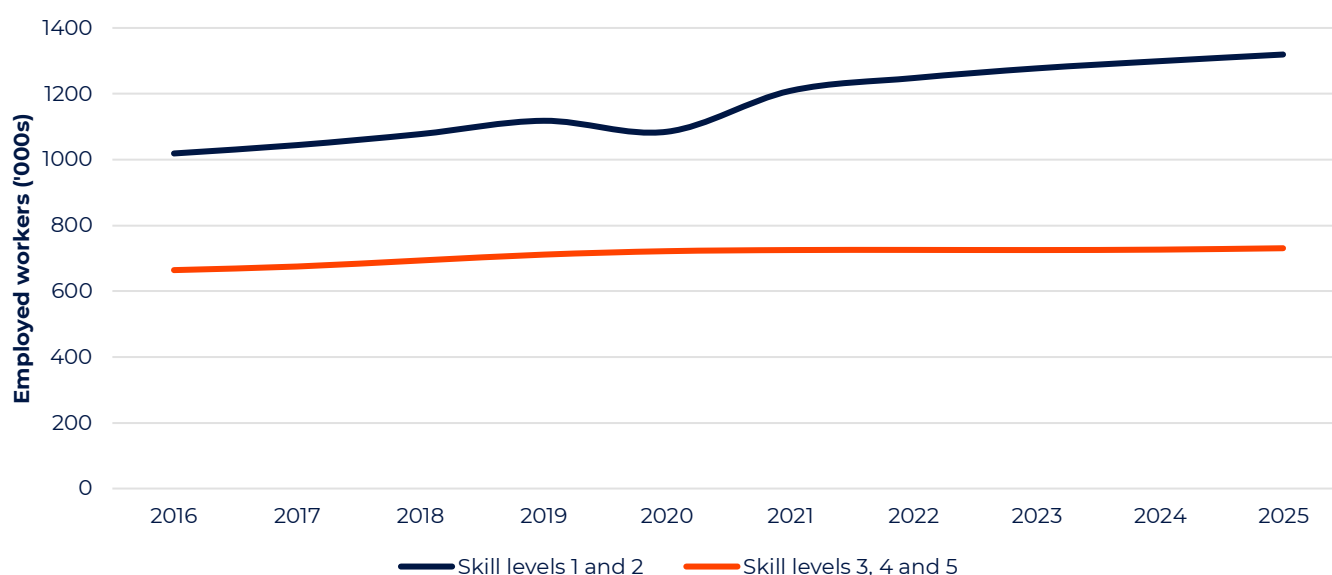


Figure 34: Business occupation employment by ANZSCO skill level, 2016 and 2025.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D2}

Economy-wide, business occupations face a projected worker shortfall of approximately 218,000 by 2035, concentrated in clerical and administrative roles.^{D3} Those gaps open because attrition is outpacing new entry, not because demand is accelerating. This is an important distinction when assessing how much of the shortfall AI-driven task change might absorb.^{2,9} The professional occupations tell the opposite story: Advertising and Marketing Professionals, Solicitors and Human Resource Professionals are projected into surpluses exceeding 100,000, driven by a decade of strong graduate supply.

One business occupation is in national shortage in 2025: Solicitors. The reasons for this shortage are currently uncertain but have previously been reported as a long training gap, reflecting a training pipeline that takes years to respond to demand. This same pipeline produces the projected surplus by 2035.³² Of note, Advertising, Public Relations and Sales Managers were removed from the Occupational Shortage List in 2025 after a suitability gap drove a 2024 shortage: candidates existed, but too few met employer requirements. It appears that this has now been addressed.³²

