Australian Government | Jobs and Skills Australia

JSA Submission to the Tasmanian Government's Economic Diversification and Investment Strategy

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Introduction

Jobs and Skills Australia (JSA) welcomes the opportunity to contribute to the Tasmanian Government's consultation as part of their Economic Diversification and Investment Strategy (the Strategy). This submission outlines relevant JSA data and intelligence, and JSA's Regional Roadmap.

About Jobs and Skills Australia

JSA was established in November 2022 as an independent statutory authority, under the Commonwealth Department of Employment and Workplace Relations. JSA's legislated functions include providing advice on Australia's labour market, regional jobs and skills, and workforce development. JSA is responsible for providing advice to the Australian Government on current, emerging and future labour market, workforce, skills and training needs.

JSA operates with a core commitment to tripartite engagement and partnerships with unions, industry, governments and education and training providers. This approach recognises that workforce challenges are best addressed through collaboration between employers, workers, policy makers and the education and training system.

Tasmania's Workforce Context

Tasmania's workforce challenges are shaped by a set of structural demographic and labour market trends that influence both the supply of workers and the types of skills increasingly required across the state. These trends provide important context for understanding Tasmania's labour market performance and future workforce needs.

Population growth in Tasmania has slowed markedly in recent years. Annual population growth peaked at around 2.0% in both 2018 and 2019 but had fallen to 0.3% over the year to June 2025.[1] This slowdown reduces the scope for labour force expansion and places greater pressure on the availability of workers, particularly in regions already experiencing recruitment challenges.

At the same time, Tasmania has one of the oldest populations in Australia and continues to experience ongoing population ageing. Population growth in recent years has been concentrated among older age cohorts, while growth among younger and core working-age residents has been comparatively weak. These trends are expected to continue over coming decades, with Tasmania's median age projected to increase from around 41.9 years in 2023 to 48.8 years by 2053.[2] These demographic changes have important implications for labour supply, workforce participation and the future composition of labour demand.

An ageing population affects the labour market in two important ways. First, it places downward pressure on labour supply as a greater proportion of the population approaches

[1] ABS, Regional population, 2024-25.

[2] Tasmanian Government, Department of Treasury and Finance, Tasmanian and Local Government Area Population Projections – 2023 to 2053 Final Report and Results May 2024.

retirement age. Second, it contributes to growing demand for workers in industries such as health care, aged care and personal services, which are already among some of Tasmania's largest and fastest-growing employment sectors.

The significance of these trends is reflected in employment projections for the state. While employment in Tasmania is projected to continue growing over the decade to 2035, the majority of future job openings are expected to arise from replacement demand rather than new job creation.[3] Around three-quarters of projected job openings are expected to result from the need to replace workers leaving the labour force, highlighting the importance of workforce attraction, participation, retention and skills development in maintaining workforce capacity.

Taken together, these demographic and workforce trends suggest that future workforce challenges in Tasmania are likely to be shaped not only by the creation of new jobs, but increasingly by the need to sustain labour force participation, replace retiring workers and ensure that workforce capability keeps pace with changing industry needs. These trends provide important context for the JSA data and evidence outlined below.

JSA Workforce Data and Intelligence

JSA holds a broad range of data and intelligence that can support the Tasmanian Government as it develops and implements the Strategy. This includes detailed information on labour demand, recruitment activity, workforce participation, regional labour market conditions, training outcomes, skills needs and employer experiences. Taken together, these sources can help identify where labour and skills pressures are most acute, where participation and training pathways could be strengthened, and where investment may be best targeted to support economic diversification and inclusive growth. The section below provides an overview of the key sources of JSA data and evidence that may be relevant to the Tasmanian Economic Diversification and Investment Strategy.

JSA ATLAS

JSA's Jobs and Skills Atlas (Atlas) is an interactive data platform that brings together labour market information from Jobs and Skills Australia, the Australian Bureau of Statistics and other sources into a single, place-based tool. Atlas enables users to explore labour market conditions at both the national, state and regional levels (ABS ASGS SA4 classification) across occupations, skills and industries, providing a comprehensive view of workforce trends and economic activity.