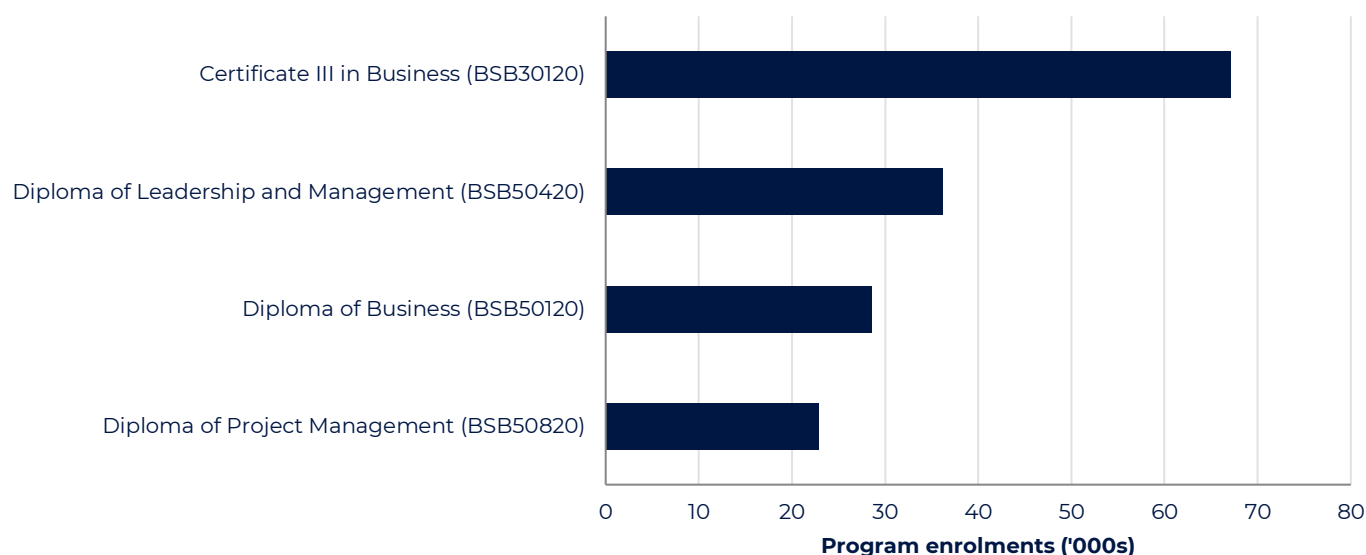


Figure 35: Largest BSB training package qualifications by program enrolments, 2024.

Source: NCVER 2025, Total VET students and courses 2024 data;^{D5}

The BSB training package is the second most widely delivered in VET. However, its enrolments have not recovered their 2020 level, falling from 355,415 in 2020 to a low of 321,690 in 2022 before recovering to 329,835 in 2024, with completions following the same path.

The Certificate III in Business (BSB30120) was the third largest qualification by enrolments across the entire VET system in 2024. In higher education, domestic management and commerce bachelor commencements fell from a 2014 peak of 47,200 to 36,816 in 2024. International commencements (33,036) have largely filled most of the overall supply gap.^{D5,D8}

Active FSO work

- **Generalist Skills Review.** A cross-JSC review to define generalist skills across the Australian economy, assess how they are represented in selected training packages, and provide a roadmap to reduce duplication and inform future Training Product Development.

Migration plays a modest and increasingly onshore role in business workforce supply. Temporary skilled visa grants to business-sector roles rose from 4,774 in 2018 to 6,278 in 2025, with 66% of 2025 grants going to applicants already in Australia. Against attrition of approximately 21,200 workers per annum, migration at current volumes supplies around a third as many. The Solicitors shortage is likely driven by a long training pipeline, which migration can ease in the short term but only increased training volumes can fully resolve.^{32,D9}

Digitisation has changed business work, and AI exposure is concentrated in administration

► *Cross-sector themes: AI is changing FTB roles; Shifting technology impacts; Equity and participation*

In business, generative AI exposure is concentrated in clerical and administrative work: 14 of the 39 business occupations carry high (above 0.6) automation exposure.²⁹ This exposure falls on the occupations that digitisation had already been contracting.⁴⁷ Generative AI extends a pressure that digitisation had already created.

The decade to 2025 rewarded judgement-based roles and reduced transaction-based work. Professional services grew strongly: Legal Services grew 27% to reach 154,300, Scientific Research Services grew 54% and Management Advice and Related Consulting Services grew 16%. Over the same period, administration work contracted, with Office Administrative Services more than halving.

The occupational record shows the split more sharply still: Management and Organisation Analysts grew 67%, Actuaries, Mathematicians and Statisticians grew 49%, Training and Development Professionals grew 41%, and Solicitors grew 51%, while Receptionists saw modest growth at 4%, Secretaries fell 36%, and Call or Contact Centre Workers fell 11%.^{D2} These trends mostly continued between 2024 and 2025, with Management and Organisation Analysts staying stable during this period, and Receptionists declining.