The platform includes information on unemployment and participation rates, population characteristics, job vacancies, industry employment, occupational demand and skills needs, helping users understand regional labour market dynamics and identify emerging workforce challenges and opportunities.

By supporting comparisons across regions and industries, Atlas can assist the Tasmanian Government to identify areas of workforce strength and constraint, inform evidence-based

[3] Victoria University, CEET and VUEF models for labour market forecast, 2026-2035.

policy development, and target investments that support economic diversification and long-term workforce development.

Regional Labour Market Indicator

JSA's Regional Labour Market Indicator (RLMI) brings together key indicators of labour market capacity from both an employee and employer perspective into a single measure of regional performance. RLMI helps identify where labour markets are tight, where participation is constrained, and where employers face the greatest difficulty sourcing workers. For Tasmania, this type of composite measure supports better targeting of policy responses across locations with very different labour market dynamics.
Regions are categorised by their labour market performance, ranging from 'poor' to 'strong' (relative to the national average), providing a reliable view of regional labour market performance.

> Tasmania is currently the only state or territory where all regions are rated as either 'below average' or 'poor'.[4] This reflects a longstanding trend, with these ratings having been consistently assigned across Tasmania's regions for almost the past decade. The regions outside of Hobart continue to experience greater levels of disadvantage reflecting structural and demographic challenges.

VET National Data Asset

JSA also works with the Australian Bureau of Statistics on the Vocational Education and Training National Data Asset (VNDA). VNDA links administrative datasets to track the employment, earnings and further study outcomes of VET students. This enables deeper analysis of how training translates into workforce outcomes and which pathways deliver the strongest results for learners and employers. For Tasmania, VNDA may support evidence-based planning about where training investment may be likely to lift participation and meet skill demand.

For domestic, non-school students who completed a nationally recognised VET qualification in Tasmania during the financial year 2020-21, VNDA finds in the year following course completion there is:

- A median income uplift of $16,100[5]
- An income support exit rate of 43%
- A 91% employment rate

Recruitment Experiences and Outlook Survey

JSA's Recruitment Experiences and Outlook Survey (REOS) shows that labour market pressures in Tasmania are particularly acute. In the June quarter 2026, Tasmania recorded the lowest recruitment rate of all states and territories, with 40% of employers either recruiting or having recruited in the previous month.[6] It also reported the highest recruitment difficulty rate at 56%, highlighting significant challenges in filling vacancies. Reflecting this,

[4] Jobs and Skills Australia, Regional Labour Market Indicator, March 2026.

[5] Jobs and Skills Australia, VET National Data Asset, VET graduate outcomes 2020-21 qualification completers, 2026.

[6] Jobs and Skills Australia, Recruitment and Employer Outlook Survey, June quarter 2026.

only 10% of Tasmanian employers expect to increase staff over the coming quarter, a decrease of 10 percentage points over the past year.

Employment Projections

JSA's Employment Projections provide an evidence-based view of future workforce demand at the state level and by occupation, supporting workforce planning and policy development. These projections were produced in collaboration with Victoria University using the Victoria University Employment Forecasting (VUEF) model.

The projections indicate that employment in Tasmania is expected to grow by around 20,400 jobs (7.2%) over the 10 years to May 2035, reflecting continued demand for workers across the state economy.[7] However, this is below the total employment growth anticipated for Australia over this period (13.3%).

The projections also provide insights into the industries and occupations expected to experience the strongest growth, helping governments, industry and education providers anticipate future skills needs and align workforce development efforts accordingly. For Tasmania, this information can support strategic investment decisions, workforce attraction activities and the development of training pathways in sectors expected to drive future employment growth.