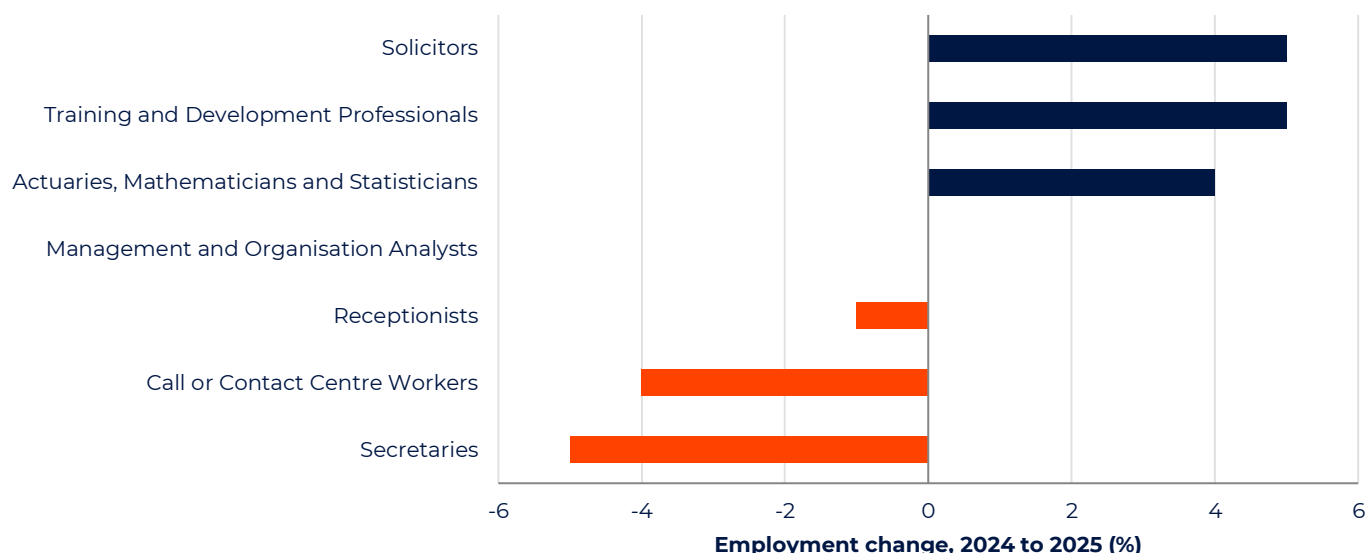


Figure 36: Business occupation employment change, 2024 to 2025.

Source: FSO 2026, Occupation data based on Australian Bureau of Statistics Labour Force Survey and Census data.^{D2}

Earlier waves of digitisation did not require generative AI to make impact.¹⁰⁹ A 2025 analysis attributes the fall in executive assistants and similar roles to the spread of scheduling, document and office management software.⁴⁷ What generative AI changes is reach: drafting, correspondence and analysis tasks that earlier software could not touch are now exposed.^{2,9}

The exposure is not uniform across clerical and professional work. Clerical occupations face both automation and augmentation. Their routine core of data entry, document and record handling, scheduling and routine correspondence can now be automated, while drafting and minute-taking shift toward augmentation.

More highly skilled occupations sit lower on automation while remaining high on augmentation. Analytical roles such as Economists and Management and Organisation Analysts carry moderate automation exposure alongside augmentation scores among the highest in the sector: judgement-led work that AI is expected to accelerate rather than replace. These are exposure measures, not confirmed impacts.^{2,9}

Exposure to the impact of generative AI falls disproportionately on women. Personal Assistants and Secretaries are 97% and 94% female, Receptionists 89%, General Clerks and Office Managers 81% and 81%.^{D2,D10} The exposure is not confined to lower skill level roles: Librarians, Conveyancers and Human Resource Professionals are degree-level, female-dominated professions that also score high on automation exposure.^{D2,D10}

The exposure also concentrates at the point where careers begin. Personal Assistant roles are advertised as entry level in 84% of job ads and Other Clerical and Office Support Workers in 81%.² FSO Workforce Roadshows consultations identified the consequence that the data does not fully capture: the entry roles through which managers and leaders have historically built their capability are the same roles generative AI is changing most quickly. The pipeline into management is narrowing as a result.