Internet Vacancy Index

JSA's Internet Vacancy Index (IVI) is Australia's longest continuous vacancy data series, providing a monthly measure of employer recruitment activity based on online job advertisements. Commencing in 2006, the IVI offers a consistent and timely indicator of labour demand over almost two decades, enabling users to analyse how recruitment conditions have changed through different economic cycles, labour market shocks and periods of growth. As a long-running series, the IVI provides valuable context for understanding whether current labour demand is high, low or broadly in line with historical trends.

A particular strength of the IVI is the level of occupational detail available. Users can examine recruitment activity across occupations (both ANZSCO4 and ANZSCO2), skill levels and regions, allowing for a more nuanced understanding of workforce demand than is possible through headline labour market indicators alone. This information can help identify occupations experiencing sustained recruitment pressure, emerging workforce needs and changing patterns of employer demand across different parts of the economy.

For Tasmania, the IVI can provide an important evidence base for workforce planning and economic diversification initiatives. By examining vacancy trends at the occupational level, policymakers can better understand which occupations are experiencing the strongest demand, where labour shortages may emerge, and which sectors are likely to require additional workforce development efforts. This level of detail can support decisions relating to skills investment, migration, training delivery and workforce attraction strategies.

The IVI is also valuable when considered alongside other JSA datasets, including employment projections, labour force data and regional labour market indicators. Together, these datasets provide a more comprehensive picture of both current and future workforce

[7] Jobs and Skills Australia, Employment Projections - May 2025 to May 2035, produced by Victoria University for Jobs and Skills Australia, 2025.

needs. While employment projections provide insights into longer-term workforce demand, the IVI offers a near real-time measure of employer recruitment activity, helping governments and stakeholders monitor how labour demand is evolving across occupations and regions.

Total New Vacancies

Total New Vacancies (TNV) combines online job advertisements with insights from JSA employer surveys to capture vacancies that are not visible in standard datasets. This provides a more realistic picture of labour demand and recruitment pressures in regions such as Tasmania. For example, JSA's Internet Vacancy Index (IVI) (which is a count of vacancies advertised on a number of prominent internet job boards) indicates there were around 10,100 online job advertisements in Tasmania over the February quarter 2026.[8] TNV, though, estimates there were around 26,700 vacancies in the same period across all recruitment channels.[9] While both of these measures have remained relatively flat over the past year, the gap between online vacancies and total vacancies highlights that employers in Tasmania are much more likely to rely on informal and community-based networks to advertise and fill roles, rather than online job boards.

Generative AI Capacity Study

JSA's Generative AI Capacity Study provides the first whole-of-labour-market assessment of how generative artificial intelligence (Gen AI) may affect work, skills and workforce needs across Australia. The study finds that Gen AI is more likely to augment jobs than replace them, with impacts expected to vary across occupations, industries, regions and cohorts of workers. For Tasmania, the study can help identify sectors and occupations most exposed to technological change, supporting proactive workforce planning, skills development and training investment. The study also highlights the importance of ensuring workers and businesses have access to the skills needed to adapt to emerging technologies and realise the productivity benefits associated with AI adoption. This provides a valuable evidence base for understanding how AI may influence Tasmania's future workforce and skills requirements.

Gender Economic Equality Study

JSA's Gender Economic Equality Study examines the drivers of gender differences in workforce participation, earnings and career opportunities across Australia's labour market. The research highlights how workforce participation, caring responsibilities, occupational segregation and access to flexible work can influence labour market outcomes and the availability of skills across industries and regions.

The study provides insights relevant to Tasmania's Economic Diversification and Investment Strategy, particularly as demographic change and population ageing increase the importance of maximising workforce participation. Understanding barriers to participation and progression can help inform policies aimed at expanding the available workforce, addressing skill shortages and supporting long-term economic growth.

[8] Jobs and Skills Australia, Internet Vacancy Index, June 2026, seasonally adjusted data.

[9] Jobs and Skills Australia, Total New Vacancies, February quarter 2026.