The projections and the exposure scores point to the same occupations. The projections do not yet incorporate AI-driven task change, and the largest gaps sit in the most exposed occupations. The projected 218,000 worker shortfall by 2035 and the exposure may, at least partly, offset each other. The evidence supports treating these gaps as a reskilling challenge as much as a recruitment one. It does not yet support saying which way the balance falls.^{2,9}



Figure 37: Generative AI automation and augmentation exposure, business administrative and professional occupations.

Source: JSA 2025, generative AI exposure scores.^{D4}

Data note: Scores range from 0 (no exposure) to 1 and indicate exposure potential, not confirmed impact. A sample of occupation labels are given to demonstrate variation in scores; please refer to the JSA generative AI exposure dashboards for all data.

Management capability is a productivity challenge

► *Cross-sector themes: Leadership capability is critical and not keeping up; The education and training system is falling behind*

National productivity has stalled, and management capability is one of the levers the evidence suggests can move it. Multifactor productivity fell 0.5% in 2024-25, below its 20-year average.¹⁰⁵ The Productivity Commission's December 2025 reform agenda finds that the gap between Australia's best-managed and worst-managed firms explains a substantial share of the productivity difference.¹¹⁰

But the nature of management capability is itself changing. The skills that defined effective leadership before AI are not the same ones needed to lead an AI-augmented workforce. Managing AI adoption is now a management skill: overseeing machine-generated work, handling staff uncertainty about automation, making defensible decisions about where the technology belongs. 41% of businesses surveyed by the Australian Industry Group identified leaders and managers lacking the skills and capability to apply AI as a barrier holding them back from doing more with it.²³ That is not a technology problem. The issue is a management capability problem.

Management capability was the most consistently raised workforce issue at FSO Workforce Roadshows, with three related pressures recurring: middle managers are underserved by current training, the pipeline of future managers is contracting, and access to leadership development is uneven across jurisdictions and firm sizes. Workers own assessment reinforces these findings. A 2025 national survey found 41% of workers say their immediate manager does not create an environment in which they feel motivated to do their best work, and only around half of managers had sought employee views on improving how work gets done.¹¹¹

VET training products are not keeping pace. Commencements in the leadership and management qualifications fell in 2024 and learners in these qualifications complete below the training package average. Women commence leadership qualifications at close to half of enrolments despite, for example, accounting for only 31% of chief executive roles.^{D2,D10}

Supply is falling

19,245

Diploma of Leadership and Management commencements, 2024 (down 18%)

8,470

Certificate IV in Leadership and Management commencements, 2024 (down 31%)

+14–22%

projected demand growth, management occupations, to 2035

Demand rises and completion lags

49%

Diploma of Leadership and Management four-year completion rates

48%

Certificate IV in Leadership and Management four-year completion rates

51%

Business Services package four-year completion (benchmark)

Figure 38: Leadership and management training indicators: commencements, projected demand and four-year completion.

Source: NCVER 2025, Total VET students and courses 2024 data;^{D5} NCVER 2025, VET qualification completion rates 2024 data.^{D6} Future Skills Organisation and Oxford Economics Australia 2026, projections data.^{D3}

The leadership and management qualifications in the BSB training package are a formal pathway for building that capability, and they are delivered across every sector. Aligning these products with the capability the productivity evidence points to, including the management of AI-enabled work, is the sector-specific response to a cross-sector problem.

Employer-side training is declining in parallel. Work-related training participation has fallen 14% since 2007,¹¹² and the share of adults engaged in any study or training fell from 39% to 34% between 2021 and 2024-25.¹¹³ Institutional delivery of leadership programs without workplace integration produce poorer outcomes and limited productivity benefits.¹¹⁴ What employers and industry bodies consistently ask for is concise, workplace-contextualised and delivered leadership training with evidence of real application – a short, applied program that builds capability without removing people from the workplace.

Active FSO work

- **Safe and Respectful Workplaces.** Adds a safe and respectful workplaces unit of competency to the Certificate III in Work Health and Safety as an elective, for contextualisation across sectors.