JSA's Regional Jobs and Skills Roadmap

Recognising the distinct challenges and opportunities across regional and remote Australia, JSA released the Jobs and Skills Roadmap for Regional Australia - Phase 1 in July 2025.[10] The Roadmap provides a national strategic framework to enhance the equity, effectiveness and efficiency of the regional jobs and skills system now and into the future.

JSA's engagement with stakeholders in Tasmania

Since the release of Phase 1, JSA has continued to engage closely with Tasmanian stakeholders through regional roundtables held in Launceston and Hobart, as well as ongoing discussions with representatives from government, industry, education and community organisations. These consultations highlighted Tasmania's strong tradition of collaboration across the jobs and skills system and reinforced the value of place-based approaches that align workforce, education and economic development priorities.

JSA also welcomed the Tasmanian Government's formal submission to the Roadmap and subsequent correspondence from Felix Ellis, Tasmania's Minister for Skills and Jobs, which outlined opportunities to strengthen coordination, improve participation and better align the jobs and skills system across sectors. Following the submission, JSA representatives, including the JSA Commissioner, met with Minister Ellis and Tasmanian officials to discuss shared priorities and opportunities for continued collaboration. These engagements have helped inform JSA's understanding of regional workforce challenges and the state's ambition to further develop a coordinated and place-based approach to jobs and skills policy.

Key insights for Tasmania

A central message of the Roadmap is that the skills needs of regional and remote areas often differ from those of major cities. The Roadmap provided a nationally consistent framework for assessing labour market and skills outcomes across Regional Australia, grounded in a shared vision and common evaluative metrics. Applying this framework to Tasmania enables a targeted assessment of regional workforce conditions, while maintaining comparability with national and state-level benchmarks.

Example areas identified under the Roadmap framework where Tasmania relatively outperforms include:

- strong apprenticeship completion outcomes (61.3%),[11] and
- a higher vacancy fill rate (70.1%).[12]

However, in a number of areas, Tasmania is lagging, including:

- an unemployment rate of 4.9%, the second highest of any state or territory[13]

[10] Jobs and Skills Australia, Jobs and Skills Roadmap for Regional Australia – Phase 1, July 2025.

[11] NCVER, 2024, Apprentices and trainees 2024 – March quarter estimates, unpublished data

[12] JSA, Survey of Employers who have recently advertised (SERA), 12 month averages (national and GCCSA), JSA, Recruitment Experiences and Outlook Survey (REOS).

[13] Ibid.

- the lowest labour force participation rate in Australia (at 60.6%)[14], and
- a particularly high unemployment rate among prime age workers in Hobart with a Bachelor degree or higher (7.2% unemployed),[15] indicating poor skill utilisation.

These metrics highlight how data and evidence can help inform policy and planning.

Moving towards more detailed, regional data

A key priority in JSA's next phase of regional analysis has been developing regional-level insights through an interactive dashboard to support a more place-based understanding of jobs and skills challenges and opportunities. This tool will provide regional level data for Tasmania under the Roadmap framework.

JSA is currently working towards releasing the next stage of this work at the Wodonga JSA Roadshow 2026 event on 10 November, noting that this timing remains subject to change.

Conclusion

JSA recognises the Tasmanian Government's ambition to establish an overarching economic framework that aligns investment, productivity, participation and regional opportunity. The draft Strategy's recognition that long-term growth depends on the connected drivers of population, participation and productivity is consistent with JSA's view that workforce, skills and labour market settings are central to sustainable economic development.

JSA has a wide range of data and evidence that may be useful in informing the Strategy and supporting more targeted, place-based policy design. Labour market indicators, employer surveys, training outcomes, regional analysis and emerging work on participation and foundation skills provide relevant evidence on where barriers to employment and productivity are most persistent, where skills investment may have the greatest impact, and how regional opportunities can be better connected to workforce development.

JSA appreciates the opportunity to provide a submission to the Tasmanian Government as part of this process.

[14] Ibid.

[15] ABS, Census of Population and Housing, 2021.