How the United Kingdom took management training to small business: Help to Grow

The United Kingdom looked at the same problem this chapter describes, weak management capability dragging on small-firm productivity, and built a program around it. Help to Grow: Management, launched in 2021, gives leaders of small and medium-sized firms a 12-week course: about 50 hours of teaching, 10 hours of one-to-one mentoring, and a peer cohort, delivered through more than 60 accredited business schools and subsidised to around 90% of cost.^{115,116,117}

By late 2025 more than 13,000 leaders had enrolled and over 10,000 had completed. The independent evaluation found around 9 in 10 participants reporting improved leadership and management skills, and participation skews toward women and minority-background business owners compared with the wider small business population. The UK Government's 2025 small-business strategy recommitted to 'Help to Grow: Management' as a core

How the United Kingdom took management training to small business: Help to Grow

delivery mechanism for SME leadership training, ensuring its continuation within the current Spending Review period.¹¹⁸ Firm-level productivity effects take years to show, and the evaluation is still measuring them.^{115,116,117}

The program demonstrates three things directly relevant to Australia. Subsidy reaches small firms that full-fee executive education never does. Mentoring and peer learning consistently rate as the most valued elements, even more than the formal teaching component. And the delivery infrastructure of accredited business schools, already exists here.

Small businesses are adopting AI faster than they are building capability

► *Cross-sector theme: AI is impacting FTB roles*

AI adoption is running ahead of capability in the small business economy where many business workers are employed. A survey of small and medium enterprises put AI adoption at 43% in the quarter to February 2026, while 19% of these businesses said they do not know how to use AI in their business at all.¹¹⁹ The entry barrier is capability rather than access. Practical guidance such as the National AI Centre's *Guidance for AI Adoption (AI6): 6 Essential Practices* sets out how small and medium businesses can build that capability as they adopt.¹²⁰

Demand for AI skills is becoming visible in hiring. 6.2% of Australian job postings mentioned AI in February 2026, up from 3.3% a year earlier.¹²¹ Two-thirds of those postings came from a concentrated group of employers, a reminder that aggregate figures can overstate how broadly the demand is distributed, and that small businesses are mostly not yet signalling AI skills requirements through job ads even where they are adopting the technology.¹²¹

Training delivery remains the friction point. Small and medium enterprises consistently prefer micro-credentials, and skill sets over full qualifications, and FSO Workforce Roadshows confirmed that preference extends specifically to AI skills this cycle: short, applied, workplace-delivered training that a business can absorb without releasing staff for extended periods.

Singapore's answer for its sandwiched SME leaders: Enterprise Leadership for Transformation

Singapore built its program for a specific person: the owner who has grown a business past startup but is stuck below scale. Enterprise Leadership for Transformation, run by Enterprise Singapore with university partners, gives leaders of small and medium-sized enterprises over nine to 10 months of integrated, modular training, at least 30 hours of business coaching from former CEOs and industry practitioners, and a peer community of fellow SME leaders, with the participant building a growth plan for their own firm as they go. Government co-funds the majority of the fee, with eligible SME leaders paying around S\$4,200 of an average S\$26,000 fee.^{122,123}

Each cohort ends with a business growth plan, and the design leans hard on doing rather than classroom hours: coaching at every stage, fireside sessions with successful business leaders, and market immersion in the region. Published outcome evaluation is thinner than the United Kingdom's program, which is the trade-off in citing it; participation and continuation of the program are the available signals.¹²²

What the program demonstrates, independent of the evaluation, is the value of precise targeting. Broad SME leadership programs attract a diffuse audience and produce diffuse results. Designing around a specific participant, pricing the program so that participant will actually attend, and building content around their firm

rather than a generic curriculum - these are design choices available to any program, not features unique to Singapore's institutional context.

Active FSO work

- **AI Adoption Research.** Builds practical resources to help small and medium enterprise employers in finance and business adopt generative AI with confidence.
- **Uplift Digital Capability Training Product Development and Training Product Trial.** Trials a faster way of developing and delivering general digital capability training products, building materials alongside accreditation.

Compliance obligations continue to impact the sector

► Sector-specific trend

Three regulatory changes will affect business roles before the end of 2027. Mandatory climate-related financial reporting reaches its second group of entities from 1 July 2026 and its third from 1 July 2027, pulling sustainability disclosure work into governance, company secretarial and quality audit roles well beyond the large listed companies that filed first.^{124,125} Anti-money laundering obligations expand from 1 July 2026 to cover a wider range of professions for the first time.⁶⁹ Payday superannuation changes payroll processing from a quarterly cycle to every pay run, with implications for the human resources administration roles within this sector.⁸⁰

The expansion of anti-money laundering and counter-terrorism financing (AML/CTF) obligations represents a significant workforce capability challenge for professional and business services. From 1 July 2026, AML/CTF obligations apply to certain services provided by lawyers, accountants, conveyancers, real estate professionals, trust and company service providers, and dealers in precious metals and stones.⁷⁹ Businesses providing newly regulated designated services from 1 July 2026 must enrol with AUSTRAC by 29 July 2026.⁷⁹ These obligations include developing and maintaining AML/CTF programs, undertaking customer due diligence, monitoring and reporting suspicious matters, and keeping records.⁶⁹

AUSTRAC estimates the reforms will increase the regulated population from around 19,000 to close to 100,000 entities nationally.⁷⁹ Many of the affected organisations are small firms and sole practitioners that have not previously operated under the AML/CTF regime, creating new requirements for risk, governance and compliance capability within existing professional and administrative roles.¹²⁶

The workforce effects are likely to be felt primarily through capability uplift rather than workforce expansion. Existing professional, administrative, governance and client-facing roles will increasingly require AML/CTF knowledge alongside their core occupational skills.¹²⁶ CPA Australia has warned that firms which have not determined whether they are captured by the regime, understood their obligations, or decided who will manage them are placing themselves at risk, while legal professional bodies have issued guidance to help practices prepare for the additional regulatory requirements.^{126,127}

The challenge is not limited to financial services: accountants, lawyers, conveyancers and real estate professionals must now build capability in areas such as customer due diligence, risk assessment and suspicious matter reporting.^{69,127} This makes AML/CTF reform a live example of the broader workforce transition identified throughout this Plan: technology may support compliance processes, but professional judgement, risk assessment, governance and regulatory accountability remain human responsibilities.

These reforms reinforce a broader workforce trend evident across the Business sector: capability requirements are expanding within existing roles. Sustainability reporting is moving from implementation to regulator review, AML/CTF obligations now extend to a much broader group of professional services businesses, and payday superannuation is embedding new compliance requirements into payroll and administrative functions.^{79,80,124,125} The sector's qualifications in governance, auditing and legal services are well positioned to support this capability uplift, provided training products remain current.

Glossary

Term	Definition
Artificial intelligence (AI)	Digital systems that perform tasks normally requiring human judgement, such as analysing data, generating content, recognising patterns or supporting decisions.
Attrition	The rate at which workers leave an occupation or the workforce, through retirement, career change or other exits, creating demand for replacement workers.
Augmentation exposure	A measure of the potential for an occupation's tasks to be enhanced, rather than replaced, by generative AI, reported on a zero-to-one scale. Scores describe technical potential; actual adoption will vary with cost, regulation, and the value placed on human judgement. See JSA's methodology notes for full detail.
Automation exposure	A measure of the potential for an occupation's tasks to be automated by generative AI, reported on a zero-to-one scale. Scores describe technical potential; actual adoption will vary with cost, regulation, and the value placed on human judgement. See JSA's methodology notes for full detail.
Contextualisation	Adapting a nationally recognised training product so it reflects the language, systems and practices of a particular industry or workplace.
Industry	A grouping of businesses that produce similar goods or services, classified in this report using the Australian and New Zealand Standard Industrial Classification (ANZSIC).
Generative AI	A class of artificial intelligence that creates new content, such as text, code, images or audio, in response to prompts, rather than only classifying or predicting from existing data.
Sector	One of the three broad areas of work this report covers, finance, technology and business (FTB), each made up of related industries.
Occupation	A grouping of jobs involving similar tasks and skills, classified in this report using the Australian and New Zealand Standard Classification of Occupations (ANZSCO).
Core Skills Occupation List (CSOL)	The list of occupations eligible for the Core Skills stream of the Skills in Demand visa and the Direct Entry stream of the Employer Nomination Scheme. Based on the Occupation Shortage List. Does not apply to the Specialist Skills stream of the Skills in Demand visa, which is open to a broader range of occupations.
Occupation Shortage Report	The Jobs and Skills Australia publication reporting quarterly analysis on select data from the Survey of Employers who have Recently Advertised.
Occupation Shortage List	The Jobs and Skills Australia annual list of occupations assessed as in shortage, used as the basis for the Core Skills Occupation List. Distinct from the quarterly Occupation Shortage Report.
Registered training organisation (RTO)	An organisation authorised to deliver and assess nationally recognised vocational education and training.
Skill level	A measure used in ANZSCO of the formal education, training and experience typically needed to work in an occupation, ranging from skill level 1 (commensurate with a bachelor degree or higher) to skill level 5 (commensurate with a Certificate I or compulsory secondary schooling). It is an attribute of occupations, not of individuals.
Skill set	A grouping of units of competency that meets a specific workplace or licensing need, smaller than a full qualification.
Training package	A nationally endorsed set of qualifications, skill sets and units of competency for an industry, used as the basis for accredited vocational training.
Unit of competency	The smallest nationally recognised component of a training package, describing the skills and knowledge needed to perform a workplace task.
Vocational education and training (VET)	Australia's system of work-focused, nationally recognised education and training delivered below the level of a higher education degree.

Term	Definition
Workforce projections	Trend-based modelling of future workforce demand, supply, attrition, education, migration and job movement to 2035, prepared for FSO and read as a baseline rather than a prediction.

Acronyms

Acronym	Meaning
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACMA	Australian Communications and Media Authority
AI	Artificial intelligence
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASIC	Australian Securities and Investments Commission
BSB	Business Services Training Package
CPA Australia	Certified Practising Accountants Australia
CPS	Cross-industry Prudential Standard
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEWR	Department of Employment and Workplace Relations
FNS	Financial Services Training Package
FSO	Future Skills Organisation
FTB	Finance, technology and business
FY	Financial year
ICT	Information and Communications Technology Training Package
JSA	Jobs and Skills Australia
NCVER	National Centre for Vocational Education Research
OECD	Organisation for Economic Co-operation and Development
OSCA	Occupation Standard Classification for Australia
OSL	Occupation Shortage List
QILT	Quality Indicators for Learning and Teaching
RPL	Recognition of Prior Learning
RTO	Registered training organisation
SaaS	Software-as-a-service
SFIA	Skills Framework for the Information Age
TPB	Tax Practitioners Board
TPD	Training product development
VET	Vocational education and training
WEF	World Economic Forum

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Data sources

The data assets and collections drawn on in this report are labelled D1 to D11 where they are cited in the text. Visit the FSO Workforce Intelligence Platform for more information about the data. This report is based on data available in June 2026.

D1. FSO 2026, analysis of Australian Bureau of Statistics Labour Force Survey and Census data, 2015 to 2025.

- Employed workers: JSA National Industry Trended Data 3-digit ANZSIC. The proportion of 4-digit ANZSIC is calculated from the 2011, 2016, 2021 Census and the proportion is applied to the Trended Industry data to calculate the 4-digit ANZSIC Employment.
- Gender: ABS Census – Tablebuilder Census 2011, 2016, 2021. Gap years in Census data (2011, 2016, and 2021) are filled using linear interpolation. 2022–2025 data is filled using extrapolation.
- Highest education level: ABS Census — Tablebuilder Census 2011, 2016, 2021. Gap years in Census data (2011, 2016, and 2021) are filled using linear interpolation. 2022–2025 data is filled using extrapolation.

D2. FSO 2026, analysis of Australian Bureau of Statistics Labour Force Survey and Census data, 2015 to 2025.

- Employed workers: JSA National Occupation Trended Data. Data comes from the trended data published by the JSA (quarterly). November quarter number is used as yearly number.
- Gender: ANZSCO 4-digit occupations: ABS, Labour Force Survey, four-quarter average data, customised report.
- First Nations workers: ABS Census — Tablebuilder Census 2011, 2016, 2021. Gap years in Census data (2011, 2016, and 2021) are filled using linear interpolation. 2022–2025 data is filled using extrapolation.
- Highest education level: ABS Census – Tablebuilder Census 2011, 2016, 2021. Gap years in Census data (2011, 2016, and 2021) are filled using linear interpolation. 2022–2025 data is filled using extrapolation.

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D11. JSA 2025, *Occupation Shortage List*, occupation shortage ratings and shortage drivers, latest edition authoritative. Visit [JSA interactive table](#) to access the data.